PROSPECTUS DATED 30 JULY 2020
pursuant to article 2, paragraph 3, of Italian Law no. 130 of 30 April 1999

LANTERNA MORTGAGE S.R.L.

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

Euro 173,891,000 Class A1 Residential Mortgage Backed Floating Rate Notes due January 2065

Euro 11,179,000 Class A2 Residential Mortgage Backed Floating Rate Notes due January 2065

Euro 69,034,000 Class J Residential Mortgage Backed Fixed Rate Notes due January 2065

Issue Price: 100.00%

This prospectus (the "**Prospectus**") contains information relating to the issue by Lanterna Mortgage S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated pursuant to Italian Law no. 130 of 30 April 1999 (hereafter the "**Securitisation Law**"), whose registered office is located in Genoa, at Via Cassa di Risparmio, No. 15, Italy, fiscal code and enrolment with the companies register of Genoa number 09342920965 and registered in the register of special purpose vehicles held by the Bank of Italy in accordance with the regulation of the Bank of Italy dated 7 June 2017 *(Disposizioni di vigilanza in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*) (the "**Issuer**") of Euro 173,891,000 Class A1 Residential Mortgage Backed Floating Rate due January 2065 (the "**Class A1 Notes**"), the Euro 11,179,000 Class A2 Residential Mortgage Backed Floating Rate due January 2065 (the "**Class A2 Notes**" and, together with the Class A1 Notes, collectively the "**Class A Notes**"or the "**Senior Notes**") and Euro 69,034,000 Class J Residential Mortgage Backed Fixed Rate Notes due January 2065 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Class A Notes, the "**Notes**").

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

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

The Notes will be issued on 31 July 2020 (the "**Issue Date**") by the Issuer pursuant to the terms provided in the terms and condition of the Notes (the "**Conditions**") in the context of a securitisation of receivables arising out of mortgage loan agreements (the "**Loan Agreements**") entered into or acquired by Banca Carige S.p.A. ("**Banca Carige**") and Banca del Monte di Lucca S.p.A. ("**BML**" and, together with Banca Carige, the "**Originators**" and each an "**Originator**") (the "**Transaction**"). On 16 July 2020 the Issuer purchased (i) from Banca Carige, the Banca Carige Portfolio and (ii) from BML, BML Portfolio (each an "**Individual Portfolio**", and collectively the "**Portfolio**"), pursuant to the Receivables Transfer Agreement. The Purchase Price of the Portfolio will be financed by the Issuer through the issuance of the Notes.

The principal source of payment of interest and repayment of principal on the Notes, as well as payment of the Premium (if any) on the Junior Notes, will be the Collections received or recovered in respect of the Portfolio. By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Portfolio, any claim of the Issuer which has arisen in the context of the Transaction, their collections and the financial assets purchased using those fund will be segregated from all other assets of the Issuer (including any other portfolio of receivables purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer (whether in the context of an insolvency proceeding or otherwise) to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Transaction.

Interest on the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date, being the 28th day of January, April, July and October of each year or, if such day is not a Business Day, the immediately following Business Day, *provided that* the first Payment Date will be 28 October 2020. The rate of interest applicable to the Class A Notes for each Interest Period shall be the rate per annum to be determined in accordance with Condition 5 (*Interest*). The Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the following margins above Euribor for three months deposits in Euro (except in respect of the initial Interest Period where an interpolated interest rate based on interest rates for one month and three months deposits in Euro will be substituted to Euribor for three months deposits in Euro): Class A1, 0.80 per cent. *per annum*; Class A2: 1.50 per cent. *per annum*; and Class J: 3 per cent. *per annum*, ***provided that***, in each case, if the Rate of Interest is less than zero, it shall be deemed to be zero and, with respect to the Class A1 Notes only, if the Rate of Interest is higher than 2.5%, it shall be deemed to be 2.5%.

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originators, the Servicers, the Back-up Servicer, the Corporate Servicer, the Account Banks, the Calculation Agent, the Principal Paying Agent, the Representative of the Noteholders, the Quotaholders, the Arranger, the Class A Noteholders or the Class J Noteholders. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

As of the Issue Date, the Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depositary for Euroclear and Clearstream. The Notes will at all times be evidenced by book-entries in accordance with the provisions of article 83-*bis* and following of the Legislative Decree No. 58 dated 24 February 1998, as amended (the "**Consolidated Financial Act**") and the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018 and published on the Official Gazzette No. 201 of 30 August 2018 (as subsequently amended). No physical document of title will be issued in respect of the Notes.

Before the Final Maturity Date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 6 (*Redemption, Purchase and Cancellation*)). Unless previously redeemed in full or cancelled in accordance with the relevant Terms and Conditions, the Notes will be redeemed on the Final Maturity Date, being the Payment Date falling in January 2065.

The Class A1 Notes are expected, on issue, to be rated "AA (sf)" by DBRS Ratings GmbH ("**DBRS**") and " A+ (sf)" by Standard and Poor's Ratings Services ("**S&P**" and, together with DBRS, collectively the "**Rating Agencies**") and the Class A2 Notes are expected, on issue, to be rated "AA (low) (sf)" by DBRS and "A+ (sf)" by S&P. It is not expected that the Junior Notes will be assigned a credit rating. As at the date of this Prospectus, each of the Rating Agencies is established in the European Union and is registered in accordance with the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended from time to time (the "**CRA Regulation**"), as evidenced in the latest update of the list of credit rating agencies registered in accordance with the CRA Regulation published by ESMA on its website (currently located at the following website address http://www.esma.europa.eu/page/List-registered-and-certified-CRAs, for the avoidance of doubt, such website does not constitute part of this Prospectus).

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

As at the date of this Prospectus, payments in respect of the Notes may be subject to withholding or deduction for or on account of Italian substitute tax (a "**Decree 239 Deduction**"), in accordance with Italian Legislative Decree No. 239 of 1 April 1996, (as amended, the "**Decree 239**"). If a Decree 239 Deduction or any other deduction or withholding for or on account of tax is applicable to payments of interest, other proceeds and/or repayments of principals on the Notes, such payments and/or repayments will be made subject to such withholding or deduction without the Issuer or any other person being obliged to pay any additional amounts as a consequence thereof. For further details see the section entitled "*Taxation*".

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

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

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

BENCHMARK REGULATION – Interest amounts payable on the Notes will be calculated by reference to Euribor which is provided by the European Money Markets Institute ("**EMMI**"), registered with the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to the article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**"). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Prospectus to reflect any change in the registration status of the administrator.

Each prospective investor is required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with article 5 of the EU Securitisation Regulation, and none of the Issuer, the Originators, nor the Arranger, makes any representation that the information described in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective investor should ensure that it complies with any implementing provisions in respect of article 5 of the EU 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. Please refer to the sections entitled "*Compliance with STS Requirements*" and "*Regulatory Disclosure and Retention Undertaking*" for further information.

STS SECURITISATION – The Transaction is intended to qualify as an STS-securitisation within the meaning of article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the EU Securitisation Regulation. Consequently, the Transaction is intended to meet, on the date of this Prospectus, the requirements of articles 19 to 22 of the EU Securitisation Regulation and the Originators, as originators, intend to submit on or about the Closing Date a notification to the ESMA for the Transaction to be included in the list published by ESMA as referred to in article 27(5) of the EU Securitisation Regulation. Each Originator, as 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 EU Securitisation Regulation, to verify whether the Transaction complies with articles 19 to 22 of the EU Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Issue Date. No assurance can however be provided that the Transaction (i) does or continues to comply with the EU Securitisation Regulation, (ii) does or will at any point in time qualify as an STS-securitisation under the EU Securitisation Regulation or that, if it qualifies as a STS-securitisation under the EU Securitisation Regulation, it will at all times continue to so qualify and remain an STS-securitisation under the EU 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 EU Securitisation Regulation. None of the Issuer, the Arranger, the Originators, the Servicers or any other party to the Transaction makes any representation or accepts any liability in that respect.

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

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THEREFORE MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR FEDERAL SECURITIES LAWS. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT. IN ADDITION, THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE NOTES ARE NOT TRANSFERABLE EXCEPT UPON SATISFACTION OF CERTAIN CONDITIONS AS DESCRIBED UNDER "SUBSCRIPTION SALE AND SELLING RESTRICTIONS" HEREIN.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE ORIGINATORS AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15 OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS DIFFERENT FROM THE DEFINITION OF "U.S. PERSON" IN REGULATION S, AND 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 NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF THE ORIGINATORS), (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.

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

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

Arranger

NatWest Markets

RESPONSIBILITY STATEMENTS

None of the Issuer, the Arranger or any other party to the Transaction Documents has undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by the Originators to the Issuer; nor has any of the Issuer, the Arranger or any other party to the Transaction Documents undertaken, nor will they undertake, any investigations, searches, or other actions to establish the creditworthiness of any Debtor. In the Warranty and Indemnity Agreement each Originator has given certain representations and warranties to the Issuer in relation to, inter alia, the Receivables, the Loan Agreements and the Debtors.

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

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

Banca Carige accepts responsibility for the information relating to itself contained in the sub-section entitled "The Principal Parties" of the section entitled "Transaction Overview Information" and the section entitled "The Corporate Servicer and the Account Bank In Relation to Banca Carige Accounts". To the best of the knowledge and belief of Banca Carige (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of Banca Carige and BML has provided the historical data used as assumptions to make the calculations contained in the section headed "Expected Average Duration of the Senior Notes" on the basis of which the information and assumptions contained in the same section have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. The Issuer accepts responsibility for the other information and assumptions contained in such section as described above. To the best of the knowledge of each of Banca Carige and BML (each of which has taken all reasonable care to ensure that such is the case), the information and data in relation to which each is responsible as described above are in

accordance with the facts and do not contain any omission likely to affect the import of such information and data.

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

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

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

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

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

No action has or will be taken which would allow an offering (or an "offerta al pubblico di prodotti finanziari") of the Notes to the public in the Republic of Italy unless in compliance with the relevant securities, tax and other applicable laws, orders, rules and regulations.

Accordingly, the Notes may not be offered, sold or delivered and neither this document nor any other offering material relating to the Notes may be distributed or made available to the public in the Republic of Italy. For a description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus see the section entitled "Subscription, Sale and Selling Restrictions" below.

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

None of the Issuer, the Originators, the Arranger or any of their representatives is making any representation to any purchaser of the Notes described by this Prospectus regarding the legality of an investment by such purchaser under appropriate legal, investment or similar laws. Prospective purchasers should consult with their advisers as to the legal, tax, business, financial and related aspects of purchase of the Notes.

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

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

Interest amounts payable on the Notes will be calculated by reference to Euribor which is provided by the European Money Markets Institute ("EMMI"), registered with the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to the article 36 of the Regulation (EU) No. 2016/1011 (the "Benchmark Regulation"). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Prospectus to reflect any change in the registration status of the administrator.

The Notes constitute direct limited recourse obligations of the Issuer. By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Portfolio and to any sums collected therefrom will be segregated from all other assets of the Issuer (including any other portfolio of receivables purchased by the Issuer pursuant to the Securitisation Law in the context of any other securitisation transaction) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer (whether in the context of an Insolvency Proceeding or otherwise), to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Transaction. The Noteholders will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable Priority of Payments.

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

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

*All references in this Prospectus to "**Euro**", "**euro**", "**cents**" and "**€**" 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; references to "**Italy**" are to the Republic of Italy; references to laws and regulations are to the laws and regulations of Italy; and references to "billions" are to thousands of millions.*

The language of this Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Prospectus.

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

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RISK FACTORS

Investing in the Notes involves certain risks. The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes. Most 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. In addition, factors which are material for the purpose of assessing the market risks associated with Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

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

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

RISK FACTORS IN RELATION TO THE ISSUER

Limited liability under the Notes

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

Limited resources of funds to make payments under the Notes

The Issuer is a special purpose entity with no business operations other than the issue of the Notes, the entering into of the Transaction Documents and the transactions ancillary thereto. The assets of the Issuer will themselves be limited. The Issuer has no operating history, other than the business relating to the Previous Securitisation (which has been unwound and terminated).

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

Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes (including, without limitation, those costs and expenses required to preserve the corporate existence and status of the Issuer, maintain it in good standing, or comply with any applicable law or regulation). Consequently, there is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Final

Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes or to repay the Notes in full. If the Issuer is required to comply with certain obligations under applicable law or regulation (including, without limitation, EMIR and/or FATCA) which may give rise to additional costs and expenses for the Issuer, this may in turn reduce amounts available to make payments with respect to the Notes.

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

Liquidity and credit risk

The Issuer is subject to a liquidity risk in case of delay between the scheduled payment dates and the actual receipt of payments from the Debtors. This risk is addressed in respect of the Notes through the support provided to the Issuer in respect of payments on the Notes by the amounts standing to the credit of the General Reserve Account.

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

The Issuer is also subject to the risk of default in payment by the Debtors and of the failure to realise or to recover sufficient funds in respect of the relevant Loans in order to discharge all amounts due from such Debtors under the Loan Agreements. For the Senior Notes this risk is mitigated by the liquidity and credit support provided by (a) the subordination of the Junior Notes and (b) prior to the delivery of a Trigger Notice, the amounts standing to the credit of the General Reserve Account.

However, in each case, there can be no assurance that the levels of collections and recoveries received from the Portfolio together with the liquidity support provided by the positive balance of the General Reserve Account will be adequate to ensure that the Issuer will punctually and completely pay any amounts due under the Notes.

Finally, in some circumstances (including after service of a Trigger Notice), the Issuer could attempt, or be required, to sell the Portfolio. Even in this case, the Issuer cannot ensure that the amount received in respect of such sale would be sufficient to pay interest and repay the principal of the Notes in full.

Commingling risk

Pursuant to article 3, paragraph 2-bis of Securitisation Law, as amended by law decree number 91 of 24 June 2014, no actions by persons other than the holders of the relevant securities can be brought on the accounts opened in the name of the special purpose vehicle with the account bank or the servicer, where the amounts paid by the debtors and any other sums paid or pertaining to the special purpose vehicle under the transactions ancillary to the transaction or

otherwise under the transaction documents are credited. Such amounts may be applied by the relevant special purpose vehicle exclusively in payment of (i) amounts due by the special purpose vehicle to the holder of the relevant securities; (ii) amounts due by the special purpose vehicle to any counterparty of any derivative transaction entered into by the special purpose vehicle in connection with the transaction for the purposes of hedging risks relating to the receivables and securities assigned; and (iii) the other creditors of the special purpose vehicle with respect to other costs incurred by the special purpose vehicle in connection with the transaction. In case of any proceedings pursuant to Title IV of the Banking Law, or any bankruptcy proceedings (*procedura concorsuale*) involving the bank with which such accounts are opened, the sums credited to such accounts (whether before or during the relevant insolvency proceeding) shall not be subject to suspension of payments and shall be immediately and fully repaid to the special purpose vehicle, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*).

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

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

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

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

Issuer's ability to meet its obligations under the Notes

The Issuer will not as of the Issue Date have any significant assets other than the Portfolio and the other Issuer's rights under the Transaction Documents.

The ability of the Issuer to meet its obligations in respect of the Notes will depend on (i) the receipt by the Issuer of collections and recoveries made on its behalf by the Servicers from the Portfolio and (ii) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

There is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the delivery of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest and repay the principal of the Notes in full.

If there are not sufficient funds available to the Issuer to pay interest and repay the principal of the Notes in full, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Indeed, 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. After the Notes have become due and payable following the delivery of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of the Noteholders of the Issuer's rights under the Transaction Documents. If there are not sufficient funds available to the Issuer to pay interest and repay the principal of the Notes in full, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts.

Further Securitisation

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Portfolio, subject to compliance with the Conditions of the Notes.

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

Certain material interests

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

Any of the Arranger, the Senior Noteholders and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Originators and their respective affiliates in the ordinary course of business. Certain parties to the Transaction may perform multiple roles. Banca Carige is, in addition to being an Originator, also the Master Servicer, the Corporate Servicer, the Account Bank In Relation To Banca Carige Accounts, a Senior Notes Initial Subscriber and a Junior Notes Initial Subscriber. BML is, in addition to being an Originator, also the Additional Servicer, a Senior Notes Initial Subscriber and a Junior Notes Initial Subscriber. BNYM, Milan

Branch is acting as Transaction Account Bank and Principal Paying Agent. Zenith Services S.p.A. is acting as Representative of the Noteholders and Back-Up Servicer.

The Originators in particular may hold and/or service claims against the Debtors other than the Receivables. Even though under the Servicing Agreement the Servicers have undertaken to renegotiate the terms of the Loan Agreements and/or enter into settlement agreements with the Debtors only having regard primarily to the interests of the Issuer and the Noteholders, it cannot be excluded that, in certain circumstances, a conflict of interest may arise with respect to other relationships with the same Debtors.

The interests or obligations of the aforementioned parties, in their respective capacities with respect to such other roles, may in certain aspects conflict with the interests of the Noteholders. In addition, Banca Carige in its capacity as Junior Notes Initial Subscriber and in general as holder of any Class of Notes, may exercise its voting rights subject to the exceptions described under the Rules in respect of the Notes held by it also in a manner that may be prejudicial to other Noteholders. In this regard, however, prospective investors shall consider that in certain circumstances, better described under the Rules, those Notes which are for the time being held by the Originator shall (unless and until ceasing to be so held) be deemed not to remain "outstanding".

Eligible Investments may not be fully recoverable in certain circumstances

Following its opening in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, amounts standing to the credit of the Investment Account may be invested in Eligible Investments (in accordance with the instruction provided by the Master Servicer). The investments must have appropriate ratings depending on the term of the investment and the term of the investment instrument, as provided by the Eligible Investment definition. However, it may be that, irrespective of any such rating, such investments will be irrecoverable due to the insolvency of the debtor under the investment.

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

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

Subordination

In respect of the obligation of the Issuer to pay interest and repay principal on the Notes, the Conditions provide for the respective priority and subordination of the different Classes of

Notes. In this respect, Noteholders should have particular regard to the sub-section headed "Credit Structure" in the section "*Transaction Overview Information*" below in determining the likelihood or extent of any shortfall of funds available to the Issuer to meet payments of interest and or repayment of principal on the Notes.

Claims of unsecured creditors of the Issuer

By virtue of the operation of article 3 of the Securitisation Law and of the Transaction Documents, the right, title and interest of the Issuer in and to the Portfolio and under the Transaction Documents will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer in the context of the First Transaction and/or any further securitisation pursuant to the Securitisation Law) and amounts deriving therefrom (once, and until, credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will be only available, both prior to and on or following a winding up of the Issuer, in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Transaction. Amounts deriving from the Portfolio (once, and until, credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will not be available to any other creditors of the Issuer whose costs were not incurred in connection with the Transaction. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued in the context of any other securitisation transaction nor to finance any other securitisation transaction or to general creditors of the Issuer.

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

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

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

The Issuer is unlikely to have a large number of creditors unrelated to the Transaction or any further securitisation because (a) the corporate object of the Issuer, as contained in its by-laws (*statuto*) is very limited and (b) the Issuer must comply with certain covenants provided for by the Conditions which contain restrictions on the activities which the Issuer may carry out (including incurring further substantial debt), with the result that the Issuer may only carry out limited transactions in connection with the Transaction and, subject to the satisfaction of Condition 3(xiv) (*Covenants - Further securitisations*), further securitisations. Accordingly, the Issuer is less likely to have creditors who would have a claim against it other than the ones related to any other securitisation, the Noteholders and the Other Issuer Creditors (all of whom have agreed to non-petition provisions contained in the Transaction Documents) and the other third party creditors in respect of any taxes, costs, fees or expenses incurred in relation to such securitisations and in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation.

To the extent that the Issuer incurs any Expense, the Issuer has established the Expenses Account into which, respectively, the Retention Amount shall be credited on the Issue Date and replenished on each Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled in accordance with the applicable Priority of Payments and out of which payments of the aforementioned Expenses shall be made during any Interest Period. To the extent that funds to the credit of the Expenses Account are not sufficient to meet the aforementioned Expenses during any Interest Period, the Issuer would nevertheless pay such amount to such parties on the immediately following Payment Date under item (i) (*First*) of the Priority of Payments. Notwithstanding the foregoing, there can be no assurance that, if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Notes.

Reliance on agents

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

Rights available to holders of Notes of different Classes

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

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

the Noteholders will determine interests viewing the holders of any particular Class of Notes as a whole.

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

RISK FACTORS IN RELATION TO THE NOTES

Ratings of the Senior Notes

The ratings assigned to the Senior Notes by the Rating Agencies take into consideration the structural and legal aspects associated with the Senior Notes and the underlying receivables, the credit quality of the receivables, the extent to which the borrowers' payments under the receivables are adequate to make the payments required under the Senior Notes as well as other relevant features of the structure, including the credit situation of certain parties involved in the Transaction. The Rating Agencies' ratings reflect only the view of that Rating Agency. Each rating assigned to the Senior Notes addresses the likelihood of full and timely payment to the holders of the Senior Notes of all payments of interest on the notes when due and the ultimate repayment of principal on the final maturity date of the Senior Notes.

It is not certain whether the receivables and/or the Senior Notes will perform as expected or whether the ratings will be reduced, withdrawn or qualified in the future as a result of a change of circumstances, deterioration in the performance of the receivables, errors in analysis or otherwise. None of the Issuer, the Originators (or their affiliates) will be obliged to replace or supplement any credit enhancement or to take other action to maintain the ratings of the Senior Notes.

A change in rating methodology or future events, including events affecting certain parties involved in the Transaction such as the Transaction Account Bank and the Servicers could also have an adverse effect on the rating of the Senior Notes.

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

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

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

(iii) whether an investment in the Senior Notes is a suitable investment for a Noteholder.

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

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

requires, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes unless such credit rating agency is registered, or endorsed by a rating agency, under the CRA Regulation. As of the date of this Prospectus, all the Rating Agencies are incorporated in the European Union and have been registered in compliance with the requirements of Regulation (EC) No 1060/2009 of the CRA Regulation.

A rating is therefore not a recommendation to purchase, hold or sell the Senior Notes. Also in light of all the above, there is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the sole judgement of the Rating Agencies, the credit quality of the Senior Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Senior Notes.

Yield to maturity, weighted average life of the Notes and payment considerations

The yield to maturity and the weighted average life of the Notes will depend on, *inter alia*, the amount and timing of repayment of principal under the Receivables.

In addition to the above, the yield to maturity and the weighted average life of the Notes will depend on a number of factors, among which, the rate of prepayment, delinquency and default on the Receivables, the exercise by the Originators of their right to repurchase individual Receivables or the outstanding Portfolio pursuant to the Receivables Transfer Agreement, the renegotiation by the Servicers of any of the terms and conditions of the Loan Agreements in accordance with the provisions of the Servicing Agreement and/or the exercise of the optional redemption pursuant to Condition 6 (*Redemption, Purchase and Cancellation – Optional Redemption*).

The impact of the factors above 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 and local and regional economic conditions and recently enacted legislation which simplifies the refinancing of loans and possible future legislations enacted to the same purpose. Therefore, the impact of the above on the yield to maturity and the weighted average life of the Notes cannot be predicted and may therefore not meet – in a negative way - the expectations of the Noteholders.

Interest rate risk

The Receivables have or may have (following, *inter alia*, renegotiations) interest payments calculated on a fixed rate basis or a floating rate basis (which may be different from the Euribor applicable under the Senior Notes, and may have different fixing mechanism), whilst the Senior Notes will bear interest at a rate based on the Euribor determined on each Interest Determination Date, subject to and in accordance with the Conditions. As a result, there could be a rate mismatch between interest accruing on the Senior Notes and on the Portfolio, which could determine a potential negative impact on the ability of the Issuer to timely and fully pay interest amounts due under the Notes. No hedge transactions have been entered into between

the Issuer in order to hedge the interest rate risk and such unhedged mismatch, could adversely impact the ability of the Issuer to make payments on the Senior Notes.

The following considerations should however be made, as to the interest rate risk and its mitigation: 76% of the aggregate Outstanding Principal Amount of the Receivables as at the Valuation Date derives from Loan Agreements with a fixed rate, while 24% of the aggregate Outstanding Principal Amount of the Receivables as at the Valuation Date derives from Loan Agreements with floating interest rate indexed to mostly 3 months EURIBOR followed by 6 month EURIBOR and, to a minor extent 1 month EURIBOR.

With reference to the floating rate Loan Agreements included in the Portfolio, the analysis of the historical gap between different Euribor indices has led to the conclusion that the basis risk of mismatch among 1 month Euribor, 6 months Euribor and 3 months Euribor (which is the index to which interest on the Senior Notes is linked) is limited and not material and would not have a negative impact on the Senior Notes (also on the basis of the structural features described in paragraphs (i), (ii), (iii) and (iv) below).

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

(i) the cap on the Rate of Interest on the Class A1 Notes (being 2.5%) that is very close to the weighted average interest rate of the fixed rate Loans (being 2.7%), reducing strongly the interest rate mismatch and the interest risk in case of interest rate upward movements (no cap on the Rate of Interest on the class A2 notes has been envisaged, given their limited size);

(ii) the analysis of the current interest rate forward curve for 3 months Euribor (which is the index to which interest on the Senior Notes is linked) which suggests that no hedging instrument is required on the basis that such index will remain below the weighted average fixed rate component of the Portfolio during the expected weighted average life of the Senior Notes also when considering some increasing interest rate stress scenarios;

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

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

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

Although the Issuer believes that the structural features of the Transaction and the characteristics of the Portfolio are such that the credit enhancement provided by the above elements adequately mitigate the above described risks, there can, however, be no assurance

that any such features will ensure timely and full receipt of interest amounts due under the Notes. Perspective 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.

Risks relating to Notes which are linked to "benchmarks"

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. The Benchmark Regulation was published in the Official Journal of the European Union on 29 June 2016 and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmark Regulation could have a material impact on any Notes linked to EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of any benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any securities linked to such benchmark (including but not limited to floating rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the floating rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the floating rate Notes. Investors should consider

these matters when making their investment decision with respect to the relevant floating rate Notes.

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

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

(b) if Euribor is discontinued or is otherwise unavailable, then the rate of interest on the Senior Notes will be determined for a period by the fallback provisions provided for under Condition 5.6 (*Interest - Fallback provisions*), although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks in the Euro-zone interbank market (in the case of Euribor), may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when Euribor was available.

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

Suitability

Structured securities, such as the Senior Notes, are sophisticated instruments, which can involve a significant degree of risk and no communication (written or oral) received from the Issuer, the Servicers, the Originators, the Arranger, or the Class A Initial Subscribers, or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Senior Notes.

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

Investment in the Senior Notes is only suitable for investors who:

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

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

(iii) are capable of bearing the economical risk of an investment in the Senior Notes; and

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

Therefore, prospective investors in the Senior Notes (i) should make their own independent decision whether to invest in the Senior Notes and whether an investment in the Senior Notes is appropriate or proper for them, based upon their own judgement and upon advice from such advisers as they may deem necessary, and (ii) should not rely on or construe any communication (written or oral) of the Issuer or the Originators or the Servicers or the Arrangers or the Class A Initial Subscribers as investment advice or as a recommendation to invest in the Senior 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 Senior Notes.

If an investor does not properly assess the nature of the Notes and the extent of its exposure to the relevant risks before making its investment decision, it may take exposure towards a financial instrument not suitable for its risk appetite and tolerance.

Market for the Senior Notes

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

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

Prospective investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), which could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for instruments similar to the Senior Notes. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Senior Notes in secondary resales even if there is no decline in the performance of the Portfolio.

The Representative of the Noteholders and conflicts of interests between holders of different Classes of Notes and between Other Issuer Creditors

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 (i) the interest of the Noteholders and the Other Issuer Creditors, then the Representative of the Noteholders is required to have regard solely to the interests of the Noteholders and (ii) the interest of different Class of Noteholders, then the Representative of the Noteholders is

required under the Rules of the Organisation of the Noteholders to have regard only to the interests of the Most Senior Class of Noteholders.

Therefore, as of the date of this Prospectus, no assurance can be given as to which interest the Representative of the Noteholders will regard higher in specific circumstances during the duration of the Transaction. As a consequence, in certain circumstances, the interests of certain Classes of Notes may not be taken into account, with negative impact on the expectations of the relevant Noteholders and, therefore, the contractual and economic position of such Noteholders.

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

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

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

Neither the Issuer, nor the Arranger or any other party to the Transaction (i) gives any representation or warranty as to whether Eurosystem will ultimately confirm that the Senior Notes are eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem for such purpose; and (ii) will have any liability or obligation in relation thereto if the Senior Notes are at any time deemed ineligible for such purposes.

RISK FACTORS IN RELATION TO THE UNDERLYING ASSETS

Prepayments under Loan Agreements

General economic conditions and other factors have an impact on the ability of Debtors to repay 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.

The Loans have been entered, *inter alia*, into with Debtors which are individuals or commercial entrepreneurs ("*imprenditore che esercita un'attività commerciale*"). In any case some of the Borrowers may fall within the scope of application of the Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented (the "**Bankruptcy Law**") and as such may be subject to insolvency proceedings ("*procedure concorsuali*") under the Bankruptcy Law.

In the event of insolvency of a Debtor (to the extent the same is subject to the Bankruptcy Law), the relevant payments or prepayments under a Loan Agreement may be declared ineffective pursuant to Articles 65 or 67 of the Bankruptcy Law.

In this respect, it should be noted that the Securitisation Law, as recently amended, provides that (i) the claw-back provisions set forth in Article 67 of the Bankruptcy Law do not apply to payments made by Debtors to the Issuer in respect of the securitised Claims and (ii) prepayments made by Debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to Article 65 of the Bankruptcy Law. For further details, please see the section headed "*Selected aspects of Italian Law – The Securitisation Law*".

Loans' Performance

The Portfolio is exclusively comprised of residential mortgage backed loans which were performing as at the Valuation Date (see "*The Portfolio*"). There can be no guarantee that the Debtors will not default under such Loans and that they will therefore continue to perform. The recovery of amounts due in relation to Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable time depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the Loans and Mortgages may take longer than the national average; obtaining title deeds from land registries which are in process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant Debtor raises a defence to or counterclaim in the proceedings; and it takes an average of six to eight years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Real Estate Asset.

In this respect, it is to be taken into account that Italian Law No. 302 of 3 August 1998 ("*Norme in tema di espropriazione forzata e di atti affidabili ai notai*") (the "**Law No. 302**") has allowed notaries to conduct certain stages of the foreclosure procedures in place of the courts and that by means of Law No. 80 of 14 May 2005 ("*Conversione in legge, con modificazioni, del decreto-legge 14 marzo 2005, n. 35, recante disposizioni urgenti nell'ambito del Piano di azione per lo sviluppo economico, sociale e territoriale. Deleghe al Governo per la modifica del codice di procedura civile in materia di processo di cassazione e di arbitrato nonché per la riforma organica della disciplina delle procedure concorsuali*") extends such activity to lawyers, certified accountants and fiscal experts enrolled in a special register. The reforms are expected to reduce the length of foreclosure proceedings by between two (2) and three (3) years.

Certain risks relating to the Real Estate Assets

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

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

In the event of a default by the Debtors, the full recovery of amounts due pursuant to the Loan Agreements will largely depend upon the value of the Real Estate Assets at the relevant time. The value of the Real Estate Assets depends on several factors, including their location and the manner in which the Real Estate Assets are maintained. The value of the Real Estate Assets may be affected by changes in general and regional economic conditions such as an oversupply of space, a reduction in demand for residential or commercial real estate in an area, competition from other available space or increased operating costs. The value of the Real Estate Assets may also be affected by such factors as political developments, government regulations and changes in planning, zoning or tax laws, interest rate levels, inflation, availability of financing and yields of alternative investments. Therefore, no assurance can be given that the values of the Real Estate Assets have remained or will remain at the level at which they were on the origination dates of the related Loans.

The security for the Notes consists of, *inter alia*, the Issuer's interest in the Loans. The value of such security may be affected by, among other things, a decline in property values as described above. Should the Italian residential or commercial property market experience an overall decline in property values, such a decline could, in certain circumstances, result in a significantly reduced security value and ultimately, may result in losses to the Noteholders if the security is required to be enforced. In addition, no assurances can be given that the values of the Real Estate Assets will not decrease at a rate higher than that anticipated on the origination of the Receivables. Should this happen, it could have an adverse effect on the levels of recoveries under the Portfolio.

All the Loan Agreements are assisted by an Insurance Policy issued by leading insurance companies approved by the Originators. There can be no assurance that all risks that could affect the value of the Real Estate Assets are or will be covered by the insurance policy or that, if such risks are covered, the insured losses will be covered in full. Any loss incurred which is not covered (or which is not covered in full) by the relevant Insurance Policy could adversely affect the value of the Receivables and the ability of the Issuer to recover the full amount due under the relevant Loan.

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

Insurance coverage

All Loan Agreements provide that the relevant Real Estate Assets must be covered by an Insurance Policy issued by leading insurance companies approved by the Originators. As at the date of this Prospectus, there can be no assurance that all risks that could affect the value of the

Real Estate Assets are or will be covered by the relevant Insurance Policy or that, if such risks are covered, that the insured losses will be covered in full. Any loss incurred in relation to the Real Estate Assets which is not covered (or which is not covered in full) by the relevant Insurance Policy could adversely affect the value of the Real Estate Assets and the ability of the relevant Debtor to repay the relevant Loan.

State Guarantees

The Receivables Transfer Agreement purports to transfer to the Issuer also the rights to any claims arising from the guarantee granted through the First Home Fund (*Fondo Prima Casa*) under the Italian Interministerial Decree of 31 July 2014 (The "**Interministerial Decree**") in relation to the Receivables (the "**State Guarantee**"). In this respect, even though neither Italian Law no. 147 of 27 December 2013 (as amended pursuant to Italian Law 30 December 2018, no. 145, the "**Fund Legislation**") nor the Interministerial Decree contain limitations to the transfer of the State Guarantee or of the receivables guaranteed thereunder, article 1, paragraph 48, let. (c), of the Fund Legislation provides that the conditions in accordance to which the State Guarantee would survive in case of a transfer of the guaranteed loan(s) shall be set forth in a subsequent ministerial decree. However, the Interministerial Decree (which supplements the Fund Legislation) does not contain any provision regarding the effects on the State Guarantee if the guaranteed loan(s) or the receivables arising out thereof are transferred. However it should be noted that the Originators have sought clarification in relation to the above to Consap S.p.A. being the manager of the First Home Fund (*Fondo Prima Casa*) who has confirmed (although only with an exchange of emails) that: (i) the transfer of the State Guarantee or of the receivables guaranteed thereunder in favour of a special purpose vehicle incorporated under the Securitisation Law would not adversely affect the validity of the State Guarantee ***provided that*** (i) Consap S.p.A. shall be duly notified of the relevant transfer and (ii) any enforcement procedure towards the First Home Fund (*Fondo Prima Casa*) shall be carried out by a bank registered with the Bank of Italy pursuant to article 13 of the Banking Law or by a financial intermediary registered with the Bank of Italy pursuant to article 106 of the Banking Law, in each case provided that it has adhered to the Fund Legislation. Moreover, the handbook ("*manuale d'uso*") for the banks and financial intermediaries relating to the State Guarantee (the "**Handbook**") does not expressly restrict the ability to transfer the State Guarantee, the guaranteed loan(s) or the receivables arising out thereof. Also, article 1.13.2 of the Handbook, with regard to securitisation and covered bonds transactions, expressly provides that any enforcement procedure of the State Guarantee shall be carried out by the originating lender that has adhered to the Fund Legislation, still servicing the guaranteed loan(s). Therefore, such provisions of the Handbook may be interpreted so that the transfer of the receivables guaranteed under the State Guarantee in favour of a special purpose vehicle incorporated under the Securitisation Law would not adversely affect the validity of the State Guarantee ***provided that*** any enforcement procedure is carried out by the originating lender that has adhered to the Fund Legislation.

Rights of set-off and other rights of the Debtors

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

The assignment of receivables under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4, of the Banking Law. According to such provision, the assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication

of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (ii) the date of registration of the notice of assignment in the competent companies' register. Consequently, Debtors may exercise a right of set-off against the Issuer on claims against each 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. Under the terms of the Warranty and Indemnity Agreement, each 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 Debtor of a right of set-off.

Claw back risks

Under Italian law, the enforcement of obligations of a party or the effects of the performance of such obligations may be affected or limited by any limitations arising from administration, bankruptcy, receivership, insolvency, liquidation, reorganisation and similar laws generally affecting the rights of creditors. The Issuer is therefore subject to the risk that the assignment of the Receivables made by the Originators to the Issuer pursuant to the Receivables Transfer Agreement may be clawed-back (*revocato*) in case of insolvency of the relevant Originators.

However, Securitisation Law provides for certain exceptions to the above described general claw back regime in respect of the transfer of the Receivables from the Originators to the Issuer. More in particular, with respect to the assignment of the Receivables from the Originators to the Issuer, the 1-year and the 6-month hardening periods as provided for by article 67 of the Bankruptcy Law (during which the assignment may be revoked (*revocato*) upon application by a receiver), are reduced to 6 months and 3 months, respectively, by the Securitisation Law. Furthermore, the Italian insolvency laws do not contain severe claw back provisions within the meaning of articles 20(1), 20(2) and 20(3) of the EU Securitisation Regulation.

In respect of the above, the delivery of the solvency certificates and the *certificati di vigenza* in respect of the Originators, dated on or about the date of assignment of the Receivables, may help in assuming that – as of the date thereof – no pending bankruptcy or insolvency procedure nor application for liquidation has been registered with the competent register of enterprises, in respect of the Originators, pursuant to the applicable provisions of law.

Notwithstanding the above, perspective investors should be aware that article 2901 of the Italian Civil Code – in respect of the so-called ordinary revocation regime – may apply to the assignment of the Receivables to the Issuer and, therefore, have a negative impact of its ability to pay interest and repay principal under the Notes.

No independent investigation in relation to the Receivables

None of the Issuer or the Arranger nor any other party to the Transaction Documents (other than the Originators) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by the Originators to the Issuer, nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtors.

The Issuer will rely instead on the representations and warranties given by each 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 each Originator indemnifies the Issuer

for the damages deriving therefrom pursuant to the Warranty and Indemnity Agreement (see "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*", below). There can be no assurance that the Originators will have the financial resources to honour such obligations. In particular, the obligations to pay the repurchase price or indemnify the Issuer undertaken by the Originators under the Receivables Transfer Agreement are unsecured claims of the Issuer and no assurance can be given that the Originators will pay the relevant amounts if and when due.

Servicing of the Portfolio

The Portfolio has been serviced by Banca Carige and BML, previously as owners of the Receivables, and following the transfer of the Receivables to the Issuer, by Banca Carige as Master Servicer and BML as Additional Servicer pursuant to the Servicing Agreement in relation to the relevant transferred Receivables. The net cash flows from the Portfolio may be negatively affected by decisions made, actions taken and the collection procedures adopted pursuant to the provisions of the Servicing Agreement by the Servicers (or any permitted successors or assignees appointed under the Servicing Agreement and the Back-Up Servicing Agreement). Accordingly, any delay or inability by the Servicers to carry out their respective obligations and service the Portfolio may negatively affect the net cash flows of the Portfolio.

Furthermore, the performance by the Issuer of its obligations, in respect of the Notes, is dependent on the solvency of the Servicers (or any permitted successors or assignees appointed under the Servicing Agreement and the Back-Up Servicing Agreement) as well as the timely receipt of any amount required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the Transaction Documents. Any delay or inability by the various agents and counterparts of the Issuer to pay the Issuer such amounts may ultimately and negatively affect payments on the Notes.

In order to mitigate the servicing risk in respect of the Portfolio, the Back-Up Servicer has been appointed before the Issue Date; however, it is not certain that, in case of termination of the appointment of the Servicers under the Servicing Agreement, the Back-Up Servicer will be able to or will fulfil its obligations to service the Portfolio. No assurance can therefore be given as to outcome of such inability of the Back-Up Servicer to service the Portfolio on the Issuer and on the Transaction or whether a substitute servicer would service the Portfolio on the same terms as those provided for in the Servicing Agreement since the ability to fully perform the required services will depend, *inter alia*, on the information, software and record available to it at the time of its appointment. For further details see section headed "*Transaction Overview Information*".

RISK FACTORS IN RELATION TO OTHER LEGAL CONCERNS

Usury Law

Italian Law number 108 of 7 March 1996 (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a Decree issued by the Italian Treasury (the last such Decree having been issued on 25 June 2020). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay 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 certain 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 intervened in this situation with Law Decree number 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law number 24 by the Italian Parliament on 28 February 2001, 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. The Usury Law Decree also provides that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be replaced by a lower interest rate fixed in accordance with parameters fixed by the Usury Law Decree.

The Italian Constitutional Court ("*Corte Costituzionale*") has rejected, with decision no. 29/2002 (deposited on 25 February 2002), a constitutional exception raised by the Court of Benevento concerning Article 1, paragraph 1, of the Usury Law. In so doing, the Constitutional Court ("*Corte Costituzionale*") has confirmed the constitutional validity of the provisions of the Usury Law which holds that the interest rates may be deemed to be void due to usury only if they infringe the Usury Law at the time they are agreed upon between the borrower and the lender and not as at the time such rates are actually paid by the borrower.

According to recent court precedents, the remuneration of any given financing must be below the applicable Usury Thresholds from time to time applicable. Based on this recent evolution of case law on the matter, it might constitute a breach of the Usury Regulations if the remuneration of a financing is lower than the applicable Usury Thresholds at the time the terms of the financing were agreed but becomes higher than the applicable Usury Thresholds at any point in time thereafter (see, for instance, Cassazione of 11 January 2013 No. 603). However, it is worth mentioning that, by more recent decisions, the Italian Supreme Court has clearly stated that, in order to establish if the interest rate exceeds the Usury Rate, it has to be considered the interest rate agreed between the parties at the time of the signing of the financing agreement, regardless of the time of the payment of such interest (see, for instance, Cassazione 27 September 2013, No. 22204; Cassazione 25 September 2013, No. 21885).

The Italian Supreme Court (*Corte di Cassazione*), under decision No. 350/2013, as recently confirmed by decision number 23192/17, has clarified, for the first time, that the default interest are relevant for the purposes of determining if an interest rate is usurious. That interpretation is in contradiction with the current methodology for determining the Usury Thresholds, 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, under decision No. 602/2013, has held that, with regard to loans granted before the entry into force

of Usury Law, an automatic reduction of the applicable interest rate to the Usury Thresholds applicable from time to time shall apply.

Each Originator has represented and warranted to the Issuer in the Warranty and Indemnity Agreement that the provisions of the Loans Agreements comply with the Italian usury provisions.

Compounding of interest (*Anatocismo*)

Pursuant to article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a three monthly basis on the grounds that such practice could be characterised as a customary practice ("*uso normativo*"). However, a number of recent judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) number 2374/99 and number 2593/2003) have held that such practices may not be defined as customary practices ("*uso normativo*").

As a consequence thereof, the challenge by any Debtor of the practice of capitalising interest and the upholding of such interpretation of the Italian civil code in judgments of the other courts of the Republic of Italy could have a negative effect on the returns generated from the Loans.

In this respect, it should be noted that article 25, paragraph 3, of Italian Legislative Decree no. 342 of 4 August 1999, enacted by the Italian Government under a delegation granted pursuant to Italian Law no. 142 of 19 February 1992, 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. Italian Law no. 342 of 4 August 1999 was challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the legislative powers delegated under Italian Law no. 142 of 19 February 1992. By decision no. 425 of 9 October 2000, the Italian Constitutional Court declared as unconstitutional on these grounds article 25, paragraph 3, of Italian Law no. 342 of 4 August 1999.

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

Each Originator has consequently undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge in respect of the interest on interest.

Bank Recovery and Resolution Directive

On 2 July 2014, the Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Banks Recovery and Resolution Directive**" or "**BRRD**") entered into force.

The BRRD provides competent authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

On 16 November 2015, the Italian Government issued Legislative Decrees No. 180 and 181 implementing the BRRD in Italy (the "**BRRD Implementing Decrees**"). The BRRD Implementing Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the bail-in tool applies from 1 January 2016; and (ii) a "depositor preference" granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SME's applies from 1 January 2019.

With respect to the BRRD Implementing Decrees, Legislative Decree No. 180 of 16 November 2015 ("**Decree No. 180**") sets forth provisions concerning resolution plans, the commencement and closing of resolution procedures, the adoption of resolution measures, crisis management related to cross-border groups, powers and functions of the national resolution authority and also regulating the national resolution fund. On the other hand, Legislative Decree No. 181 of 16 November 2015 ("**Decree No. 181**") introduces certain amendments to the Banking Law and the Consolidated Financial Act concerning recovery plans, intra-group financial support, early intervention measures and changes to creditor hierarchy. Decree No. 181 also amends certain provisions regulating proceedings for extraordinary administration ("*amministrazione straordinaria*") and compulsory administrative liquidation ("*liquidazione coatta amministrativa*") in order to render the relevant proceedings compliant with the BRRD.

In line with the provisions set forth under the BRRD, Decree No. 180 contains four resolution tools and powers which 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: (i) sale of business; (ii) bridge institution; (iii) asset separation; and (iv) bail-in - which grants resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to shares or other instruments of ownership (the "**General Bail-In Tool**"), which equity could also be subject to any future application of the General Bail-In Tool.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorization; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The EU Banking Reform Package includes Directive (EU) 2019/879, which provides for a number of significant revisions to the BRRD (known as "**BRRD2**"). BRRD2 provides that Member States are required to ensure implementation into local law by 28 December 2020 with certain requirements applying from January 2022.

The powers set out in the BRRD and Decree No. 180, and the changes to the BRRD under BRRD2, will impact on how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

Banks and investment firms being party to the Transaction Documents are subject to the provision of BRRD as implemented in the country of the relevant entity. Therefore, in case any bank or investment firm being party to the Transaction Documents is subject to a resolution, the exercise of the powers by the relevant resolution authority may negatively affect the Transaction Documents, the rights and obligations of the parties thereto and, ultimately, the Transaction and the ability of the Issuer to fulfil its payment obligations under the Notes.

Regulatory framework

The Issuer is subject to a complex regulation (including Securitisation Law) and supervisory activity which are subject, respectively, to no or limited interpretation, continuous updates and practice developments.

Furthermore, the Issuer is required to comply with further provisions issued by CONSOB.

The Issuer, besides the supranational and national rules and the primary or regulatory rules of the financial sector, is also subject to specific rules on anti-money laundering, usury and consumer protection.

Although the Issuer undertakes to comply with the set of rules and regulations, any changes of the rules and/or changes of the interpretation and/or implementation of the same by the competent authorities could give rise to new burdens and obligations for the Issuer, with possible negative impacts on the operational results and the economic and financial situation of the Issuer.

Default Risk in relation to the EU Securitisation Regulation

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

The EU Securitisation Regulation

In Europe, investors should be aware that the Regulation (EU) 2017/2402 (the "**EU Securitisation Regulation**") restricts institutional investors (credit institution, investment firm, insurance undertaking, alternative investment funds and other financial institution) from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to such institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 (five) per cent. in respect of certain specified credit risk tranches or asset exposures as contemplated by article 405 of the CRR, article 6 of the EU Securitisation Regulation, article 51 of the AIFMR and article 254 of the Solvency II Regulation. In addition, article 5 of the EU Securitisation Regulation requires an EU regulated credit institution, before becoming exposed to the risks of a securitisation, and as appropriate thereafter, to be able to demonstrate to the competent authorities, for each securitisation transaction, that it has a comprehensive and thorough understanding of the key terms and risks of the transaction and it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis.

Pursuant to article 270(a) of the CRR (as introduced by Regulation (EU) No. 2401/2017), where an institution does not meet the requirements in Chapter 2 of the EU Securitisation Regulation in any material respect by reason of the negligence or omission of the institution, the competent authorities shall impose a proportionate additional risk weight of no less than 250% of the risk weight (capped at 1250%) which shall apply to the relevant securitisation positions in the manner specified in the CRR.

The EU Securitisation Regulation provides that the Originators shall not select assets to be transferred to the Issuer with the aim of rendering losses on the assets transferred to the Issuer, measured over the life of the Transaction, or over a maximum of 4 years where the life of the Transaction is longer than four years, higher than the losses over the same period on assets comparable to the ones transferred to the Issuer and held on the balance sheet of the Originators. Where the competent authority finds evidence suggesting contravention of that prohibition, the competent authority shall investigate the performance of assets transferred to the Issuer and comparable assets held on the balance sheet of the Originators. If the performance of the transferred assets is significantly lower than that of the comparable assets held on the balance sheet of the Originators as a consequence of the intent of the Originators, the competent authority shall impose a sanction pursuant to articles 32 and 33 of the EU Securitisation Regulation. No assurance can be given as to the potentially negative impact of any such sanction on the Transaction.

However, whereas number 11 of the EU Securitisation Regulation clarifies that the obligation above should not prejudice in any way the right of originators to select assets to be transferred to the securitisation special purpose entities (as defined in the CRR, "**SSPE**") that *ex ante* have a higher-than-average credit-risk profile compared to the average credit-risk profile of comparable assets that remain on the balance sheet of the originator, as long as the higher credit-risk profile of the assets transferred to the SSPE is clearly communicated to the investors or potential investors.

In light of the above, the Other Issuer Creditors have acknowledged under the Intercreditor Agreement that the Portfolio may render losses over the life of the Transaction higher than the losses over the same period on comparable assets held on the balance sheet of the Originators.

Finally, the EU Securitisation Regulation also aims at creating common foundation criteria to identify the so called "STS securitisations".

On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document headed "*Opinion regarding amendments to ESMA's draft regulatory technical standards on disclosure requirements under the EU Securitisation Regulation which included revised draft reporting templates*". Such disclosure technical standards are on the date of issue of the Notes subject to review by the European Commission and not yet adopted in a binding delegated regulation of the European Commission. In addition, there remains uncertainty as to the nature and detail of the information to be published, the manner in which it will need to be published and what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer with the reporting obligations.

The EU Securitisation Regulation applies to the fullest extent to the Notes. Furthermore, the Transaction aims to fulfil the requirements of articles 19 up to and including 22 of the EU Securitisation Regulation in order for the Transaction to qualify as an STS securitisation. The Reporting Entity will notify on the Issue Date the Transaction to ESMA in compliance with article 27 of the EU Securitisation Regulation. Even if the Transaction will be notified to ESMA in compliance with article 27 of the EU Securitisation Regulation, no assurance can be provided that the Transaction will qualify as an STS securitisation under the EU Securitisation Regulation.

Although the Transaction has been structured to comply with the requirements for STS securitisations, and STS compliance has been verified by PCS on the Issue Date, no guarantee can be given that it (i) has (by virtue of such verification alone) this status throughout its lifetime, (ii) does or continues to comply with the EU Securitisation Regulation, and (iii) will remain at all times in the future included in the list published by ESMA as referred to in Article 27(5) of the EU Securitisation Regulation. Non-compliance with STS may result in higher capital requirements for investors. Furthermore, non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Originators which may be payable or reimbursable by the Issuer or the Originators. As each of the Priority of Payments does not foresee a reimbursement of the Issuer for the payment of any of such administrative sanctions and/or remedial measures, the repayment of the Notes may be negatively affected.

Prospective and relevant investors are required to independently assess and determine the sufficiency of the information described above, contained in this Prospectus or made available by the Issuer and the Originators for the purposes of complying with any relevant requirements and none of the Issuer, the Corporate Servicer, the Reporting Entity, the Arranger, the Servicers, the Originators or any of the other transaction parties makes any representation that the information described above or otherwise in this Prospectus is sufficient in all circumstances for such purposes.

Various parties to the Transaction are subject to the requirements of the EU Securitisation Regulation. However, there is at present some uncertainty in relation to some of these requirements, including in particular with regard to article 6 (*Risk retention*) of the EU Securitisation Regulation and the transparency obligations imposed under article 7 of the EU Securitisation Regulation and the Homogeneity RTS in relation to Article 20(8) of the EU Securitisation Regulation. The Homogeneity RTS have been adopted by the European

Commission on 28 May 2019 and adopted by European Parliament and the Council in November 2019. Therefore, the final scope of its application, the compliance of the securitisation described in this Prospectus with the same and the impact of the conformity of the Loans to the final regulatory technical standards is not assured (and such non-conformity may adversely and materially impact the value, liquidity of, and the amount payable under the Notes). Prospective investors must make their own decisions in this regard.

Prospective investors should also 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.

U.S. risk retention

The U.S. Risk Retention Rules came into effect on 24 December 2016 and generally require the "sponsor" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a 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 transaction will not involve risk retention by the Originators for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "Risk Retention U.S. Persons"); (3) neither the sponsor nor the issuer 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 collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Transaction provides that the Notes may not be purchased by Risk Retention U.S. Persons except in accordance with the exemption under Section 20 and with the prior consent of the Originators. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is different from the definition of U.S. person under Regulation S under the Securities Act and that an investor could be a Risk Retention U.S. Person but not a U.S. person under Regulation S.

The consequences of non-compliance with the U.S. Risk Retention Rules are unclear, but investors should note that the liquidity and/or value of the Notes could be adversely affected by any such non-compliance.

Risks from reliance on verification by PCS

Banca Carige has used the services of PCS, a third party authorised pursuant to article 28 of the EU Securitisation Regulation, to verify whether the Transaction complies with articles 19 to 22 of the EU Securitisation Regulation and the compliance with such requirements has been verified by PCS on or about the Issue Date.

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

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

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

Therefore, no investor should rely on such assessment in determining the status of any securitisation in relation to capital requirements and must make its own determination. 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 Originators. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

Investor compliance with due diligence requirements under the EU Securitisation Regulation

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

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

requirements and the performance of the securitisation position and of the underlying exposures.

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

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

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 negative consequences of the non-compliance should seek guidance from their regulator.

Investment company exemption

The Issuer is of the view that it is not now, and immediately following the issuance of the Notes and the application of the proceeds thereof it will not be, a "covered fund" as defined in the regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "**Volcker Rule**". Although other exclusions may be available to the Issuer, this conclusion is based on the determination that the Issuer may rely on the exemption from the definition of "investment company" in the Investment Company Act of 1940, as amended, provided by Section 3(c)(5)(c) thereunder. Any prospective investor in the Notes, including a bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the Volcker Rule and its effects.

RISK FACTORS IN RELATION TO TAX MATTERS

Tax treatment of the Issuer

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

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

Any interest accrued on the accounts held by the Issuer with Italian resident banks or with Italian permanent establishment of foreign banks, is subject to an advance 26 per cent.

withholding tax pursuant to Article 26, paragraph 2 and 4, of the Presidential Decree No. 600 of 29 September 1973. Pursuant to Article 79 of Decree No. 917, the 26 per cent. withholding tax levied is deductible against the taxes payable by the Issuer, *provided that* the interest, on which the advance withholding tax is applied, is included in the Issuer's taxable income as clarified by the Italian tax authority (Ruling No. 222/E on 5 December 2003). The Italian tax authority (Ruling No. 77/E issued on 4 August 2010) has clarified that the above-mentioned requirement cannot be deemed as satisfied until the receivables are segregated for the purpose of the securitization transaction. At the end of the securitization transaction, the withholding tax levied in excess of the corporate income tax due can be carried forward to the following tax period or claimed for refund with the Italian tax authority. The refund is taxable income in the hands of the Issuer/recipient if the notes have already been cancelled upon payment of the refund and the refund is retained by the Issuer.

Withholding tax under the Senior Notes

Payments of interest and other proceeds under the Senior Notes may be subject to withholding or deduction for, or on account of, tax or to a substitute tax in accordance with Decree 239 (see for further details also the section entitled "*Taxation*" below).

In the event that any Decree 239 Deduction or any other Tax Deduction in respect of payments to Noteholders of amounts due pursuant to the Notes, neither the Issuer nor any other person shall be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts that the same Noteholders shall receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders.

Certain payments on the Notes may be subject to U.S. withholding tax under FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the Republic of Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register. Further, Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date and/or characterised as equity for U.S. tax purposes.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA

or an IGA with respect to payments on the Notes, neither the Issuer nor any other person will be required to pay additional amounts as a result of the withholding.

OTHER RISKS IN RELATION TO THE NOTES

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

Global economic and political conditions are volatile and growth may not be sustainable for a specific period of time.

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.

A severe or extended downturn in the Republic of Italy's economy could adversely affect the results of operations and the financial condition of each Originator which could in turn affect the ability to perform its obligations under the Transaction Documents to which it is a party and, solely with reference to macro-economic conditions affecting the Republic of Italy, the ability of Debtors to repay the Receivables.

On 23 June 2016, the United Kingdom voted, in a referendum, to leave the European Union (Brexit). On 29 March 2017, the British Prime Minister gave formal notice to the European Council under Article 50 of the Treaty on European Union of the intention to withdraw from the European Union (the "**Article 50 Withdrawal Agreement**").

On 31 January 2020, the UK withdrew from the European Union. According to Articles 126 and 127 of the Article 50 Withdrawal Agreement (approved by the European Parliament on 29 January 2020), the UK entered an implementation period during which it will negotiate its future relationship with the European Union. During such implementation period – which is due to operate until 31 December 2020 – the Union law shall continue to apply in the United Kingdom.

Regardless those facts, the result of the referendum in June 2016 created significant uncertainties with regard to the political and economic outlook of the United Kingdom and the European Union.

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; and the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of the pound and, more in general, increase in financial markets volatility, reduction of global markets liquidities with possible negative consequences on the market value and/or the liquidity of the Notes in the secondary market.

In addition to the above and in consideration of the fact that at the date of this Prospectus there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Euro, the consequences of these decisions are exacerbated by the uncertainty regarding the methods

through which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro. A collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level. This situation could therefore have a significant negative impact on the operating results and capital and financial position of the Issuer and its ability to pay interest and repay principal under the Notes, as well as the market value and/or the liquidity of the Notes in the secondary market.

Change of law

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

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

Risks related to Covid-19

In parallel with the developments described under "*Political and economic developments in the Republic of Italy and in the European Union*", in late-2019, a highly-infectious novel coronavirus named Covid-19 (the "**Covid-19**") was identified and a global pandemic was declared by the World Health Organization on 11 March 2020. Various countries across the world (including Italy) have introduced measures aimed at preventing the further spread of the Covid-19, such as a ban on public events above a certain number of attendees, temporary closure of places where larger groups of people gather, lockdowns, border controls and travel and other restrictions.

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

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

In addition to measures aimed at preventing the further spread of the Covid-19, governments in various countries have introduced measures aimed at mitigating the economic consequences of the outbreak. The Italian government has adopted economic measures aimed at sustaining

income of employees, the self-employed, self-employed professionals, micro and small/medium enterprises, including suspension of instalments payment.

Italian Government measures In particular, due to the Covid-19 outbreak, the Italian Government has adopted several prevention and containment measures. In this respect, pursuant to Law Decree of 17 March 2020 No. 18 (as subsequently supplemented by Decree of the Ministry of Economy and Finance of 25 March 2020, amended by Law Decree no. 22 of 8 April 2020 and converted into law April 24, 2020, n. 27, the "**Covid Decree**") the right of first home-owners to suspend instalment payments under mortgage loans up to a maximum of two times and for a maximum aggregate period of 18 months (the "**Suspension**") (originally introduced by Italian Law No. 244 of 24 December 2007, the "**2008 Budget Law**"), has been extended also to the circumstance of the suspension from work or reduction of working hours for a period of at least 30 days even where the issuance of measures of income support is pending. In addition to the Suspension, the Covid Law has also introduced a 9-month temporary regime (the "**Temporary Regime**"), which provides for additional opportunities of suspension (*e.g.* in case of fall in the turnover (*calo del fatturato*) of self-employed individuals with a VAT code number and independent contractors (*lavoratori autonomi* and *liberi professionisti*) during a quarter falling after (or within the shorter term between the date of request and) 21 February 2020). It shall be noted that, upon expiry of the Temporary Regime, the set of rules under the previously existing legislative framework will remain applicable.

Measures affecting the ordinary course of business of Italian Courts and the judicial proceedings

The Covid Decree have set forth, among others, provisions that led to a general slow-down of the whole judicial system due to the lock-down and suspension of the majority of judicial activities and procedures, causing postponements and delays that supposedly might take several months to be dealt with. Indeed, from 9 March 2020 to 11 May 2020, all civil and criminal proceedings pending before all the judicial offices as well as any terms for the fulfillment of any relevant act, have been postponed after 11 May 2020.

Moreover, for the period between 12 May 2020 and 31 July 2020, the heads of the judicial offices may adopt organizational measures necessary to allow compliance with the governmental health and hygiene guidelines (such as limiting public access to judicial offices, which may reduce the activities that can be completed by the courts in comparison with a regular working situation). Such different measures and guidelines could have an impact to the timely recovery activities carried out by the Servicers.

Projections, forecasts and estimates

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

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

statements contained in this Prospectus to reflect events or circumstances occurring after the date of this Prospectus.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for holders of the Notes but the inability of the Issuer to pay interest or repay principal on the Notes may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding the Notes are exhaustive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Notes of any class of interest or principal on such Notes on a timely basis or at all.

TRANSACTION OVERVIEW INFORMATION

The following information is an overview of the transactions and assets underlying the Notes and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Transaction Documents.

1. THE PRINCIPAL PARTIES

Issuer

LANTERNA MORTGAGE S.R.L., a special purpose vehicle incorporated as a limited liability company (*società a responsabilità limitata*) pursuant to Law 130, having its registered office in Genova, Via Cassa di Risparmio 15, enrolled with the companies' register of Genova under no. 09342920965, enrolled with the register of the special purpose vehicles held by the Bank of Italy pursuant to article 3, paragraph 3, of Law 130 and the regulation of the Bank of Italy dated 7 June 2017 ("*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*"), having as its sole corporate purpose the realisation of securitisation transactions pursuant to article 3 of the Law 130.

The Issuer has been established as a special purpose vehicle for the purpose of issuing residential mortgage backed securities in the context of one or more securitisation transactions pursuant to the Law 130. The issued quota capital of the Issuer is equal to fully paid-up Euro 10,000 and is owned by the Quotaholders.

Originators

BANCA CARIGE S.P.A., a bank incorporated in Italy as a joint stock company (*società per azioni*) whose registered office is in Genoa, at Via Cassa di Risparmio, No. 15, Italy, share capital fully paid, equal to Euro 1,915,163,696.00, registered with the Companies' Register of Genoa under number 03285880104 and registered with the Bank of Italy pursuant to article 13 of the Banking Law under number 06175, and which is the parent company of the Banca Carige Group registered with the Bank of Italy pursuant to article 64 of the Banking Law under number 6175 ("**Banca Carige**" or an "**Originator**").

BANCA DEL MONTE DI LUCCA S.P.A., a bank incorporated in Italy as a joint stock company (*società per azioni*), belonging to the Banca Carige Group registered with the Bank of Italy pursuant to article 64 of the Banking Law under number 6175 and subject to the direction and coordination of Banca Carige, whose registered office is at Piazza S. Martino 4, Lucca, Italy, share capital fully paid up, equal to Euro 44,140,000.00,

registration number with the Lucca Register of Enterprises and VAT number 01459540462, registered with the Bank of Italy pursuant to article 13 of the Banking Law under number 6915 ("**BML**" or an "**Originator**" and, together with Banca Carige, the "**Originators**").

Master Servicer

Banca Carige will act as master servicer pursuant to the provisions of the Servicing Agreement (the "**Master Servicer**").

Additional Servicer

BML will act as additional servicer pursuant to the Servicing Agreement (the "**Additional Servicer**" and, together with the Master Servicer, the "**Servicers**").

Representative of the Noteholders

ZENITH SERVICE S.P.A., a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, having its registered office in Via Vittorio Betteloni, No. 2, 20131 Milan, Italy, enrolled with the companies' register of Rome under no. 02200990980, share capital equal to Euro 2,000,000.00 paid up, enrolled with register held by Bank of Italy pursuant to article 106 of the Banking Law under no. 30 and ABI code no. 32590.2 ("**Zenith**" or the "**Representative of the Noteholders**").

The Representative of the Noteholders will act as representative of the noteholders pursuant to the Subscription Agreement and the Intercreditor Agreement.

Back-up Servicer

Zenith will act as back-up servicer pursuant to the provisions of the Back-up Servicing Agreement.

Principal Paying Agent

THE BANK OF NEW YORK MELLON SA/NV – MILAN BRANCH, a bank incorporated under the laws of Belgium, having its registered office at 46 Rue Montoyer, Montoyerstraat 46 - B-1000 Brussels, Belgium, acting through its Milan branch at via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies register of Milan number 09827740961, enrolled as a "*filiale di banca estera*" under number 8070 and with ABI code 3351.4 with the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Law ("**BNYM, Milan Branch**" or the "**Principal Paying Agent**").

The Principal Paying Agent will act as principal paying agent pursuant to the Cash Allocation, Management and Payments Agreement.

Calculation Agent	**THE BANK OF NEW YORK MELLON, LONDON BRANCH**, a company organised under the laws of the State of New York, United States of America, acting through its London branch, having its principal place of business at One Canada Square, London E14 5AL, United Kingdom ("**BNYM, London Branch**" or the "**Calculation Agent**"). The Calculation Agent will act as calculation agent pursuant to the Cash Allocation, Management and Payments Agreement.
Account Banks	**BNYM, Milan Branch** will act as account bank pursuant to the Cash Allocation, Management and Payments Agreement in relation to the General Reserve Account, the Collection Account and the Payments Account (the "**Transaction Account Bank**"). **Banca Carige** will act as account banks pursuant to the Cash Allocation, Management and Payments Agreement in relation to the Expenses Account and the Quota Capital Account (the "**Account Bank In Relation To Banca Carige Accounts**" and, together with the Transaction Account Bank, the "**Account Banks**").
Corporate Servicer	**Banca Carige** will act as corporate servicer pursuant to the Corporate Services Agreement.
Quotaholders	**Banca Carige** in relation to 5% of the quota capital of the Issuer **SPECIAL PURPOSE ENTITY MANAGEMENT S.R.L.**, a company with a sole quotaholder organised as a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Republic of Italy, having its registered office at Milan, via Vittorio Betteloni n. 2, fiscal code and enrolment with the companies register of Milan number 09262340962, quota capital Euro 20,000, fully paid-up., in its capacity as quotaholder.
Arranger	**NATWEST MARKETS PLC**, a company incorporated in Scotland, with registered office at 36 St Andrew Square, Edinburgh, EH2 2YB, registered at Companies House with Registration no. SC090312, and authorised to operate in Italy pursuant to Legislative Decree no. 385 of 1 September 1993 ("**NatWest Markets Plc**")
Class A1 Initial Subscribers	Each of Banca Carige and BML, pursuant to the provisions of the Subscription Agreement.

Class A2 Initial Subscribers	Each of Banca Carige and BML, pursuant to the provisions of the Subscription Agreement.
Class J Initial Subscribers	Each of Banca Carige and BML, pursuant to the provisions of the Subscription Agreement.

2. THE PRINCIPAL FEATURES OF THE NOTES

The Notes

The Notes will be issued by the Issuer on the Issue Date in the following Classes:

Senior Notes

Euro 173,891,000 Class A1 Residential Mortgage Backed Floating Rate Notes due January 2065 (the "**Class A1 Notes**")

Euro 11,179,000 Class A2 Residential Mortgage Backed Floating Rate Notes due January 2065 (the "**Class A2 Notes**")

Junior Notes

Euro 69,034,000 Class J Residential Mortgage Backed Fixed Rate Notes due January 2065 (the "**Class J Notes**")

Issue price

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

Class	*Issue Price*
Class A1	100 per cent.
Class A2	100 per cent.
Class J	100 per cent.

ISIN Codes

Class A1 Notes:	IT0005417990
Class A2 Notes:	IT0005418006
Class J Notes:	IT0005418014

FISN Codes

Class A1 Notes:	LANTERNA MOR/TS ABS 20600128 SEN
Class A2 Notes:	LANTERNA MOR/TS ABS 20600128 SEN
Class J Notes:	LANTERNA MOR/TS ABS 20600128 JUN

CFI Codes

Class A1 Notes:	DGVNAB
Class A2 Notes:	DGVNAB

Class J Notes:	DGVQAB

Interest on the Notes

The Class A1 Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at Euribor for three months deposits in Euro (except in respect of the first Interest Period where an interpolated interest rate based on interest rates for one month and three months deposits in Euro will be substituted to Euribor for three months deposits in Euro), *plus* 0.80 per cent per annum ***provided that***, in each case, if the Rate of Interest is less than zero, it shall be deemed to be zero and, with respect to the Class A1 Notes only, if the Rate of Interest is higher than 2.5%, it shall be deemed to be 2.5%.

The Class A2 Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at Euribor for three months deposits in Euro (except in respect of the first Interest Period where an interpolated interest rate based on interest rates for one month and three months deposits in Euro will be substituted to Euribor for three months deposits in Euro), *plus* 1.50 per cent per annum, ***provided that***, if the Interest Rate on the Class A2 Notes is less than zero, it shall be deemed to be zero.

The Class J Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at 3% per cent per annum.

Interest in respect of each of the Senior Notes and the Class J Notes will accrue on a daily basis and will be payable in arrears in euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of each Class of Notes will be due on the Payment Date falling in 28 October 2020 in respect of the period from (and including) the Issue Date to (but excluding) such date.

The Euribor applicable to the Senior Notes for each Interest Period will be determined on the date falling 2 (two) Business Days prior to the Payment Date at the beginning of such Interest Period (except in respect of the Initial Interest Period, where the applicable Euribor will be determined 2 (two) Business Days prior to the Issue Date).

Premium on the Junior Notes

A Premium may be payable on the Junior Notes on each Payment Date in accordance with the Junior Notes Conditions. The Premium payable on the Junior Notes on each Payment Date will be determined by reference to the residual Issuer Available Funds after satisfaction of the

items ranking in priority to the Premium on the Junior Notes in accordance with the applicable Priority of Payments. The Premium payable on the Junior Notes on the Final Maturity Date (following repayment in full of the Senior Notes) shall include any surplus remaining on the balance of the Accounts. On or prior to each Calculation Date, the Calculation Agent will calculate the Premium (if any) payable on the Junior Notes.

Form and denomination

The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The Notes are issued in bearer (*al portatore*) and dematerialised form (*emesse in forma dematerializzata*) and will be held by Monte Titoli in such form on behalf of the relevant Noteholders until redemption and cancellation thereof for the account of each relevant Monte Titoli Account Holder. The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of the Consolidated Financial Act and the Joint Regulation, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

The Issuer will elect Italy as Home Member State for the purpose of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

Status and subordination

Prior to the service of a Trigger Notice and in respect of the obligation of the Issuer to pay interest and/or Premium (as applicable) on the Notes: (i) the Class A1 Notes rank *pari passu* without any preference or priority among themselves, and in priority to payment of interest on the Class A2 Notes, repayment of principal on the Class A1 Notes, repayment of principal on the Class A2 Notes, payment of interest on the Class J Notes, repayment of principal on the Class J Notes and payment of Premium on the Class J Notes (ii) the Class A2 Notes will rank *pari passu* without preference or priority amongst themselves, and in priority to repayment of principal on the Class A1 Notes, repayment of principal on the Class A2 Notes, payment of interest on the Class J Notes, repayment of principal on the Class J Notes and payment of Premium on the Class J Notes, but subordinated to payment of interest on the Class A1 Notes; and (iii) the Class J Notes will rank *pari passu* without preference or priority amongst themselves, and in priority to repayment of

principal on the Class J Notes and payment of Premium on the Class J Notes, but subordinated to payment of interest on the Class A1 Notes, payment of interest on the Class A2 Notes, repayment of principal on the Class A1 Notes and repayment of principal on the Class A2 Notes.

Prior to the service of a Trigger Notice and in respect of the obligation of the Issuer to repay principal due on the Notes: (i) the Class A1 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to repayment of principal on the Class A2 Notes, payment of interest on the Class J Notes, repayment of principal on the Class J Notes and payment of Premium on the Class J Notes, but subordinated to payment of interest the Class A1 Notes and payment of interest on the Class A2 Notes; (ii) the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to payment of interest on the Class J Notes, repayment of principal on the Class J Notes and payment of Premium on the Class J Notes, but subordinated to payment of interest on the Class A1 Notes, payment of interest on the Class A2 Notes and repayment of principal on the Class A1 Notes; and (iii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to payment of Premium on the Class J Notes, but subordinated to payment of interest on the Class A1 Notes, payment of interest on the Class A2 Notes, repayment of principal on the Class A1 Notes, repayment of principal on the Class A2 Notes and payment of interest on the Class J Notes.

Following the service of a Trigger Notice and in respect of the obligations of the Issuer to pay interest and Premium (if any) and repay principal on the Notes: (i) the Class A1 Notes and the Class A2 Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves and in priority to the Junior Notes; and (ii) the Junior Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves, but subordinated to payment in full of all amounts due under the Class A1 Notes and the Class A2 Notes.

Taxation

All payments in respect of the Notes will be made free and clear of, and without any withholding or deduction for or on account of, any present or future taxes, duties or charges imposed, levied, collected, withheld or assessed by or within the Republic of Italy, or any authority therein or thereof having power to tax, unless such withholding or deduction (including, for the avoidance of doubt, any

Decree 239 Deduction) is required to be made by applicable law. The Issuer shall not be obliged to pay any additional amount to any Noteholder on account of such withholding or deduction.

Mandatory Redemption

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date in accordance with the Senior Notes Conditions and the Junior Notes Conditions, in each case if on such dates there are sufficient Issuer Available Funds as applicable which may be applied for this purpose in accordance with the applicable Priority of Payments.

Optional redemption

Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the applicable Priority of Payments, starting from the Payment Date on which the Outstanding Principal Amount of the Portfolio is less than, or equal to, 10 (ten) per cent. of the Outstanding Principal Amount of the Portfolio as of the Valuation Date, subject to the Issuer:

(i) giving not more than 60 (sixty) days and not less than 30 (thirty) days' notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes;

(ii) delivering to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the applicable Priority of Payments; and

(iii) having previously notified such redemption to the Rating Agencies.

Optional redemption for taxation reasons

Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the applicable Priority of Payments, on any Payment Date after the date on which (i) the Portfolio, the Collections and the other Issuer's rights would become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or

assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction; or (ii) the amounts payable in respect of the Notes would be subject to withholding or deduction (other than a Decree 239 Deduction) for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political or administrative sub-division thereof or any authority thereof or therein (such events, hereinafter, a "**Tax Event**"), ***provided that***:

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

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

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

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

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

Following the occurrence of a Tax Event and provided that no Trigger Notice has been served on the Issuer, the Representative of the Noteholders may (or shall, if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to dispose of the Portfolio in accordance with Condition 6.4 (*Redemption, Purchase and Cancellation - Optional redemption for taxation reasons*) and the Intercreditor Agreement. In case of such disposal, subject to certain conditions the Originators will have the right to purchase

the Portfolio with preference to any third party potential purchaser.

Final Maturity Date

Unless previously redeemed in full, the Notes are due to be repaid in full at their Principal Amount Outstanding on the Final Maturity Date. The Notes, unless previously redeemed in full on their Final Maturity Date, shall be cancelled.

Segregation of Issuer's rights

The Notes have the benefit of the provisions of article 3 of the Securitisation Law pursuant to which (i) the Portfolio is segregated by operation of law from the Issuer's other assets; and (ii) any claim of the Issuer which has arisen in the context of the Transaction, their collections and the financial assets purchased using those funds will, by operation of law, be segregated for all purposes from all other deposits and moneys of the relevant depository, for the exclusive benefit of the Noteholders, the Other Issuer Creditors and other creditors of the Transaction.

Both before and after a winding up of the Issuer, amounts deriving from the Portfolio and any other moneys or deposits as listed above, as the case may be, will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and 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 Transaction. See for further details "*Selected Aspects of Italian Law - Ring-fencing of the assets*".

Neither the Portfolio nor any moneys or deposits standing to the credit of the accounts held by or on behalf of the Issuer, may be seized or attached in any form by creditors of the Issuer other than the Noteholders, the Other Issuer Creditors and any other creditor of the Issuer in respect of costs, fees and expenses incurred in relation to the Transaction, 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 a Trigger Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents within 10 (ten) days from notification of such failure, to exercise all the Issuer's rights, powers and discretion under the Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and

the Other Issuer Creditors in respect of the Portfolio and the Issuer's rights. Italian law governs the delegation of such power.

Trigger Events

If any of the following events occurs:

a) Non-payment

(i) the Issuer defaults in the payment of the amount of interest due and payable on the Most Senior Class of Notes and such default is not remedied within a period of 7 (seven) Business Days from the due date thereof; or

(ii) the Issuer defaults in the redemption of any Class of Notes (including the payment of any interest accrued thereon) within 14 calendar days following the Final Maturity Date;

b) Breach of other obligations

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes (other than any obligation to pay principal or interest in respect of the Notes) or any of the Transaction Documents to which it is a party (in any respect in which is material for the interests of the Senior Noteholders) 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.

c) Misrepresentations

any of the representations and warranties given by the Issuer under any of the Transaction Documents is untrue, incorrect or erroneous when made or repeated, in any respect which is material for the interests of the Senior Noteholders and such breach remains unremedied for 30 (thirty) Business Days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where such breach is not capable of

remedy, in which case no notice requiring remedy will be given); or

d) *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer; or

e) *Unlawfulness*

it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party,

then the Representative of the Noteholders:

(i) in the case of a Trigger Event under items (a) or (d) above, shall; and

(ii) in the case of a Trigger Event under items (b), (c) or (e) above, may or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding, shall,

serve a Trigger Notice on the Issuer (with copy to the Originators, the Servicers, the Calculation Agent, the Corporate Servicer, the Noteholders and the Rating Agencies) declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following which all payments of principal, interest, Premium (where applicable) and other amounts due in respect of the Notes shall be made according to the Post Trigger Notice Priority of Payments and on such dates as the Representative of the Noteholders may determine.

Non petition

Only the Representative of the Noteholders may pursue the remedies available under general law or under the Transaction Documents to obtain payment of the obligations of the Issuer arising under the Notes and the Transaction Documents and no Noteholder or Other Issuer Creditor shall be entitled to proceed directly against the Issuer to obtain payment of such obligations. In particular:

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

(ii) 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 against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(iii) until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any other securitisation entered into from time to time by the Issuer 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 the Most Senior Class of Noteholders following the occurrence of a Trigger Event and only if the representative 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; and

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 any 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 Other Issuer Creditor, 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 such Noteholder or Other Issuer Creditor in respect of the Issuer's obligations to such Noteholder or Other Issuer Creditor, shall be limited to the lower of (a) the aggregate amount of all sums due and payable to such Noteholder or

Other Issuer Creditor, (b) the Issuer Available Funds net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder or Other Issuer Creditor, provided that the Parties agree that if the Issuer Available Funds are insufficient to pay any amount due and payable to the Noteholders and the Other Issuer Creditors, the shortfall then occurring will not be due and payable until a subsequent Payment Date on which the Issuer Available Funds may be used for such purpose in accordance with the relevant Priority of Payments, provided however that any such shortfall will not accrue interest unless otherwise provided in the Transaction Documents; and

(iii) if the Master Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further proceeds in respect of the Portfolio 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 14 (*Notices*) that there is no reasonable likelihood of there being any further proceeds in respect of the Portfolio which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders and 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 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 subscriber(s) of the Senior Notes and the Junior Notes in the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

Expected weighted average life of the Senior Notes	Class A1 Notes: 4.78 years Class A2 Notes: 10.25 years

Rating

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

Class	*DBRS*	*S&P*
Class A1	AA (sf)	A+ (sf)
Class A2	AA (low) (sf)	A+ (sf)

A security 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 agency.

As of the date of this Prospectus, each of DBRS and S&P 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 amended, the "**CRA Regulation**") and, as of the date of this Prospectus, is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the ESMA (for the avoidance of doubt, such website does not constitute part of this Prospectus).

Listing

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

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

Purchase of the Notes by the Issuer

The Issuer may not purchase any Notes at any time.

Governing Law

The Notes will be governed by Italian Law.

Retention Option

Each of Banca Carige and BML, in their capacity as Originators, will retain on an on-going basis for the entire

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

For further details see the sections headed "*Regulatory Disclosure and Retention Undertaking*".

Reporting Entity

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

(a) until the Data Repository (as defined below) is appointed by the Reporting Entity, on the website of European DataWarehouse (being as at the date of this Prospectus https://eurodw.eu/; for the avoidance of doubt, such website does not constitute part of this Prospectus) (the "**Temporary Website**"); and

(b) after the Data Repository (as defined below) is appointed by the Reporting Entity, on the Data Repository (as defined below).

"**Data Repository**" means the securitisation repository/ies authorized by ESMA and enrolled in the register held by it pursuant to article 10 of the EU Securitisation Regulation appointed in respect of the Transaction.

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

STS-securitisation

The Transaction is intended to qualify as an STS-securitisation within the meaning of article 18 (*Use of the designation 'simple, transparent and standardised securitisation'*) of the EU Securitisation Regulation.

Consequently, the Transaction is intended to meet, on the date of this Prospectus, the requirements of articles 19 to 22 of the EU Securitisation Regulation and the Originators, as originators, intend to submit on or about the Closing Date a notification to the ESMA for the Transaction to be included in the list published by ESMA as referred to in article 27(5) of the EU Securitisation Regulation. Each Originator, as 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 EU Securitisation Regulation, to verify whether the Transaction complies with articles 19 to 22 of the EU Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Issue Date. No assurance can however be ***provided that*** the Transaction (i) does or continues to comply with the EU Securitisation Regulation, (ii) does or will at any point in time qualify as an STS-securitisation under the EU Securitisation Regulation or that, if it qualifies as a STS-securitisation under the EU Securitisation Regulation, it will at all times continue to so qualify and remain an STS-securitisation under the EU 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 EU Securitisation Regulation. None of the Issuer, the Arranger, the Originators, the Servicers or any other party to the Transaction makes any representation or accepts any liability in that respect.

3. ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS

Issuer Available Funds The Issuer Available Funds are, in respect of any Payment Date, constituted of the aggregate of:

(i) all Collections (including, without limitation, any sum deriving from the enforcement of a Mortgage, a Guarantee or a State Guarantee) received by the Issuer during the immediately preceding Collection Period in respect of the Portfolio;

(ii) any other amount credited or transferred into the Collection Account during the immediately preceding Collection Period in respect of the Portfolio (including, for the avoidance of doubt, any proceeds deriving from the repurchase of individual Receivables comprised in the Portfolio and any indemnity paid by the Originators in respect of the Portfolio pursuant to the Warranty and Indemnity Agreement);

(iii) all amounts of interest accrued and paid on the Collection Account, Payments Account and General Reserve Account during the immediately preceding Collection Period (net of any applicable withholding or expenses);

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

(v) the proceeds deriving from the disposal (if any) of the Portfolio or any Individual Receivables;

(vi) all amounts received by the Issuer from the Originators pursuant to the Receivables Transfer Agreement during the immediately preceding Collection Period;

(vii) any amount equal to the interest components and other profits arising from any Eligible Investments received, following liquidation thereof from the immediately preceding Eligible Investment Liquidation Date (excluded) up to the Eligible Investment Liquidation Date falling prior to the relevant Payment Date; and

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period,

provided that, prior to the delivery of a Trigger Notice, if the Master Servicer fails to deliver the Quarterly Servicer's Report to the Calculation Agent on or prior to the relevant Quarterly Servicer's Report Date (or such later date as may be agreed between the Master Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), the Issuer Available Funds in respect of the relevant Payment Date will comprise only the amounts necessary to make payments under items from (i) (*First*) to (vi) (*Sixth*) (excluding any servicing fees) of the Pre-Trigger Notice Priority of Payments.

For further details, see the section entitled "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*".

For the avoidance of doubt, following the delivery of a Trigger Notice, the Issuer Available Funds in respect of

the relevant Payment Date will comprise all amounts standing to the credit of the Accounts.

Pre-Trigger Notice Priority of Payments

Prior to the delivery of a Trigger Notice or upon full redemption of all the Notes pursuant to Condition 6 (*Redemption, purchase and cancellation*), other than Condition 6.2 (*Optional redemption*), the Issuer Available Funds will be applied on each Payment Date in making the following payments in the following order of priority:

First, to pay (i) *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period) and (ii) to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

Second, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, negative interest, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Account Banks, the Cash Manager (if any), the Calculation Agent, the Principal Paying Agent, the Back-up Servicer (if any), the Corporate Servicer, the Servicers and the Reporting Entity;

Fourth, to pay, *pari passu* and *pro rata,* all amounts of interest due and payable on the Class A1 Notes;

Fifth, to pay, *pari passu* and *pro rata,* all amounts of interest due and payable on the Class A2 Notes;

Sixth, up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, to credit into the General Reserve Account the amount necessary to bring the balance of the General Reserve Account up to (but not exceeding) the General Reserve Target Amount;

Seventh, to repay, *pari passu* and *pro rata*, all amounts of principal due and payable on the Class A1 Notes;

Eight, to repay, *pari passu* and *pro rata*, all amounts of principal due and payable on the Class A2 Notes;

Ninth, to pay any and all amounts due and payable in or towards satisfaction of any amounts (including any indemnity amount) due and payable by the Issuer pursuant to the Subscription Agreement;

Tenth, to pay, *pari passu* and *pro rata,* all amounts of interest due and payable on the Class J Notes;

Eleventh, to repay, *pari passu* and *pro rata*, all amounts of principal on the Class J Notes (up to the Principal Outstanding Amount of the Junior Notes being equal to Euro 100,000); and

Twelfth, (i) to pay, *pari passu* and *pro rata*, the Premium (if any) on the Junior Notes and (ii) to repay, *pari passu* and *pro rata*, all amount of principal on the Junior Notes.

Post Trigger Notice Priority of Payments

At any time following the service of a Trigger Notice, or, should the Issuer exercise its right to early redeem Notes pursuant to Senior Notes Condition 6.2 (*Optional redemption*), all the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made or allocated in full):

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

Second, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, negative interest, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Account Banks, the Cash Manager (if any), the Calculation Agent, the Principal Paying Agent, the Back-up Servicer (if any),

the Corporate Servicer, the Servicers, the Reporting Entity;

Fourth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes;

Fifth, to repay *pari passu* and *pro rata*, all amounts of principal due and payable on the Senior Notes;

Sixth, to pay any and all amounts due and payable in or towards satisfaction of any amounts (including any indemnity amount) due and payable by the Issuer pursuant to the Subscription Agreement;

Seventh, to pay, *pari passu* and *pro rata* all amounts of interest due and payable on the Junior Notes;

Eighth, to repay, *pari passu* and *pro rata*, all amounts of principal on the Class J Notes (up to the Principal Outstanding Amount of the Junior Notes being equal to Euro 100,000); and

Ninth, (i) to pay, *pari passu* and *pro rata*, the Premium (if any) on the Junior Notes and (ii) to repay, *pari passu* and *pro rata*, all amount of principal on the Junior Notes.

4. TRANSFER OF THE PORTFOLIO

The Portfolio

The principal source of payment of interest and Premium (as applicable) and of repayment of principal on the Notes will be collections and recoveries made in respect of the Portfolios purchased by the Issuer pursuant to the terms of the Receivables Transfer Agreement.

In accordance with the Securitisation Law and subject to the terms and conditions of the Receivables Transfer Agreement, the Portfolio has been assigned and transferred to the Issuer without recourse (*pro soluto*) against the Originators in the 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 Receivables Transfer Agreement being fulfilled) upon transfer of the Portfolio, through the proceeds deriving from the issuance of the Notes.

The Receivables included in the Portfolio to be purchased by the Issuer have been selected on the basis of the Criteria pursuant to the Receivables Transfer Agreement.

None of the assets backing the Notes is itself an asset-backed security or other securitisation position, and the

transaction is also not a "synthetic" securitisation, in which risk transfer would be achieved through the use of credit derivatives or other similar financial instruments.

See for further details "*The Portfolio*" and "*Description of the Transaction Documents – The Receivables Transfer Agreement*".

Servicing of the Portfolio

Pursuant to the Servicing Agreement, each Servicer has agreed to collect the Receivables respectively assigned by it and to administer and service the relevant Individual Portfolio on behalf of the Issuer in compliance with the Securitisation Law.

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

The Master Servicer has undertaken to prepare and submit quarterly reports to the Issuer, the Corporate Servicer, the Account Banks, the Calculation Agent, the Cash Manager (if any), the Back-up Servicer, the Representative of the Noteholders, the Rating Agencies, the Reporting Entity and the Arranger, in the form set out in the Servicing Agreement, containing information as to all the amounts collected from time to time by the Servicers in respect of the Collections, as a result of the activity of each of the Servicers pursuant to the Servicing Agreement during the preceding Collection Period.

Pursuant to the Servicing Agreement, the Master Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) and article 22(4) of the EU Securitisation Regulation) and deliver it to the Issuer, the Corporate Servicer, the Calculation Agent, the Cash Manager (if any), the Additional Servicer, the Back-up Servicer, the Representative of the Noteholders, the Rating Agencies, the Reporting Entity and the Arranger on or prior to each Investor Report Date and pursuant to the Intercreditor Agreement the Reporting Entity shall make such Loan by Loan Report available (simultaneously with the Investor Report received on the relevant Investor Report Date) to investors in the Notes and the entities referred to under article 7(1) of the EU Securitisation Regulation by no later than one month after the immediately preceding Payment Date through the

Temporary Website or through the Data Repository (if appointed).

See for further details "*Description of the Transaction Documents – The Servicing Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*".

Warranties and indemnities

In the Warranty and Indemnity Agreement, each Originator has made certain representations and warranties to the Issuer in relation to, *inter alia*, itself, the Receivables and the Mortgages and has agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the breach of such representations and warranties. See for further details "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*".

Back-up Servicing Agreement

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

5. CREDIT STRUCTURE

Intercreditor Agreement

Under the terms of the Intercreditor Agreement, the Representative of the Noteholders shall be entitled, *inter alia*, following the service of a Trigger Notice and until the Notes have been repaid in full or cancelled in accordance with the Conditions, to pay or cause to be paid on behalf of the Issuer and using the Issuer Available Funds all sums due and payable by the Issuer to the Noteholders, the Other Issuer Creditors and any third party creditors in respect of costs and expenses incurred by the Issuer in the context of the Transaction, in accordance with the terms of the Post Trigger Notice Priority of Payments.

See for further details "*Description of the Transaction Documents – The Intercreditor Agreement*".

Cash Allocation, Management and Payments Agreement

Under the terms of the Cash Allocation, Management and Payments Agreement, the Account Banks, the Calculation Agent, the Servicers and the Principal Paying Agent have agreed to provide the Issuer with certain calculation, notification, cash management and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Accounts with certain agency services.

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

Investor Report

Under the Cash Allocation, Management and Payment Agreement, the Calculation Agent has undertaken, on behalf and at the expense of the Issuer and in consultation with the Originators, to prepare on a quarterly basis on or prior to each Investor Reports Date (and also upon occurrence of any significant event relating to the Transaction in accordance with article 11.2 (*Transparency requirements under the EU Securitisation Regulation*) of the Intercreditor Agreement) the Investor Reports with respect to the relevant Payment Date, which shall be prepared in compliance with the provisions of the EU Securitisation Regulation and the applicable Regulatory Technical Standards (and, for the avoidance of doubts, until the Regulatory Technical Standards are formally adopted by the Commission, according to the form set out in Annex XII to the Regulatory Technical Standard on disclosure requirements currently published by the Commission pursuant to article 7(3) of the EU Securitisation Regulation) and including (i) any information to be provided pursuant to point (e) of the first subparagraph of article 7(1) of the EU Securitisation Regulation.

Inside Information and Significant Event Report

Under the Cash Allocation, Management and Payments Agreement, the Calculation Agent has undertaken to prepare, on behalf and at the expense of the Issuer and in consultation with the Originators, the Inside Information and Significant Event Report (which includes information set out under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, including, inter alia, the events which trigger changes in the Priorities of Payments, the occurrence of a Trigger Event and the delivery of a Trigger Notice) and will deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository by no later than one month after each Payment Date. In addition, The Calculation Agent shall without undue delay: (y) prepare an ad hoc Inside Information and Significant Event Report on the basis of the information provided under

points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation notified to the Calculation Agent or of the information that the Calculation Agent is in any case aware of; and (z) deliver it to the Reporting Entity in order to make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be.

See for further details "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*".

Mandate Agreement

Under the terms of the Mandate Agreement, the Representative of the Noteholders will be entitled to exercise its rights under the Transaction Documents within 10 (ten) days from the notification of such failure, and fulfilment of certain other 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 upon the occurrence of at least one of the following events: (i) a Trigger Notice has been sent to the Issuer according to Condition 11 (*Trigger Events*); or (ii) the Issuer fails to timely exercise any of its rights under the Transaction Documents and fails to fulfil certain conditions, provided that the notification of such failure is given by the Representative of the Noteholders to the Issuer and further provided that such failure is not remedied by the Issuer within 10 (ten) Business Days from the notification above.

See for further details "*Description of the Transaction Documents – The Mandate Agreement*".

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 administrative services to the Issuer.

See for further details "*Description of the Transaction Documents – The Corporate Services Agreement*".

Quotaholders' Agreement

Under the terms of the Quotaholders' Agreement, the Quotaholders have assumed certain undertakings in relation to the management of the Issuer and the exercise of its rights as quotaholder of the Issuer.

Subscription Agreement

Under the terms of the Subscription Agreement, each of the Originators (as Senior Notes Initial Subscribers and Junior Notes Initial Subscribers) has agreed to subscribe

for the Senior Notes and the Junior Notes, subject to the terms and conditions provided for thereunder.

General Reserve

On the Issue Date part of the proceeds deriving from the issue of the Junior Notes will be used to fund the General Reserve Initial Amount to be credited to the General Reserve Account.

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

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

6. THE TRANSACTION ACCOUNTS

Transaction Account

The Issuer has established (i) with Banca Carige, (a) the Quota Capital Account, and (b) the Expenses Account and (ii) with BNYM, Milan Branch the following accounts: (a) the Collection Account, (b) the Payments Account, (c) the General Reserve Account,.

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

(i) appoint a cash manager for the purposes of making Eligible Investments (the "**Cash Manager**") which shall accede in writing to the Cash Allocation, Management and Payments Agreement and the other relevant Transaction Documents; and

(ii) open a cash account and/or a securities account with a bank being an Eligible Institution which shall accede in writing to the Cash Allocation, Management and Payments Agreement and the other relevant Transaction Documents (respectively, the "**Investment Account**" and the

"**Investment Account Bank**"), as a separate account in the name of the Issuer and in the interest of the Other Issuer Creditors, which will be operated in accordance with the provisions of the Cash Allocation, Management and Payments Agreement,

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

The Collection Account, the Payments Account, the General Reserve Account, the Expenses Account, the Quota Capital Account, and the Investment Account are collectively referred as the "**Accounts**".

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

Collection Account

The Issuer has established with BNYM, Milan Branch the Collection Account into which, *inter alia,* (i) until the termination of the appointment of the Servicers pursuant to the Servicing Agreement all Collections received or recovered, as well as any other amount received by the Issuer in respect of the Portfolio will be transferred on each Business Day and (ii) any other amount received by the Issuer in respect of the Portfolio will be credited.

Investment Account

The Issuer may open and shall maintain with the Investment Account Bank, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, the Investment Account into which, *inter alia,* (i) any Eligible Investments consisting in securities shall be credited (ii) any amounts transferred from the Payments Account and the General Reserve Fund Account to be invested by the Investment Manager in accordance with the Cash Allocation, Management and Payments Agreement shall be credited and (iii) any principal proceeds deriving from the realisation, liquidation of Eligible Investments and any interest and profits on maturity of the Eligible Investments made with the funds standing to the credit of the General Reserve Account shall be credited.

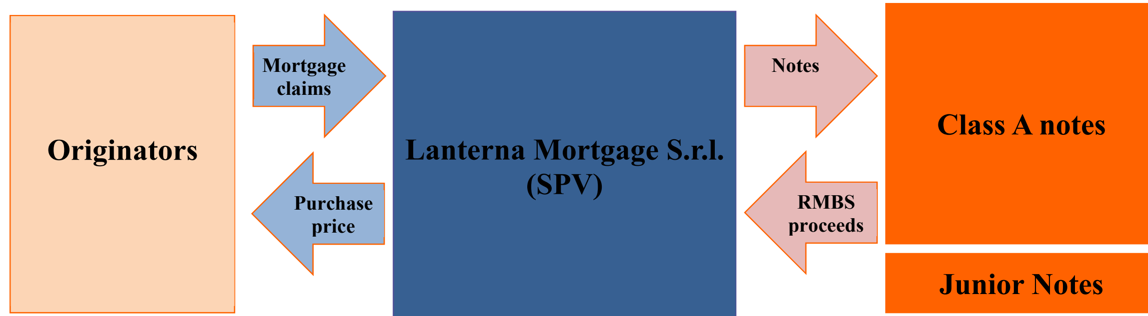
Payments Account

The Issuer has established with BNYM, Milan Branch the Payments Account, into which, *inter alia,* the Issuer Available Funds will be transferred to make the payments due by the Issuer on each Payment Date in accordance with the applicable Priority of Payments.

General Reserve Account	The Issuer has established with BNYM, Milan Branch the General Reserve Account, into which, *inter alia,* (i) on the Issue Date, the General Reserve Initial Amount will be credited, and (ii) on each Payment Date up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, the Issuer Available Funds will be credited, in accordance with the Pre-Trigger Notice Priority of Payments, to bring the balance of the General Reserve Account up to (but not exceeding) the General Reserve Target Amount.
Expenses Account	The Issuer has established with Banca Carige the Expenses Account into which, *inter alia,* (i) on the Issue Date, the Retention Amount will be credited, and (ii) to the extent that, on any Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, the amount standing to the credit of the Expenses Account is lower than the Retention Amount, the Issuer Available Funds will be credited into the Expenses Account, in accordance with the applicable Priority of Payments, to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount.
Quota Capital Account	The Issuer has opened with Banca Carige the Quota Capital Account.

TRANSACTION DIAGRAM

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



THE PORTFOLIO

Pursuant to the Receivables Transfer Agreement, on 16 July 2020 the Issuer has purchased the Portfolio from each of the Originators together with any other rights of the Originators to guarantees or security interests and any related rights that have been granted to the Originators to secure or ensure payments under any of the Receivables.

The Receivables comprised in the Portfolio arise out of residential mortgage loan agreements entered into or acquired by Banca Carige and BML as Originators in the course of their business. The Receivables are classified as at the Valuation Date as performing by the Originators.

The Loans

As at the Valuation Date, the Portfolio comprises Receivables for a total Outstanding Principal Amount of Euro 245,818,062.82. All the Loan Agreements are governed by Italian law.

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

The Issuer confirms that the arrangements entered into or to be entered into by the Issuer on or prior to the Issue Date, taken together with the Portfolio and the structural features of the Transaction, have characteristics that demonstrate capacity to produce funds to service any payment which becomes due and payable in respect of the Notes in accordance with the Conditions. However, regard should be had both to the characteristics of the Portfolio and the other assets and rights available to the Issuer under the Transaction and the risks to which the Issuer and the Notes may be exposed. Prospective holders of the Notes should consider the detailed information set out elsewhere in this Prospectus, including, without limitation, under the section headed "*Risk Factors*".

On 17 July 2020, the Issuer sent to Banca Carige and BML a communication of erroneous identification according to clauses 4.1(b) and 4.2 of the Transfer Agreement (such clauses are briefly described in the paragraph "Purchase Price Adjustments" below), as certain receivables originally included in the list of Receivables attached under schedule 2, Part 1, of the Transfer Agreement did not meet the Criteria at the Valuation Date and/or such other date specified in the relevant Criteria (the "**Communication of Erroneous Identification**"). In accordance with the provisions of the Receivables Transfer Agreement, under the Communication of Erroneous Identification, the Issuer informed thereof Banca Carige and BML and Banca Carige and the Issuer have consequently: (i) adjusted the Purchase Price relating to the Banca Carige Portfolio (as specified below); and (ii) replaced the list of Receivables attached under schedule 2, Part 1, of the Receivables Transfer Agreement with the one attached to the Communication of Erroneous Identification.

The Purchase Price of the Portfolio is equal to Euro 249,416,580.12, of which Euro 245,532,280.16 for the Banca Carige Receivables and Euro 3,884,299.96 for the BML Receivables.

The Portfolio includes Receivables for an amount of approximately € 12,481,923.08 million originating from other banks of the Banca Carige Group, other than the Originators (i.e., Cassa

di Risparmio di Savona S.p.A., Cassa di Risparmio di Carrara S.p.A. and Banca Carige Italia S.p.A.), all of them subsequently merged by incorporation into Banca Carige.

More in particular, Cassa di Risparmio di Savona S.p.A. and Cassa di Risparmio di Carrara S.p.A. were merged by incorporation into Banca Carige on 16 November 2015 under the notarial deed of merger number 61165 (*repertorio notarile*) and number 19688 (*progressivo dell'atto*) by the Notary Public Lorenzo Anselmi of Genoa and Chiavari. Cassa di Risparmio di Savona S.p.A. and Cassa di Risparmio di Carrara S.p.A., at the relevant merger date, were wholly owned by Banca Carige.
At the date of the merger, Cassa di Risparmio di Savona S.p.A. operated mainly in Liguria with a network of 47 branches while Cassa di Risparmio di Carrara S.p.A. previously operated in Tuscany with a network of 37 branches.

Banca Carige Italia S.p.A. was merged by incorporation into Banca Carige on 12 December 2016, under the notarial deed of merger number 62260 (*repertorio notarile*) and number 20491 (*progressivo dell'atto*) by the Notary Public Lorenzo Anselmi of Genoa and Chiavari. At the relevant merger date, Banca Carige Italia S.p.A. was wholly owned by Banca Carige. At the date of the merger, Banca Carige Italia S.p.A. operated throughout the Italian national territory with a network of 335 branches.

The Portfolio also includes Receivables for an amount equal to €3,036,905.85 million deriving from subrogations (*surroga*) or from the acquisition by Banca Carige of branches of other banks.

The Portfolio does not also include Receivables deriving from subrogations (*surroga*) or from the acquisition by BML of branches of other banks.

More in particular, in the period 2001 - 2010 Banca Carige acquired several business branches from other banks operating on the Italian national territory consisting of a network of bank branches.

In particular, the following acquisitions were completed by Banca Carige, in the relevant year:

(i) 2001: 21 Banco di Sicilia branches;
(ii) 2001: 60 Banca Intesa branches;
(iii) 2003: 42 branches from banks of the Capitalia Group;
(iv) 2008: 78 branches from banks of the Intesa Sanpaolo Group;
(v) 2008: 40 branches from Unicredit Group banks;
(vi) 2010: 22 branches from banks of the Monte dei Paschi di Siena Group.

Below is a table summarizing (i) the amount outstanding, (ii) the number of Loans, and (iii) the percentage on the overall Portfolio, of the Receivables acquired by Banca Carige, respectively, through the merger and incorporation of Cassa di Risparmio di Savona S.p.A., Cassa di Risparmio di Carrara S.p.A. and Banca Carige Italia S.p.A., through the subrogation mechanism mentioned above and through the acquisition of branches of other banks by Banca Carige.

With regard to the subrogation mechanism, each of Banca Carige and BML has carried out in each case a credit assessment in respect of the relevant borrower, in accordance with its credit and underwriting policies.

	Amount (outstanding €/mil)	Number	%
Cassa Risparmio Carrara S.p.A.	1,289,196.73	5	0.52
Cassa Risparmio Savona S.p.A.	97,151.00	1	0.04
Banca Carige Italia S.p.A.	11,095,575.35	98	4.47
Subrogation (*surroga*)	0.00	0	0.00
Branches acquired	3,036,905,85	33	1.22
Total Portfolio	248,415,460.18	2,322	

Finally, with reference to Loans granted by branches acquired by Banca Carige from other banks, 32 Loans (for an outstanding amount of Euro 2.943.318,81) derives from branches acquired in 2008 from Intesa Sanpaolo Group and 1 Loan (for an outstanding amount Euro 96,587.04) derive from branches acquired in 2010 from Monte dei Paschi Group.

Moreover, with regard to the Receivables originated by other banks, as described above, Banca Carige and BML according to the Warranty and Indemnity Agreement have represented and warranted that, to the best of their knowledge, there is no pending litigation the effects of which could adversely affect the possibility for each transferor to transfer fully, definitively, irrevocably and without the possibility of revocation or nullity, the Receivables.

The Criteria

Pursuant to, and in accordance with, the combined provisions of articles 1 and 4 of the Securitisation Law, each Originator has transferred all the Receivables existing as at the relevant Valuation Date arising out of Loans granted under the relevant Loan Agreements having, as at the relevant Valuation Date (or at such other date specified below), the following characteristics (to be deemed cumulative unless otherwise provided):

With regard to Receivables comprised in the Banca Carige Portfolio:

(a) in respect of which, the aggregate of the principal amount of existing receivables, and the and the outstanding principal amount of preceding loans secured by a Mortgage with higher economic ranking and established on the same Real Estate Asset is (i) lower than, or equal to, 100% of the value of the relevant Real Estate Asset as of the relevant disbursement date, and (ii) higher than, or equal to, 80% the value of the relevant Real Estate Asset as of 29 February 2020;

(b) which are secured by a Mortgage on residential Real Estate Assets, in accordance with the applicable laws and regulations, and located in Italy;

(c) whose payment is secured by (i) a first legal ranking voluntary Mortgage, or (ii) a second legal ranking Mortgage or lower legal ranking Mortgage, in respect to which (A) the lender secured by the Mortgage or by the Mortgages with higher legal ranking is an Originator and also the relevant Loan (disbursed to the same Debtor to whom the Loan secured by a first legal ranking Mortgage) is transferred to the Issuer or (B) the obligations secured by the higher legal ranking Mortgages have been fully satisfied and the relevant lender has formally agreed to the cancellation of the higher legal ranking Mortgages;

(d) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant Mortgage has expired and the relevant Mortgage cannot be clawed-back pursuant to article 67 of the Bankruptcy Law or, if applicable, article 39, paragraph 4, of the Banking Law

(e) which have been entered into by no later than 20 November 2019;

(f) which are subject to payment of a withholding tax (*imposta sostitutiva*) pursuant to article 15 et seq. of Italian Presidential Decree No. 601 of 29 September 1973, as subsequently amended and/or integrated.

(g) which do not provide any premium or further gain on account of principal or interest (*mutui agevolati*) neither at the time of disbursement nor at the end of amortisation;

(h) which have not been granted to, and the relevant Guarantors (with the exception for what provided under paragraph (b) above) and/or Mortgagors are not, public administrations (*pubbliche amministrazioni*), public entities (*enti pubblici*), ecclesiastical entities (*enti ecclesiastici*) or public consortiums (*consorzi pubblici*) or to persons with place of residence or principal place of business outside Italy;

(i) which have been disbursed in favour of individuals located in Italy, who fall within the sectors of economic acitivities no. 600 ("*famiglie consumatrici*"), 614 ("*artigiani*") and 615 ("*altre famiglie produttrici*") of the SAE code, in accordance with the classification criteria set out by the Bank of Italy under circular no. 140 of 11 February 1991, as amended on 7 August 1998;

(j) which are not consumer loans (*crediti al consumo*);

(k) which are not agricultural loans (*mutui agrari*) pursuant to articles 43 and 44 of the Banking Law, loans granted to special purpose vehicles or loans granted in the context of project finance transactions;

(l) which have been granted (1) by Banca Carige or any other bank belonging to the Banca Carige Group and incorporated into Banca Carige following the date in which the Loan has been granted or (2) by other banks which do not belong to the Banca Carige Group, whose Loans have been purchased by Banca Carige through the purchase of the relevant branches or by way of subrogation in accordance with Law No. 40 of 2 April 2007, as subsequently amended;

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

(n) in respect of which, as at 29 February 2020, at least an Instalment inclusive of principal has been paid;

(o) in relation to which (i) as of 29 February 2020, there is no Instalment which is overdue for more than 31 days since its due date and in respect of which any preceding Instalment due has been paid, and (ii) as of the Valuation Date, there is no Instalment which is overdue for more than 90 days since its due date;

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

(q) which are governed by the Italian law;

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

(s) which are denominated in Euro;

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

(u) in respect of which the last Instalment scheduled by the relevant amortisation plan is due not earlier than 31 May 2028 and not later than 31 December 2052;

(v) which have a French amortisation plan;

(w) do not benefit from the partial or full suspension of payment of one or more instalments or from the reduction of the amount actually paid of one or more instalments in respect of what is contractually provided for according to legislative and/or governmental measures or to specific commercial initiatives of Banca Carige Group, with the exception of the measures providing for the temporary suspension of the repayment of the amortisation instalments or of the sole principal component of such amortisation instalments and which are provided under: (1) the Law Decree No. 9 of 2 March 2020, (2) the Law Decree No. 18 of 17 March 2020, (3) the Law Decree No. 23 of 8 April 2020, (4) the convention entered into between the Italian Banking Association (*Associazione Bancaria Italiana*) and the associations representing companies on 15 November 2018, as a result of the extension granted pursuant to the addendum entered into on 6 March 2020 and (5) the convention entered into on 21 April 2020 between the Italian Banking Association (*Associazione Bancaria Italiana*) and the consumer associations concerning the suspension of the principal instalment of the loans secured by mortgages on real estate assets and unsecured loans repayable in instalments;

(x) in respect of which the Outstanding Principal Amount is higher than or equal to Euro 5,726.79 and lower than or equal to Euro 852,436.36;

(y) which have not been granted in order to re-finance Defaulted Receivables owing to the same Debtor or to consolidate debts arisen prior to the date of disbursement;

(z) which have a floating or fixed interest rate. In case of floating interest rate, the relevant index is one, three or six months Euribor;

(aa) whose amortisation plan provides for monthly or semi-annual Instalments payment dates;

(bb) whose interest rate is not a mixed interest rate or a *tasso di interesse modulare*.

With regard to Receivables comprised in the BML Portfolio:

(a) in respect of which, the aggregate of the principal amount of existing receivables, and the and the outstanding principal amount of preceding loans secured by a Mortgage with higher economic ranking and established on the same Real Estate Asset is (i) lower than, or equal to, 100% of the value of the relevant Real Estate Asset as of the relevant disbursement date, and (ii) higher than, or equal to, 80% of the value of the relevant Real Estate Asset as of 29 February 2020;

(b) which are secured by a Mortgage on residential Real Estate Assets, in accordance with the applicable laws and regulations, and located in Italy;

(c) whose payment is secured by (i) a first legal ranking voluntary Mortgage, or (ii) a second legal ranking Mortgage or lower legal ranking Mortgage, in respect to which (A) the lender secured by the Mortgage or by the Mortgages with higher legal ranking is an Originator and also the relevant Loan (disbursed to the same Debtor to whom the Loan secured by a first legal ranking Mortgage) is transferred to the Issuer or (B) the obligations secured by the higher legal ranking Mortgages have been fully satisfied and the relevant lender has formally agreed to the cancellation of the higher legal ranking Mortgages;

(d) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant Mortgage has expired and the relevant Mortgage cannot be clawed-back pursuant to article 67 of the Bankruptcy Law or, if applicable, article 39, paragraph 4, of the Banking Law

(e) which have been entered into by no later than 14 March 2019;

(f) which are subject to payment of a withholding tax (*imposta sostitutiva*) pursuant to article 15 et seq. of Italian Presidential Decree No. 601 of 29 September 1973, as subsequently amended and/or integrated.

(g) which do not provide any premium or further gain on account of principal or interest (*mutui agevolati*) neither at the time of disbursement nor at the end of amortisation;

(h) which have not been granted to, and the relevant Guarantors (with the exception for what provided under paragraph (b) above) and/or Mortgagors are not, public administrations (*pubbliche amministrazioni*), public entities (*enti pubblici*), ecclesiastical entities (*enti ecclesiastici*) or public consortiums (*consorzi pubblici*) or to persons with place of residence or principal place of business outside Italy;

(i) which have been disbursed in favour of individuals located in Italy, who fall within the sectors of economic acitivities no. 600 ("*famiglie consumatrici*"), 614 ("*artigiani*") and 615 ("*altre famiglie produttrici*") of the SAE code, in accordance with the classification criteria set out by the Bank of Italy under circular no. 140 of 11 February 1991, as amended on 7 August 1998;

(j) which are not consumer loans (*crediti al consumo*);

(k) which are not agricultural loans (*mutui agrari*) pursuant to articles 43 and 44 of the Banking Law, loans granted to special purpose vehicles or loans granted in the context of project finance transactions;

(l) which have been granted (1) by BML or (2) by other banks which do not belong to the Banca Carige Group, whose Loans have been purchased by BML through the purchase of the relevant branches or by way of subrogation in accordance with Law No. 40 of 2 April 2007, as subsequently amended;

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

(n) in respect of which, as at 29 February 2020, at least an Instalment inclusive of principal has been paid;

(o) in relation to which (i) as of 29 February 2020, there is no Instalment which is overdue for more than 31 days since its due date and in respect of which any preceding Instalment due has been paid, and (ii) as of the Valuation Date, there is no Instalment which is overdue for more than 90 days since its due date;

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

(q) which are governed by the Italian law;

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

(s) which are denominated in Euro (or granted in a currency other than Euro and converted into Euro);

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

(u) in respect of which the last Instalment scheduled by the relevant amortisation plan is due not earlier than 31 October 2033 and not later than 28 February 2049;

(v) which have a French amortisation plan;

(w) do not benefit from the partial or full suspension of payment of one or more instalments or from the reduction of the amount actually paid of one or more instalments in respect of what is contractually provided for according to legislative and/or governmental measures or to specific commercial initiatives of Banca Carige Group, with the exception of the measures providing for the temporary suspension of the repayment of the amortisation instalments or of the sole principal component of such amortisation instalments and which are provided under: (1) the Law Decree No. 9 of 2 March 2020, (2) the Law Decree No. 18 of 17 March 2020, (3) the Law Decree No. 23 of 8 April 2020, (4) the convention entered into between the Italian Banking Association (*Associazione Bancaria Italiana*) and the associations representing companies on 15 November 2018, as a result of the extension granted pursuant to the addendum entered into on 6 March 2020 and (5) the convention entered into on 21 April 2020 between the Italian Banking Association (*Associazione Bancaria Italiana*) and the consumer associations concerning

the suspension of the principal instalment of the loans secured by mortgages on real estate assets and unsecured loans repayable in instalments;

(x) in respect of which the Outstanding Principal Amount is higher than or equal to Euro 40,765.14 and lower than or equal to Euro 624,265.70;

(y) which have not been granted in order to re-finance Defaulted Receivables owing to the same Debtor or to consolidate debts arisen prior to the date of disbursement;

(z) which have a floating or fixed interest rate. In case of floating interest rate, the relevant index is one, three or six months Euribor;

(aa) whose amortisation plan provides for monthly or semi-annual Instalments payment dates;

(bb) whose interest rate is not a mixed interest rate or a *tasso di interesse modulare*.

Characteristics of the Portfolio

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

The Loan Agreements included in the Portfolio have the characteristics illustrated in the following tables.

The following tables set out information with respect to the Portfolio derived from the information supplied by each Originator in connection with the acquisition of the Receivables by the Issuer. The information in the following tables reflects the position of the Portfolio as at the Valuation Date.

1	**Portfolio Overview**	
	Current balance	248,415,460
	WA seasoning (Years)	4.05
	WA remaining term (Years)	23.77
	WA current interest rate	2.70%
	Fixed rate	76.32%
	WA OLTV	95.54%
	WA indexed CLTV	90.92%
	WA CLTOMV	86.77%
	Most concentrated Region	Lombardia
	Most concentrated Region	32.69%
	Employed Borrowers	80.08%

2	**Outstanding Principal Amount (=< to <)**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	<25,000	63,491	0.03%	5	0.22%
	25,000-50,000	4,492,764	1.81%	109	4.69%
	50,000-75,000	22.718.105	9,15%	352	15,16%
	75,000-100,000	52.500.145	21,13%	596	25,67%
	100,000-125,000	69.463.426	27,96%	621	26,74%
	125,000-150,000	52.909.621	21,30%	388	16,71%
	150,000-175,000	23.318.959	9,39%	145	6,24%

	175,000-200,000	9.862.042	3,97%	53	2,28%
	200,000-225,000	6.355.750	2,56%	30	1,29%
	225,000-250,000	4.389.840	1,77%	19	0,82%
	>250,000	2.341.317	0,94%	4	0,17%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

3	**Original Principal Amount (=< to <)**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	<25,000	40.950	0,02%	4	0,17%
	25,000-50,000	2.248.299	0,91%	61	2,63%
	50,000-75,000	15.094.470	6,08%	260	11,20%
	75,000-100,000	36.277.545	14,60%	454	19,55%
	100,000-125,000	56.507.289	22,75%	553	23,82%
	125,000-150,000	60.105.763	24,20%	500	21,53%
	150,000-175,000	40.971.714	16,49%	292	12,58%
	175,000-200,000	16.293.637	6,56%	101	4,35%
	200,000-225,000	9.808.047	3,95%	53	2,28%
	225,000-250,000	8.286.120	3,34%	38	1,64%
	>250,000	2.781.627	1,12%	6	0,26%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

4	**Origination (Year)**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	2004	75.248	0,03%	2	0,09%
	2005	1.416.779	0,57%	16	0,69%
	2006	10.275.310	4,14%	102	4,39%
	2007	13.021.034	5,24%	124	5,34%
	2008	4.920.577	1,98%	50	2,15%
	2009	260.018	0,10%	2	0,09%
	2010	2.853.977	1,15%	30	1,29%
	2011	4.844.459	1,95%	46	1,98%
	2012	4.842.612	1,95%	39	1,68%
	2013	1.184.442	0,48%	11	0,47%
	2014	443.690	0,18%	4	0,17%
	2015	2.550.767	1,03%	15	0,65%
	2016	14.332.015	5,77%	122	5,25%
	2017	53.068.813	21,36%	478	20,59%
	2018	112.303.880	45,21%	1.066	45,91%
	2019	22.021.839	8,86%	215	9,26%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

5	**Maturity (Year)**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	2028	199.295	0,08%	4	0,17%
	2029	173.570	0,07%	3	0,13%
	2030	362.372	0,15%	8	0,34%
	2031	330.886	0,13%	6	0,26%
	2032	1.348.964	0,54%	17	0,73%
	2033	3.183.830	1,28%	53	2,28%

	2034	970.662	0,39%	12	0,52%
	2035	3.489.862	1,40%	31	1,34%
	2036	14.621.800	5,89%	151	6,50%
	2037	22.193.065	8,93%	220	9,47%
	2038	17.049.989	6,86%	190	8,18%
	2039	4.399.883	1,77%	49	2,11%
	2040	1.042.478	0,42%	8	0,34%
	2041	2.838.401	1,14%	26	1,12%
	2042	10.691.457	4,30%	101	4,35%
	2043	24.780.807	9,98%	244	10,51%
	2044	4.755.102	1,91%	48	2,07%
	2045	701.833	0,28%	7	0,30%
	2046	10.442.755	4,20%	79	3,40%
	2047	35.484.337	14,28%	291	12,53%
	2048	73.197.240	29,47%	633	27,26%
	2049	15.716.410	6,33%	139	5,99%
	2050	214.084	0,09%	1	0,04%
	2052	226.380	0,09%	1	0,04%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

6	**Seasoning (years; =< to <)**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	<1	990.670	0,40%	9	0,39%
	1-2	65.148.735	26,23%	636	27,39%
	2-3	102.815.842	41,39%	943	40,61%
	3-4	26.744.244	10,77%	244	10,51%
	4-5	7.237.450	2,91%	57	2,45%
	5-6	1.544.801	0,62%	9	0,39%
	6-7	290.387	0,12%	4	0,17%
	7-8	2.055.083	0,83%	18	0,78%
	8-9	6.090.235	2,45%	50	2,15%
	9-10	4.498.420	1,81%	44	1,89%
	>10	30.999.592	12,48%	308	13,26%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

7	**Residual Life (years; =< to <)**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	<8	73.954	0,03%	1	0,04%
	8-10	431.033	0,17%	10	0,43%
	10-12	917.250	0,37%	14	0,60%
	12-14	4.758.831	1,92%	74	3,19%
	14-16	11.216.161	4,52%	111	4,78%
	16-18	38.839.661	15,63%	405	17,44%
	18-20	12.616.262	5,08%	132	5,68%
	20-22	7.280.815	2,93%	70	3,01%
	22-24	35.777.213	14,40%	349	15,03%
	24-26	5.334.362	2,15%	42	1,81%
	26-28	83.157.959	33,48%	692	29,80%

	28-30	47.785.579	19,24%	421	18,13%
	>30	226.380	0,09%	1	0,04%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

8	**Current interest rate (%; =< to <)**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	<1	9.736.972	3,92%	89	3,83%
	1-1.5	25.085.415	10,10%	234	10,08%
	1.5-2	18.012.186	7,25%	170	7,32%
	2-2.5	51.950.100	20,91%	480	20,67%
	2.5-3	54.240.811	21,83%	460	19,81%
	3-3.5	25.194.292	10,14%	242	10,42%
	3.5-4	24.136.498	9,72%	246	10,59%
	4-4.5	27.235.423	10,96%	267	11,50%
	4.5-5	8.749.145	3,52%	84	3,62%
	5-5.5	596.902	0,24%	6	0,26%
	5.5-6	570.288	0,23%	8	0,34%
	6-6.5	2.312.079	0,93%	27	1,16%
	6.5-7	566.766	0,23%	8	0,34%
	7-7.5	28.584	0,01%	1	0,04%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

9	**Interest rate index**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	1 month EURIBOR	8.279.183	3,33%	72	3,10%
	3 month EURIBOR	32.558.149	13,11%	261	11,24%
	6 month EURIBOR	17.984.810	7,24%	180	7,75%
	No index	189.593.318	76,32%	1.809	77,91%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

10	**Geographic Distribution**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	Basilicata	1.049.710	0,42%	11	0,47%
	Emilia-Romagna	15.505.627	6,24%	146	6,29%
	Friuli-Venezia Giulia	233.249	0,09%	2	0,09%
	Lazio	4.024.560	1,62%	34	1,46%
	Liguria	55.224.100	22,23%	514	22,14%
	Lombardia	81.200.429	32,69%	750	32,30%
	Marche	815.885	0,33%	8	0,34%
	Piemonte	30.076.094	12,11%	323	13,91%
	Puglia	1.088.557	0,44%	10	0,43%
	Sardegna	3.278.856	1,32%	32	1,38%
	Sicilia	4.009.280	1,61%	46	1,98%
	Toscana	19.574.368	7,88%	151	6,50%
	Umbria	131.710	0,05%	2	0,09%
	Valle d'Aosta	301.987	0,12%	2	0,09%
	Veneto	31.901.049	12,84%	291	12,53%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

11	**Payment frequency**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	Monthly	247.562.421	99,66%	2.315	99,70%
	Semi-Annually	853.039	0,34%	7	0,30%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

12	**Payment Method**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	Repayment	248.415.460	100,00%	2.322	100,00%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

13	**Originator**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	06175-CRG	244.539.777	98,44%	2.293	98,75%
	06915-BML	3.875.683	1,56%	29	1,25%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

14	**SAE Code**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	600	245.422.393	98,80%	2.289	98,58%
	614	1.886.319	0,76%	21	0,90%
	615	1.106.749	0,45%	12	0,52%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

15	**Payment Holiday Type**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	Total Instalments	35.098.512	14,13%	312	13,44%
	Principal Instalment Only	1.765.221	0,71%	11	0,47%
	No Payment Holiday	211.551.728	85,16%	1.999	86,09%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

16	**Payment Holiday Status**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	Requested	25.437.165	10,24%	224	9,65%
	Granted	11.426.567	4,60%	99	4,26%
	No Payment Holiday	211.551.728	85,16%	1.999	86,09%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

17	**Number of Days in Arrears**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	0	221.611.542	89,21%	2.081	89,62%
	30	16.475.680	6,63%	147	6,33%
	60	10.328.239	4,16%	94	4,05%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

18	**Guarantee type**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	CONSAP	196.496.100	79,10%	1.834	78,98%

		Current balance	% of Total	Number of loans	% of Total
	N/A	51.919.360	20,90%	488	21,02%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

19	**Original Loan to Value (%; =< to <)**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	<70%	1.632.125	0,66%	10	0,43%
	70%-80%	3.042.466	1,22%	27	1,16%
	80%-90%	34.382.036	13,84%	326	14,04%
	90%-100%	209.358.833	84,28%	1.959	84,37%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

20	**Current Loan to Value (%; =< to <)**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	<60%	2.157.575	0,87%	19	0,82%
	60%-70%	15.423.966	6,21%	151	6,50%
	70%-80%	36.036.079	14,51%	352	15,16%
	80%-90%	73.204.322	29,47%	698	30,06%
	90%-100%	121.593.519	48,95%	1.102	47,46%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

21	**Mortgage Ranking**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	First Lien	248.415.460	100,00%	2.322	100,00%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

22	**Interest rate type**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	Floating rate loan (for life)	56.684.364	22,82%	491	21,15%
	Fixed rate loan (for life)	189.593.318	76,32%	1.809	77,91%
	Capped	2.137.778	0,86%	22	0,95%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

23	**Employment type**	**Current balance**	**% of Total**	**Number of loans**	**% of Total**
	Employed	198.925.303	80,08%	1.909	82,21%
	Other	6.354.670	2,56%	61	2,63%
	Pensioner	2.721.100	1,10%	25	1,08%
	Self-employed	40.414.387	16,27%	327	14,08%
	Grand Total	**248.415.460**	**100,00%**	**2.322**	**100,00%**

Pool Audit Reports

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

COLLECTION POLICIES

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

* * *

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

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

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

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

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

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

LENDING PROCESS

Loan management involves a variety of organisational parties, both at a head-office (offices in the Lending Unit, etc.) and branch network (Bank branches, Commercial Areas, Financial Advisory for Businesses) level.

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

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

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

With regard to credit risk, for the purposes of determining the authorisation process for loan applications directly filed with the subsidiaries, the Parent Company -as mentioned above- sets

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

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

BANCA DEL MONTE DI LUCCA

1. RATED SEGMENTS

(a) Granting, increase, and confirmation:

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

   (ii) Expected Loss amount: EUR 45.000;

(b) Renewal and "risk flag" loan:

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

   (ii) Expected Loss amount: no limits;

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

2. UNRATED SEGMENTS

(a) Granting, increase, and confirmation

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

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

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

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

(b) Renewal and "risk flag" loan:

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

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

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

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

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

These rules result in lower maximum risk limits per corporate group with respect to the Banking Group. A maximum Banking Group risk limit of no more than EUR 50 mln is identified, with a sublimit for each individual bank as follows:

	Limits of concentration	**Overall Group limit**
Banca Carige Spa	EUR 50 mln	**EUR 50 mln**
Banca del Monte di Lucca Spa	EUR 4 mln	
Banca Cesare Ponti Spa	EUR 1 mln	

The foregoing limits, however, may be waived following a resolution by the Board of Directors with reference to individual counterparties/corporate groups considered particularly credit-worthy or in relation to specific issues that arise for the best management of credit risk.

BANCA CARIGE

FOOTPRINT AREAS

The Parent Company Banca Carige is organised into 13 Commercial Areas: Genova Ponente, Genova Levante, Genova Centro, La Spezia e Carrara, Savona e Imperia, Lombardia e Sardegna, Piemonte e Val d'Aosta, Emilia Romagna, Marche e Umbria, Toscana, Lazio e Puglia, Veneto, Sicilia. These areas directly report to the Commercial Department.

HEAD-OFFICE UNITS

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

(a) definition and proposal of the credit policy;

(b) assumption of credit risk;

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

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

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

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

(a) Credit Policies and Monitoring supports the CLO in defining lending and management policies and supervising the loan classification process;

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

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

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

CREDIT MONITORING

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

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

(a) To be monitored: positions with non-critical irregular conditions or with marginal draw downs (from EUR 0 to 1,000) or forborne performing without any other irregular condition for which there no set management times exist;

(b) Pre-problem loan: positions for which critical irregular conditions were detected, including Particular Note, review, non-performing past due or non-performing cure period (forborne); the management of these positions provides for certain timeframes for the assessment of "Unlikely-to-pay exposures" or derogation;

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

1. REGULAR PAYMENT CONTRACTS AND MANAGEMENT OF LATE PAYMENTS

1.1 Regular payment contracts

1.1.1 Method of payment

Payment is usually made by debiting the current account held with Banca Carige. Il pagamento, negli altri casi, viene eseguito in contanti, con bonifico disposto da altra Banca anche mediante il rilascio di autorizzazione permanente di addebito in c/c (Delega SDD).

1.1.2 Right of renegotiation

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

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

The renegotiation tool is also used for positions with abnormal trends or delayed payments; in such cases, the change in repayment terms (extension of the amortisation plan, change in the conditions applied) is finalised on the base of the proven ability to repay and a state of distress of the customer that is reasonably deemed as temporary.

1.2 First Payment Irregularities

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

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

1.3 Pre-problem loans

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

The Unit consists of two departments:

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

1.4 Past Due

Following the update of the supervisory regulations, effective as of 1/1/2015, the definitions of impaired financial assets have been amended. As a result, three categories of impaired assets were created: Past due, Bad loans, Unlikely-To-Pay exposures.

Past Due consist of exposures more than 90 days past due at the reporting date, including if they include one or more lines of credit ("forborne exposure") and have a ratio of past due and/or in arrears to the entire exposure of over 5%. The overdue or overdraft must be continuous.

Past due loans are subject to an automatic classification as they are not determined by company evaluations, but rather by automatic procedural procedures.

Positions flagged as "past due" are reported to the units in charge of the position (bank branches and/or Large Corporate and SME relationship managers) in the monitoring tool and through the production of a monthly printout (tenth working day of each month) in order to correctly monitor performance and implement the appropriate management measures aimed at regularising the positions.

Past due and/or overdraft exposures will be migrated to another category of loans when all the parameters that had determined their inclusion in the past due/overdraft category (continuity of the period of overrun/morosity or materiality threshold) are met again. The processes that detect the occurrence of this circumstance are automatically managed by the Bank's IT system.

1.5 **Unlikey-To-Pay exposures (UTPs)**

Credit exposures, other than bad loans, for which the bank judges that the borrower will be unlikely to repay his/her credit obligations in full (principal and/or interest) without recourse to actions such as the enforcement of the guarantees. This assessment is made in a manner that does not depend on the existence of any amounts (or instalments) that are overdue and not paid. Therefore, it is not necessary to wait for the explicit symptom of anomaly (non-repayment), where there are elements that imply a risk of default by the debtor (for example, even a crisis in the industrial sector in which the debtor operates could be sufficient). All on-balance sheet and off-balance sheet exposures to the same debtor in the above situation are classified as "Unlikely to pay", unless the conditions for classifying the debt as bad loan are met.

1.6 **Forbearance**

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

As regards the very concept of "Forborne" (which can be translated into "granting measures"), the ECB subsequently intervened by issuing the "Guidelines for banks on impaired loans" on 20 March 2017. This document sets out in detail the key features of the Forbearance Measures:

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

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

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

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

2. "RISK FLAG" LOAN

2.1 Criteria for "risk flag" loan

2.1.1 Description of Criteria

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

2.1.2 Decision-making body

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

2.2 Effects of "risk flag"

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

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

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

(c) it may be a prelude, as the case may be, to payment (including, where appropriate, by repayment plan) or to the initiation of enforcement action.

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

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

On a case-by-case basis, the management of such items is:

(a) managed at decentralised level by the footprint areas units;

(b) centralised at the Bad loan & Collection Unit;

(c) entrusted to third party companies specialised in debt collection (signature loans only).

The Bad loan & Collection Unit is responsible for "risk flag" loan for which:

(a) the exposure detected is higher than EUR 100,000 ("individual limit of amount");

(b) the exposure recorded is equal to or less than the "individual limit of amount" but positions belonging to the same group of which at least one exceeds EUR 100,000 are revoked or in the process of being revoked;

(c) the decision-making body, regardless of the exposure, considers that objective conditions are there for the Bad loan & Collection Unit to manage the file;

(d) "risk flag" loan for which -in the opinion of the decision-making body- it is appropriate to start the enforcement action promptly (e.g.: to obtain judicial mortgages on co-obligatory assets not liable to bankruptcy), to carry out acts of preservation of the asset guarantee (ordinary revocations, preservation seizures, etc.) or for other particular reasons (requests of the same degree or extension of the benefits of mortgages not yet consolidated lent by parties liable to bankruptcy proceedings; need to execute mortgage guarantees, etc.);

(e) "risk flag" loan motivated by the insolvency (or similar) of the entrusted person (inferable from repeated protests, foreclosures or judicial mortgages, proposals for payment in instalments or out-of-court settlement, etc.).;

(f) "risk flag" loan motivated by the submission of debtors to insolvency proceedings (or even only by the certain prospect of their submission to such proceedings, for notice of applications or appeals made to that effect).

(g) The "risk flag" loan is decentralised to the Footprint Areas in all other cases.

2.3 **Classification of positions as bad loans**

2.3.1 Criteria

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

2.3.2 New Organisational Model

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

As part of the updating of the Bank's organisational model the NPE (Non Performing Exposure) Unit was also updated, which will be responsible for the accounting and administrative management of bad loans managed internally or entrusted to the outsourcer, the Retained Organisation activities and coordination of the outsourcer for positions classified to UTP (Unlikely to Pay) or to bad loans, as well as the internal management of bad loans not entrusted to the outsourcer and the management of "*credito anomalo*" with the creation of 3 teams (Team Big ticket, Team Medium ticket, Team Real Estate).

BML

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

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

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

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

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

The Bank's lending service is essentially decentralised.

(1) Footprint Areas

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

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

(2) **Head-Office Units**

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

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

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

* * *

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

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

BANCA CARIGE S.P.A.

Historical Background and Description of Banca Carige

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

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

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

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

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

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

Ownership Structure

As at 31 March 2020, the Issuer's share capital amounts to Euro 1,915,163,696.00 divided into 755,265,881,015 shares without the indication of the nominal value, of which 755,265,855,473 are ordinary registered shares and 25,542 convertible savings shares.

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

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

Board of Directors and Organisational Structure

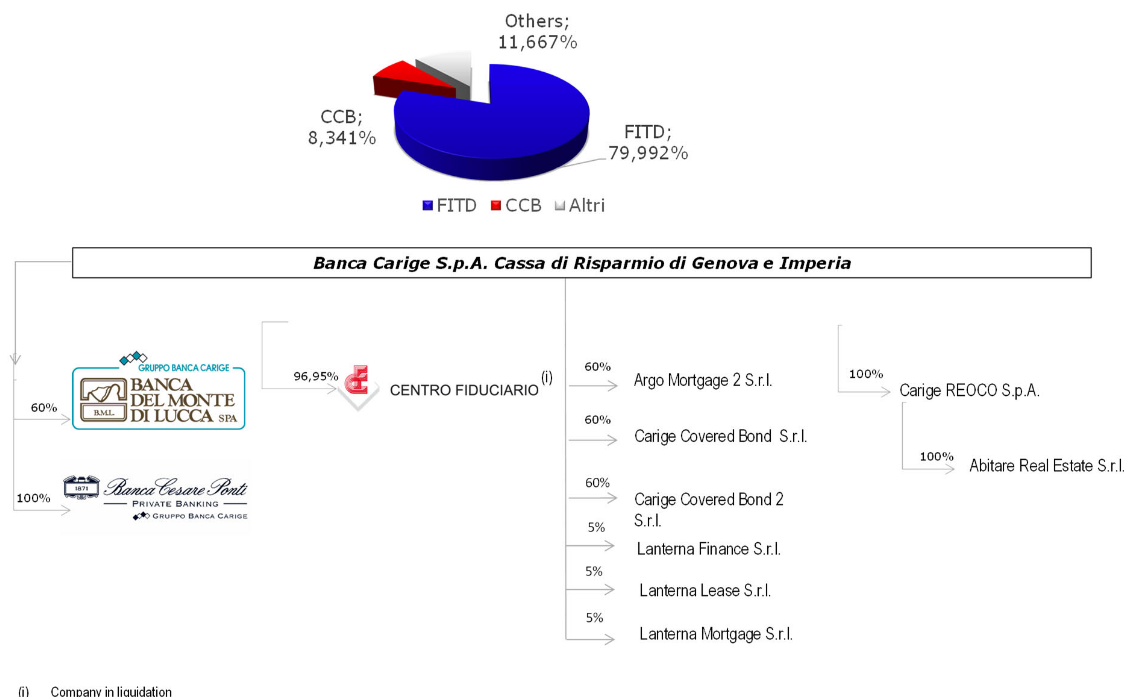
The following table sets out the current members of the Board of Directors.

Name	Position	Place and date of birth
Vincenzo Calandra Buonaura (1) e (8)	Chairman	Reggio Emilia – August 21, 1946
Angelo Barbarulo (2), (8) e (9)	Vice Chairman	Naples – November 17, 1954
Francesco Guido	Chief Executive Officer and General Manager	Lecce – January 7, 1958
Sabrina Bruno (1), (2), (8) e (9)	Director	Cosenza – January 30, 1965
Lucia Calvosa (3), (4), (8) e (9)	Director	Rome – June 26, 1961
Paola Demartini (5), (8) e (9)	Director	Genoa – May 31, 1962
Miro Fiordi (2), (5), (8) e (9)	Director	Sondrio – November 20, 1956
Gaudiana Giusti (6), (8) e (9)	Director	Livorno – July 14, 1962
Francesco Micheli (4), (7), (8) e (9)	Director	Rome – January 3, 1946
Leopoldo Scarpa (5), (8) e (9)	Director	Venezia – June 16, 1951

(1) Member of the Nomination, Governance and Sustainability Committee.
(2) Member of the Remuneration Committee.
(3) Chairman of the Nomination, Governance and Sustainability Committee.
(4) Member of the Related-Party Transaction Committee.
(5) Member of the Risk Committee.
(6) Chairman of the Related-Party Transaction Committee.
(7) Chairman of the Remuneration Committee.
(8) Non-executive director.
(9) Director meets independence requirement pursuant to article 18 of Banca Carige by-laws (which specifies relevant requirements under article 148(3) of the Consolidated Financial Act and the Code of Self-Regulation for listed companies), pursuant to article 147-*ter*(4) of the Consolidated Financial Act, as assessed by the board of directors on 29 April 2016 and, for the directors appointed subsequently to the Shareholders' meeting held on 31 March 2016, by the board of directors on 28 April 2017, 11 July 2017 and 3 August 2017.

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

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



Recent developments

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

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

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

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

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

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

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

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

BANCA DEL MONTE DI LUCCA S.P.A.

Historical Background and Description of BML

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

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

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

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

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

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

Ownership and Share Capital

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

Consolidated Financial Highlights

As at 30 June 2019, the result for the period was a negative EUR 428.5 mln (vs. a net loss of EUR 20.5 mln as at June 2018). This loss reflects not only the results of the operations, but also the effects of the rejection of the capital increase by the Shareholders' Meeting of 22 December 2018 (i.e. *inter alia*, increased charges on the subordinated debt that was not converted into equity and State guarantee fees on bonds issued) and the effects of the preparatory phase for the FITD/CCB project (including the effects resulting from the inclusion of the disposal scenario in the valuation of the NPEs held for sale under the Group's NPE Strategy).

Net Interest Income amounted to EUR 66.7 mln, Net fee and commission income totalled EUR 104.4 mln and Operating expenses were posted for an amount of EUR 333.9 mln.

Direct funding from retail and corporate customers stood at EUR 12.2 bn, broadly in line with the end of 2018 (-0.8%), partly making up for deposits lost after the Shareholders' Meeting of 22 December 2018.

The institutional/wholesale funding component was up to EUR 5.3 bn, primarily as a result of the issuance of EUR 2 bn worth of bonds backed by a State guarantee pursuant to Law Decree no. 1/2019.

As a combined result of the above factors, total direct funding amounted to EUR 17.6 bn (EUR 14.5 bn at the end of 2018).

Indirect funding, totalling EUR 21.3 bn, was essentially stable (+0.4%), with the decline in Assets under Management (-1.2%) being more than offset by the positive performance in Assets under Custody (+2.2%),

Loans to customers, totalling EUR 14.7 bn, were down 4.8% during the first half of the year, while the institutional component totalled 0.8 bn, on an uptrend compared to EUR 0.7 bn as at December 2018.

In consideration of the net loss registered in the first half of the year, the Group's capital ratios as at 30 June 2019 were as follows: phased-in Total Capital Ratio (TCR) of 10.7%, phased-in Tier I Ratio (T1R) of 8.2% and phased-in Common Equity Tier 1 Ratio (CET1R) of 8.2%.

The CET1 Ratio is higher than the Pillar 1 Requirement (P1R) + Capital Conservation Buffer (7%), but lower than the minimum threshold required by the ECB under the SREP process for 2019, and the Pillar 2 Guidance threshold of 11.8%.

The T1 Ratio is lower than the Pillar 1 Requirement (P1R) + Capital Conservation Buffer (8.5%).

The TC Ratio is higher than the 10.5% Pillar 1 Requirements (P1R) + Capital Conservation Buffer limit and lower than the 13.75% minimum threshold required by the ECB under the SREP process for 2019.

The implementation of the Strategic Plan and, in particular, the Capital Strengthening process it contains, will restore the minimum levels required by the supervisory regulations and the ECB.

With regard to the liquidity profile, the Group had a Liquidity Coverage Ratio (LCR) of 252% as at June 2019, higher than the 119% RAF risk tolerance.

THE TRANSACTION ACCOUNT BANK AND PRINCIPAL PAYING AGENT

The Bank of New York Mellon SA/NV

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

The information contained in this section of this Prospectus relates to and has been obtained from the Transaction Account Bank and the Principal Paying Agent. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by the Transaction Account Bank and the Principal Paying Agent, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Transaction Account Bank and the Principal Paying Agent since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.

THE CALLCULATION AGENT

THE BANK OF NEW YORK MELLON, LONDON BRANCH (formerly The Bank of New York)

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

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

THE REPRESENTATIVE OF THE NOTEHOLDERS AND THE BACK-UP SERVICER

Zenith Service S.p.A. will act as Representative of the Noteholders and Back-up Servicer under the Transaction.

Zenith Service S.p.A. is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, having its registered office in Via Vittorio Betteloni, No. 2, 20131 Milan, Italy, enrolled with the companies' register of Rome under no. 02200990980, share capital equal to Euro 2,000,000.00 paid up, enrolled with register held by Bank of Italy pursuant to article 106 of the Banking Law under no. 30 and ABI code no. 32590.2.

The information contained in this section of this Prospectus relates to and has been obtained from the Representative of the Noteholders and the Back-up Servicer. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by the Representative of the Noteholders and the Back-up Servicer, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Representative of the Noteholders and the Back-up Servicer since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.

THE CORPORATE SERVICER AND THE ACCOUNT BANK IN RELATION TO BANCA CARIGE ACCOUNTS

Please refer to the description of Banca Carige S.p.A. under the section "*The Originators, the Servicers, the Senior Notes Initial Subscribers and the Junior Initial Subscribers*".

The information contained in this section of this Prospectus relates to and has been obtained from the Corporate Servicer and the Account Bank In Relation To Banca Carige Accounts. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by the Corporate Servicer and the Account Bank In Relation To Banca Carige Accounts, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Corporate Servicer and the Account Bank In Relation To Banca Carige Accounts since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy on 12 January 2016 as a limited liability company (*società a responsabilità limitata*). The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is at Via Cassa di Risparmio 15, Genoa, Italy, Italy, the fiscal code and number of enrolment with the companies register of Genoa is 09342920965, enrolled with the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 3, paragraph 3, of Law 130 and the Bank of Italy provisions dated 7 June 2017. The Issuer has no employees and no subsidiaries. The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities in the context of one or more securitisation transactions. The Issuer's by-laws provides for termination of the same on December, 31 2100.

The outstanding capital of the Issuer is €10,000.00 divided into quotas as described below. The quotaholders of the Issuer are as follows:

Quotaholder	Quota
Banca Carige S.p.A.	€500 (5% of capital)
Special Purpose Entity Management S.r.l.	€9,500 (95% of capital)

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

Issuer's Principal Activities

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

The Issuer was established as a multi-purpose vehicle and accordingly it may carry out further securitisation transactions in addition to the Transaction, subject to the provisions set forth in Condition 3 (*Covenants*).

Condition 3 (*Covenants*) provides that, so long as any of the Notes remain outstanding, the Issuer shall not, without the prior consent of the Representative of the Noteholders or as provided in any of the Transaction Documents, *inter alia*, incur any indebtedness in respect of borrowed moneys whatsoever (save for the indebtedness incurred in respect of any further securitisations permitted pursuant to Condition 3 (*Covenants*)), engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage, pay any dividend or make any other distribution or return or repay any equity capital to its Quotaholders, other than in accordance with the provisions of the Quotaholders' Agreement, or increase its equity capital.

The Issuer will covenant in the Intercreditor Agreement to observe, *inter alia*, the restrictions detailed in Condition 3 (*Covenants*).

In April 2016, the Issuer carried out a securitisation transaction pursuant to the Securitisation Law (the "**Previous Securitisation**"). In the context of the Previous Securitisation, the Issuer has issued the following notes: Euro 158,400,000 Class A1 Asset Backed Floating Rate Notes due 28 January 2041, the Euro 158,400,00 Class A2 Asset Backed Floating Rate Notes due 28 January 2041 and the Euro 117,900,000 Class Z Asset Backed Variable Return Notes due 28 January 2041. The notes issued under the Previous Securitisation have been redeemed or cancelled on 29 January 2018 and the Previous Securitisation has been terminated and unwound pursuant to, and in accordance with, an amendment and termination agreement entered into on 7 February 2019 by the parties to such securitisation transaction, including without limitation the Issuer (formerly Lanterna Consumer S.r.l.).

Director

The Board of Directors is composed by the following 3 (three) members:

Name	**Position**
Federico Illuzzi	Chairman
Emilio Gatto	Director
Gianluca Caniato	Director

The members of the Board of Directors have no principal activities outside the Issuer that are significant to the Issuer.

Accounts of the Issuer and accounting treatment of the Portfolio

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

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

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

Capitalisation and indebtedness statement

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

Quota capital	Euro
Issued, authorised and fully paid up capital	10,000
Loan Capital	**Euro**
Euro 173,891,000 Class A1 Residential Mortgage Backed Floating Rate Notes due January 2065	173,891,000
Euro 11,179,000 Class A2 Residential Mortgage Backed Floating Rate Notes due January 2065	11,179,000
Euro 69,034,000 Class J Residential Mortgage Fixed Rate Notes due January 2065	69,034,000
Total loan capital of the Notes	254,104,000
Total capitalisation and indebtedness	254,114,000

Subject to the above, as at the date of this Prospectus, the Issuer has no borrowings or indebtedness in respect of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Financial statements and Auditor's Report

The Issuer's accounting reference date is 31 December in each year.

The financial statements and the half-yearly report of the Issuer are audited by EY S.p.A.

USE OF PROCEEDS

The proceeds from the issue of the Notes will be used by the Issuer:

(a) to pay Euro 245,532,280.16 to Banca Carige as Purchase Price of the Banca Carige Portfolio (being subject to set-off against the obligations of Banca Carige as Class A Initial Subscriber and Class J Initial Subscriber to pay to the Issuer its part of subscription price of the Senior Notes and the Junior Notes;

(b) to pay Euro 3,884,299.96 to BML as Purchase Price of the BML Portfolio (being subject to set-off against the obligations of BML as Class A Initial Subscriber and Class J Initial Subscriber to pay to the Issuer its part of subscription price of the Senior Notes and the Junior Notes;

(c) to credit Euro 4,626,750 into the General Reserve Account as General Reserve Initial Amount; and

(d) to credit Euro 60,000 into the Expenses Account as Retention Amount.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is an overview of certain features of those agreements and is qualified by reference to the detailed provisions of the Transaction Documents. Prospective Noteholders may inspect copies of the Transaction Documents upon request at the specified office of the Representative of the Noteholders.

1. THE RECEIVABLES TRANSFER AGREEMENT

On 16 July 2020, the Issuer entered into the Receivables Transfer Agreement, pursuant to which each Originator has assigned without recourse (*pro soluto*) to the Issuer, which has purchased, pursuant to articles 1 and 4 of the Securitisation Law, the relevant Receivables comprised in each Individual Portfolio.

The Receivables comprised in the Individual Portfolios have been selected by the relevant Originator on the basis of certain criteria set forth in the Receivables Transfer Agreement (the "**Criteria**"). For further details, see the section entitled "*The Portfolio*".

The legal effects of the transfer of the Portfolio start from the date on which the Receivables Transfer Agreement is entered into (included). The economic effects of the transfer of the Portfolio start from the Valuation Date (excluded).

The transfer of the Portfolio has been published in the Official Gazette of the Republic of Italy no. 86 Part II of 23 July 2020 and filed with the companies' register of Genoa on 24 July 2020.

On 17 July 2020, the Issuer sent to Banca Carige and BML a communication of erroneous identification according to clauses 4.1(b) and 4.2 of the Receivables Transfer Agreement (such clauses are briefly described in the paragraph "Purchase Price Adjustments" below), as certain receivables originally included in the list of Receivables attached under schedule 2, Part 1, of the Receivables Transfer Agreement did not meet the Criteria at the Valuation Date and/or such other date specified in the relevant Criteria (the "**Communication of Erroneous Identification**"). In accordance with the provisions of the Receivables Transfer Agreement, under the Communication of Erroneous Identification, the Issuer informed thereof Banca Carige and BML and Banca Carige and the Issuer have consequently: (i) adjusted the Purchase Price relating to the Banca Carige Portfolio (as specified below); and (ii) replaced the list of Receivables attached under schedule 2, Part 1, of the Receivables Transfer Agreement with the one attached to the Communication of Erroneous Identification.

Purchase Price

The Purchase Price of each Individual Portfolio will be the aggregate of the Individual Purchase Price of all the Receivables comprised in the relevant Individual Portfolio. The Individual Purchase Price of each Receivable comprised in each Individual Portfolio will be equal to the Outstanding Principal Amount of such Receivable as at the Valuation Date net of any amount paid but not yet due.

The Purchase Price of each Individual Portfolio is as follows:

(a) Euro 245,532,280.16 for the Banca Carige Portfolio; and

(b) Euro 3,884,299.96 for the BML Portfolio;

The payment of the Purchase Price for the Portfolio will be funded by the Issuer through the issuance of the Notes.

Purchase Price Adjustments

The Receivables Transfer Agreement provides for a price adjustment mechanism, pursuant to which:

(i) if, following the relevant Transfer Date, any Receivable included in the transfer does not meet the applicable Criteria, then such Receivable shall be deemed to have never been assigned and transferred to the Issuer pursuant to the Receivables Transfer Agreement;

(ii) if, following the relevant Transfer Date, a Receivable which has not been included in the transfer meets the applicable Criteria, then such Receivable shall be deemed to have been assigned and transferred to the Issuer pursuant to the Receivables Transfer Agreement.

Undertakings of the Originators

The Receivables Transfer Agreement contains certain undertakings of the relevant Originator in respect of the Receivables comprised in the relevant Individual Portfolio.

Each Originator has undertaken, *inter alia*, to refrain from carrying out any activity which may have an adverse effect on the Receivables and, in particular, not to assign and/or transfer (in whole or in part) the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables in the period of time between (i) the date of execution of the Transfer Agreement, and (ii) the date of publication of the notice of transfer of the relevant Individual Portfolio in the Official Gazette of the Republic of Italy and the date of registration of such notice in the competent companies' register. Each Originator has also undertaken, *inter alia*, to refrain from taking any action which could cause or determine the invalidity or unenforceability of the assignment of any Receivable or a detriment of the rights relating to the Receivables, and not to assign, transfer or agree to an assignment or transfer of, or otherwise dispose of, any of the Loan Agreements, save as otherwise permitted under the Transaction Documents.

Option to repurchase individual Receivables

In order to, inter alia, let each Originator to maintain good relationships with its clients and to avoid, to the extent possible, discrimination between the Debtors and other borrowers of the relevant Originator, the Issuer has granted to each Originator an option to repurchase individual Receivables from the Issuer, subject to the conditions set forth in the Receivables Transfer Agreement, and in particular ***provided that*** (i) with reference to the Receivables *in Bonis* and Receivables in Arrears, the Outstanding Principal Amount, as at the relevant economic effective date of the repurchase, of the Receivables being repurchased (together with the sum of the Outstanding Principal Amount, as at the relevant economic effective date of the repurchase, of the Receivables already repurchased) does not exceed 20% of the Outstanding Principal Amount, as at the Valuation Date, of the Receivables included in the relevant Individual Portfolio; and (ii) with reference to the Defaulted Receivables, the Outstanding Principal Amount, as at the relevant economic effective date of the repurchase, of the Receivables being repurchased (together with the sum of the Outstanding Principal Amount,

as at the relevant economic effective date of the repurchase, of the Receivables already repurchased within the same Collection Period) does not exceed 20% of the Outstanding Principal Amount, as at the Valuation Date, of the Receivables included in the relevant Individual Portfolio.

Simultaneously with the exercise of the option for the repurchase of one or more individual Receivables comprised in the relevant Portfolio, the relevant Originator will provide the Issuer with:

(a) a solvency certificate signed by a legal representative of such Originator, dated no earlier than the relevant repurchase date and in line with the form attached to the Receivables Transfer Agreement; and

(b) a good standing certificate issued by the competent companies' register, dated no earlier than 5 (five) Business Days before the relevant repurchase date, stating that no insolvency proceeding is pending against such Originator.

The repurchase price for:

(a) the Receivables *in Bonis* and Receivables in Arrears, will be equal to the aggregate of:

  (i) the Outstanding Principal Amount, as at the relevant date of economic effects of the repurchase, of the Receivables subject to repurchase, plus

  (ii) an amount equal to interest accrued on such Receivables as at the relevant date of economic effects of the repurchase, and

  (iii) any other amount due but unpaid in respect of such Receivables by the relevant Debtor as at the relevant date of economic effects of the repurchase; and

(b) Defaulted Receivables having an aggregate price, determined as described under paragraph (a) above, greater than Euro 10,000,000.00 as sum of the prices of the individual Defaulted Receivables agreed and/or paid during the relevant Collection Period, the lower of:

  (i) the amount determined in accordance with paragraph (a) above; and

  (ii) the estimated realisable value of the Receivables as at the relevant date of economic effects of the repurchase, as determined by the Master Servicer (also on the basis of the net book value of such Receivables) and previously communicated to the Representative of the Noteholders, ***provided that*** such estimated realisable value shall be at least equal to:

    (A) 90% of the amount determined in accordance with paragraph (a) above, if the relevant Defaulted Receivables being repurchased are guaranteed by a State Guarantee; or

    (B) 70% of the amount determined in accordance with paragraph (a) above, if the relevant Defaulted Receivables being repurchased are guaranteed by a State Guarantee.

The repurchase of any Receivable is subject to the payment in full of the relevant repurchase price by the relevant Originator by transferring the same into the Collection Account.

The repurchase of any Receivable will be made without recourse (*pro soluto*), without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the relevant Receivable), other than as to compliance with the limitations set out in the Transaction Documents in relation to the Receivables.

Option to repurchase Receivables in aggregate

In addition, the Issuer has granted to each Originator an option to repurchase from the Issuer the aggregate Receivables comprised in the relevant Individual Portfolio, subject to the conditions set forth in the Receivables Transfer Agreement.

Such option may be exercised starting from the Payment Date on which the Outstanding Principal Amount of the Portfolio subject to repurchase is lower than 10% of the Outstanding Principal Amount of the Portfolio as at the Valuation Date.

The repurchase price for the aggregate Receivables will be equal to the aggregate of:

(a) the Outstanding Principal Amount (being the sum of the Instalments not yet due and payable, net of any Instalment paid in advance);

(b) the sum of:

 (i) any principal amount on Instalments due and payable but unpaid (whether in whole or in part);

 (ii) any interest amount on Instalments due and payable but unpaid (whether in whole or in part);

 (iii) any ancillary costs relating to the payment of any Instalment;

 (iv) default interest;

 (v) without duplication of the amounts under paragraph (a) above, any principal amount postponed at the end of the relevant amortization period in accordance with moratorium concessions; and

(c) an amount equal to interest accrued on such Receivables but unpaid as at the Valuation Date (excluded).

Simultaneously with the exercise of the option for repurchase of the aggregate Receivables comprised in the Individual Portfolios, the relevant Originator will provide the Issuer with:

(a) a solvency certificate signed by a legal representative of such Originator, dated no earlier than the relevant repurchase date and in line with the form attached to the Receivables Transfer Agreement; and

(b) a good standing certificate issued by the competent companies' register, dated no earlier than 5 (five) Business Days before the relevant repurchase date, stating that no insolvency proceeding is pending against such Originator.

The repurchase of the Receivable in aggregate is subject to the payment in full of the relevant repurchase price by the relevant Originator by transferring the same into the Collection Account.

The repurchase of the Receivable in aggregate will be made without recourse (*pro soluto*), without any warranty by the Issuer (including, without limitation, any warranty as to the existence of the relevant Receivable), other than as to compliance with the limitations set out in the Transaction Documents in relation to the Receivables. The option to repurchase the Receivables in aggregate may be exercised exclusively to the extent that: (i) it is exercised jointly by both the Originators, each with respect to the Receivables comprised in its relevant Individual Portfolio, or, if one of the Originators is not intentioned to exercise such repurchase option, by the remaining Originator with respect to the entire Portfolio; and (ii) the aggregate amount of the repurchase price and the other Issuer Available Funds is applied by the Issuer towards payment and discharge of (A) the then Principal Amount Outstanding with respect to the Senior Notes, (B) the then Principal Amount Outstanding with respect to the Junior Notes or the lower amount determined by the meeting of the Junior Noteholders in accordance with the Rules of the Organisation of the Noteholders, (iii) the amount of interest due and payable on the Senior Notes and (iv) of all of its outstanding liabilities in priority to or *pari passu* with the Notes in accordance with the applicable Priority of Payments.

Governing Law and Jurisdiction

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

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

2. THE SERVICING AGREEMENT

General

On 16 July 2020, Banca Carige, BML and the Issuer entered into the Servicing Agreement (as amended on 30 July 2020), pursuant to which (A) the Issuer has appointed (i) Banca Carige as Master Servicer, and (ii) BML as Additional Servicer and (B) each of the Servicers have agreed to administer and service the Receivables respectively assigned by it.

Accordingly, each Servicer has agreed to perform certain servicing duties in connection with the Receivables, and, in general, each Servicer has agreed to be responsible for the management of the Receivables and for cash and payment services in accordance with the requirements of Securitisation Law.

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

The Master Servicer has undertaken to prepare and submit quarterly reports to the Issuer, the Corporate Servicer, the Account Banks, the Calculation Agent, the Cash Manager (if any), the Back-up Servicer, the Representative of the Noteholders, the Rating Agencies, the Reporting

Entity and the Arrangers, containing information as to all the activity of each of the Servicers pursuant to the Servicing Agreement during the preceding quarter. Such quarterly reports shall also contain any further information required to prepare the reports set out in article 7, paragraph 1, and article 22, paragraph 4, of the EU Securitisation Regulation, in accordance with the Regulatory Technical Standards and the EBA Guidelines.

Pursuant to the Servicing Agreement, on or prior to each Investor Report Date, the Master Servicer shall prepare and deliver – also via email – to the Issuer, the Corporate Servicer, the Calculation Agent, the Cash Manager (if any), the Additional Servicer, the Back-up Servicer, the Representative of the Noteholders, the Rating Agencies, the Reporting Entity and the Arranger the Loan By Loan Report, containing information as to each Loan with reference to the preceding Collection Period (including, *inter alia*, the available information as to environmental performance of the Real Estate Assets) and complying with the EU Securitisation Regulation and the Regulating Technical Standards applicable in order to include the information necessary from time to time for the purposes of preparing the reports referred to in Article 7(1) of the EU Securitisation Regulation and for the application of the Regulating Technical Standards.

Pursuant to the Servicing Agreement:

(a) the collections paid to the Servicers with respect to the Portfolio will be transferred to the Collection Account by 3 p. m. (Milan time) on the Business Day immediately following the payment thereof, with value date corresponding to the collection date; upon the occurrence of an extraordinary circumstance causing a delay in the transfer system, such amounts shall be credited into the Collection Account within the Business Day immediately following the day in which such extraordinary circumstance has terminated, with value date corresponding to the date on which such extraordinary circumstance has terminated;

(b) in the event that payments relating to the Receivables are made by means other than moneys, the Servicers will, as soon as practicable, liquidate the payment instrument and transfer the relevant amounts to the Issuer into the Collection Account with the same activities indicated under paragraph (a) above. It is understood that the relevant Servicer shall accept payments by means other than moneys only under reserve (*salvo buon fine*);

(c) in case of lack of any specific attribution to payment by the Debtors, where possible and subject to the law provisions applicable to the payment attribution ranking, the Servicers will apply such payments towards the Receivables, with preference in respect of the other Debtors' debt positions towards the Issuer.

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

Obligations of the Master Servicer

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

(a) to provide certain monitoring activities in relation to the collection of the Receivables, the collection of any amount paid by or in favour of the Issuer (the "**Cash Transactions**") and to verify that such Cash Transactions are performed in compliance with the Transaction Documents, the Prospectus and the applicable laws and regulations;

(b) to maintain and observe the operational and administrative procedures and create and update all registrations and documentation which are necessary and appropriate for (i) the monitoring of the Collection and the Illiquid Collection (including for example but not limited to registrations which allow the identification of the origin and the type of payment) and (ii) to check and verify the amount of expenses incurred by the same;

Pursuant to the Servicing Agreement, the Master Servicer may sell Defaulted Receivables in accordance with the terms and conditions provided in the Servicing Agreement.

Obligations of the Servicers

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

(a) to carry out the management, administration and collection of the Receivables respectively assigned by them, to manage the recovery of the relevant Defaulted Receivables and to bring or participate in the relevant enforcement proceedings in relation thereto in accordance with best professional due diligence and sound and prudent management applied by banks in the management of their receivables;

(b) to carry out all the activities aimed at preserving the validity and/or the ranking of the Mortgages, State Guarantees and Guarantees relating to the Receivables comprised in the relevant Portfolio;

(c) save where otherwise provided in the Collection Policy and the Servicing Agreement, not to release or consent to the cancellation or any modification which may be prejudicial to the Issuer's interests in respect of the Receivables unless ordered to do so by law provision or a competent judicial or other authority or authorised in written to do so by the Issuer and the Representative of the Noteholders;

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

(e) to obtain and comply with all authorisations, approvals, licenses and consents required for the fulfilment of their obligations under the Servicing Agreement or to ensure the legality, validity and effectiveness of the Servicing Agreement.

Each Servicer has acknowledged and accepted that, pursuant to the terms of the Servicing Agreement (save for the servicing fee and expenses due thereunder) it will not have any further recourse against the Issuer for any damages, losses, liabilities, costs or expenses incurred by the relevant Servicer as a result of the performance of its obligations under the Servicing Agreement, except and to the extent that such damages losses, claims, costs and expenses that may be incurred in connection with the wilful misconduct (*dolo*) or gross negligence (*colpa grave*) of the Issuer.

Renegotiations

In order to permit to each of Banca Carige and BML to keep good relationships with its clients and to avoid, to the extent possible, discriminations between its Debtors and the other relevant borrowers, the Issuer has granted an irrevocable mandate to each of the Servicers so that, with respect to the relevant Receivables *in Bonis* and Receivables in Arrears and to the relevant Loan Agreements, they may enter into agreements for the renegotiation (i) of the interest rate (e.g., conversion from fixed interest rate to floating interest rate and vice versa, or reduction in the applicable interest rate), (ii) of the penalty for early repayment (where contractually provided for and permitted by law), as well as (iii) rescheduling or suspension of payments (including the adhesion to moratoriums), provided that no Servicer, other than for renegotiations by law or regulations or agreements entered into with trade associations to which the relevant Originator is a party (the "**Ex Lege Renegotiations**") shall not enter into any agreement for renogotiate, reschedule and/or suspend payments as a consequence of which: (i) the new final maturity date of such Loan falls after the earlier of the date falling 10 years prior to the Final Maturity Date and the date falling 5 years after the original final maturity date of such Loan; (ii) with respect to fixed rate Loans, the new interest rate is more than 30% lower than the interest rate originally established; (iii) with respect to variable rate Loans, the new applicable spread is more than 30% lower than the interest rate originally established; (iv) with respect to loans which provide for a fixed interest rate calculation method and for which the application of a variable interest rate calculation method is required for the residual maturity of the Loan, the expected spread is less than 30% of the spread applied to the interest rate swap (IRS) for the period between the date of disbursement or the date of the last renegotiation regarding such loan and the date of maturity of such loan; (v) with respect to loans which provide for a variable interest rate calculation method and for which a fixed interest rate calculation method is required for the residual maturity of the loan, the new interest rate is less than the sum of the interest rate swap (IRS) for the period between the remaining maturity of the Loan and 30% of the spread applied to such loan prior to the renegotiation. Any renegotiation and/or moratorium (except for Ex Lege Renegotiations) shall also be subject to the following limits: (i) the aggregate of the Outstanding Principal Amount of the Receivables subject to renegotiation and/or moratorium calculated as of the end of each Collection Period shall not be higher than 7.5% of the Outstanding Principal Amount of such Receivables calculated as of the Valuation Date; and (ii) the aggregate he Receivables subject to renegotiation and/or moratorium calculated as of the end of each Collection Period shall not be higher than 5% of the Outstanding Principal Amount of the Portfolio as of the end of the relevant Collection Period. Such irrevocable mandate granted by the Issuer to each Servicer may be terminated by the Issuer at any time upon occurrence of the circumstances described under paragraph "*Termination of the appointment of the Servicers*" below and, subject to the provisions of the applicable law, if the relevant Servicer, in the performance of its mandate, exceeds the limits and fails to comply with the terms and conditions of such paragraph or is in breach of its obligations described in this sub-paragraph.

Transactions

The Master Servicer, in relation to the Receivables sold by Banca Carige, and the Additional Servicer, in relation to the Receivables sold by BML, being classified as Delinquent Receivables and/or Defaulted Receivables, if this is necessary for a quicker management of the recovery procedure of these Receivables, may enter into transactions with the Debtors and may totally or partially release the same or may agree with the Debtors deferrals or moratoria on payments (provided that the new final maturity date of such Loan does not fall after the earlier of the date falling 10 years prior to the Final Maturity Date and the date falling 5 years after the original final maturity date of such Loan) and reductions of the interest rate (including

interest in arrears), within the limits set forth in the sub-paragraph "*Renegotiations*" above, except for Ex Lege Renegotiations in relation to which such limits shall not apply.

The parties to the Servicing Agreement have furtherly agreed that any moratorium on payments relating to the Outstanding Principal Amount of Receivables classified as Delinquent Receivable and/or Defaulted Receivable may be carried out, with the exception of Ex Lege Renegotiations (which shall be carried out by each Servicer in compliance with the relevant regulations), provided that the following conditions are met:

(i) the suspension of the relevant amortisation plan is no longer than 12 months;

(ii) the Outstanding Principal Amount of the relevant Receivables that benefit or have benefited from moratoriums according to this sub-paragraph at the end of each Collection Period is not higher than 20% of the Outstanding Principal Amount of the relevant Individual Portfolio as at the Valuation Date; and

(iii) the Outstanding Principal Amount of the relevant Receivables subject to moratoria according to this sub-paragraph does not exceed, at the end of each Collection Period, 10% of the Outstanding Principal Amount of the relevant Individual Portfolio as at the end of the relevant Collection Period.

With respect to any transaction, deferment, moratorium or restructuring that does not comply with the above mentioned limits, the Master Servicer, on its own or on behalf of the Additional Servicer in relation to the Receivables sold by BML, shall submit for approval to the Issuer and the Representative of the Noteholders a project of the possible settlement agreement, deferment, moratorium or restructuring, which shall be accompanied by a report containing the reasoned opinion of the Master Servicer.

Sale of Defaulted Receivables

In accordance with the Collection Policies and within the limits set forth in the Servicing Agreement, the Master Servicer may, in the name and on behalf of the Issuer, sell one or more Defaulted Receivables (save for what provided under the paragraph "*Option to repurchase individual Receivables*" of the section "*Description of the Transaction Documents – The Receivables Transfer Agreement*") to third parties ***provided that***:

(i) in order to recover such Defaulted Receivables, all other measures provided for in the Collection Policies have been unsuccessfully carried out by the Master Servicer with the utmost professional diligence;

(ii) in the Master Servicer's prudent assessment, carried out with the utmost professional diligence, there is no concrete alternative possibility of recovering such Defaulted Receivables in a way that is more economically convenient in the context of the Transaction in respect of the sale of the relevant Defaulted Receivables;

(iii) the assignment of such Defaulted Receivables is made without recourse (*pro soluto*) and does not entail any guarantee to be provided by the Issuer in relation to the performance and/or solvency of the relevant Debtors;

(iv) the purchaser of such Defaulted Receivables delivers copies of a solvency certificate, of a good standing certificate and of a certificate issued by the bankruptcy section of the competent court stating that no bankruptcy proceedings is pending or commenced;

(v) the purchase price for the sale is paid in a lump sum at the same time of the transfer of the relevant Defaulted Receivable;

(vi) the transfer let the Issuer to collect at least 70% of the Outstanding Principal Amount of the relevant Defaulted Receivable; and

(vii) the sale of the Defaulted Receivables takes effect from the date of payment of the purchase price.

The Quarterly Master Servicer's Report shall analytically indicate the Defaulted Receivables which have been sold in accordance with this sub-paragraph and the Servicing Agreement.

Assumptions

Pursuant to the Servicing Agreement, the Servicers may also consent to assumptions (*accolli*) without release of the relevant Debtor. Assumptions (*accolli*) with release of the relevant Debtor may be consented by the Servicers to the extent this is provided by the Collection Policies.

Servicing Fees

As consideration for the services provided pursuant to the Servicing Agreement, the Servicers will be entitled to receive the following fees from the Issuer:

(a) for the collection activities of the Receivables other than the Defaulted Receivables (except for the administration activities in respect of the Receivables and the collection activities in respect of the Defaulted Receivables), until the Termination Date and on each Payment Date (in accordance with the provisions of the Intercreditor Agreement), a fee equal to 0.4% p.a. of the Collections relating to the Receivables other than the Defaulted Receivables collected by the Issuer in the Collection Period immediately preceding. The amount paid for the collection of the Receivables other than the Defaulted Receivables and for the ancillary activities will comprise VAT, if applicable;

(b) for the administration activities of the Receivables (except for the collection activities in respect of the Receivables other than the Defaulted Receivables and the collection activities in respect of the Defaulted Receivables), a fee equal to Euro 20,000 for the year 2020 and equal to Euro 40,000 for each subsequent year until the Termination Date (excluding VAT);

In addition, each Servicer, for the collection of the Defaulted Receivables carried on under the Servicing Agreement, shall be entitled to receive, on each Payment Date until the Termination Date and pursuant to the Intercreditor Agreement, a fee (also as reimbursement of expenses incurred in respect thereof) equal to 4% of the Collections related to the Defaulted Receivables collected in the preceding Collection Period.

Termination of the appointment of the Servicers

The Issuer, without prejudice to any other right or remedy provided for by law, may terminate the Servicing Agreement pursuant to article 1456, paragraph 2, of the Italian Civil Code, upon occurrence of the following events:

(a) any Servicer fails to transfer, deposit or pay any amount due pursuant to the Servicing Agreement within 10 (ten) Business Days from the date on which the relevant Servicer has received a written notice from the Issuer;

(b) any Servicer fails to comply (within 10 (ten) Business Days from the date on which the relevant Servicer has received a written notice from the Issuer) with any of its obligations pursuant to the Servicing Agreement; or

(c) the representations and warranties given by any Servicer under the Servicing Agreement are false or incorrect in any material respect and such circumstances have a material adverse effect with regard to the Issuer and the Transaction.

The Issuer, without prejudice to any other right or remedy provided for by law and the right to terminate the Servicing Agreement (as described above), may terminate the appointment of a Servicer and withdraw from the Servicing Agreement pursuant to article 1373 of the Italian Civil Code, upon occurrence of the following events:

(a) the relevant Servicer has been declared insolvent, or by order of the competent authority has become subject to liquidation, administration, passed a corporate resolution aimed at obtaining such orders by the competent authority or has been admitted to a Bankruptcy Proceeding (other than *amministrazione straordinaria* with respect to Banca Carige) or passed a corporate resolution aimed at obtaining the admission to such Bankruptcy Proceedings (other than *amministrazione straordinaria* with respect to Banca Carige) or a corporate resolution aimed at obtaining the Servicer's voluntary liquidation;

(b) the relevant Servicer fails to transfer, deposit or pay any amount due pursuant to the Servicing Agreement within 15 (fifteen) Business Days from the date on which such Servicer has received a written notice from the Issuer, unless such failure is due to *force majeure*;

(c) the relevant Servicer fails to comply (within 20 (twenty) Business Days from the date on which such Servicer has received a written notice from the Issuer) with any of its obligations pursuant to the Servicing Agreement or any other Transaction Document to which it is a party to the extent that such failure (i) (in the reasonable opinion of the Representative of the Noteholders) adversely affects the contractual relationship with the relevant Servicer and (ii) is not due to *force majeure*;

(d) any of the representations and warranties given by the Master Servicer or the Additional Servicer under the Servicing Agreement and/or any other Transaction Document proves to be incorrect, false or misleading in any material respect and such circumstance, in the reasoned opinion of the Representative of the Noteholders, has a material adverse effect on the Issuer and/or the Transaction, save where such circumstance is remedied within the following 30 (thirty) Business Days (unless such circumstance is irremediable, in which case such grace period will not be applicable);

(e) it becomes unlawful for the relevant Servicer to perform or comply with any of its obligations under the Servicing Agreement;

(f) the Master Servicer or the Additional Servicer significantly changes the structures and/or services involved in the activities related to the management of the Receivables

and/or the performance of the Proceedings or there is a material adverse change in the economic or financial situation of the Master Servicer or the Additional Servicer, if such circumstances taken individually or jointly may reasonably prejudice, according to the reasoned opinion of the Representative of the Noteholders, the proper performance by the Master Servicer or the Additional Servicer of the obligations of, and the performance of the activities charged to, the Master Servicer or the Additional Servicer pursuant to the Servicing Agreement;

(g) the relevant Servicer is or will be unable to meet the legal and regulatory requirements to act as servicer in the context of a securitisation transaction;

(h) with respect to BML only, Banca Carige ceases to own or control in aggregate at least 50% +1 one share of the share capital of BML with voting rights; and

(i) with respect to BML only, in case of termination of the appointment of Banca Carige as Master Servicer.

Governing Law and Jurisdiction

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

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

3. THE WARRANTY AND INDEMNITY AGREEMENT

General

On 16 July 2020, the Issuer and the Originators entered into the Warranty and Indemnity Agreement (as amended on 30 July 2020), pursuant to which each Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the relevant Individual Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer that may be incurred in connection with the purchase and ownership of such Receivables.

Representation and warranties given by the Originators

The Warranty and Indemnity Agreement contains representations and warranties given by each Originator in respect of the following categories:

(a) general issues relating to each Originator;

(b) Loan Agreements, Loans, Receivables, Mortgages, Guarantees, State Guarantees, Mortgages and Insurance Policies;

(c) Real Estate Assets;

(d) compliance with STS-securitisation; and

(e) other representations and warranties.

Indemnities

Pursuant to the Warranty and Indemnity Agreement each Originator has agreed to indemnify and hold harmless the Issuer and its directors (the "**Indemnified Persons**") from and against any and all damages, losses and reasonable claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from (without duplication), *inter alia*: (a) any representations and/or warranties made by the Originators under the Warranty and Indemnity Agreement the Receivables Transfer Agreement the Servicing Agreement or the other Transaction Documents, being false, incomplete or incorrect as of the date on which it has been given; (b) breach of, or failure to comply with, any of their obligations under the Transaction Documents by the Originators; (c) any Receivable not being collected or recovered, in whole or part, as a result of the exercise by the relevant Debtor of any right of, *inter alia*, termination or rescission in relation to the Loan Agreements, the Mortgages, the Guarantees or the Insurance Policies due to a breach caused by the relevant Originator; and (d) the failure by each of the Originators to comply with the provision of article 1283 of the Italian Civil Code and article 120 of the Banking law (and relevant implementing regulations).

Governing Law and Jurisdiction

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

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

4. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

General

On or about the Issue Date, the Issuer, the Servicers, the Originators, the Corporate Servicer, the Account Banks, the Principal Paying Agent, the Calculation Agent, the Representative of the Noteholders and the Back-up Servicer have entered into the Cash Allocation, Management and Payments Agreement, pursuant to which the Agents have agree to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling services in relation to monies and securities from time to time standing to the credit of the Accounts.

Account Banks

The Issuer has established and shall maintain with Banca Carige, the Expenses Account and the Quota Capital Account.

The Issuer has established and shall maintain with The Bank of New York Mellon SA/NV, Milan Branch, the Payments Account, the Collection Account and the General Reserve Account.

After the Issue Date, on the terms and subject to the conditions of the Cash Allocation, Management and Payments Agreement and the additional terms which may be defined between

the relevant parties (which, in any case, shall not conflict with the provisions of the Cash Allocation, Management and Payments Agreement), the Issuer may:

(i) appoint a cash manager for the purposes of making Eligible Investments (the "**Cash Manager**") which shall accede in writing to the Cash Allocation, Management and Payments Agreement and the other relevant Transaction Documents; and

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

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

The Account Banks shall (i) operate the Account(s) held with them in accordance with the Cash Allocation, Management and Payments Agreement, and (ii) provide the Issuer with certain handling services in relation to monies or securities from time to time standing to the credit of such Account(s).

Calculation Agent

On or prior to each Calculation Date, subject to the terms and conditions set out under the Cash Allocation, Management and Payments Agreement, the Calculation Agent shall:

(a) prepare the Payments Report with respect to the immediately following Payment Date; and

(b) deliver, via email:

    (i) the Payments Report to the Issuer, the Originators, the Master Servicer, the Additional Servicer, the Back-up Servicer, the Corporate Servicer, each of the Agents, the Rating Agencies and the Representative of the Noteholders; and

    (ii) the relevant payment instructions to the Account Banks, the Principal Paying Agent and the Corporate Servicer.

Subject to the terms and conditions set out under the Cash Allocation, Management and Payments Agreement, the Calculation Agent shall:

(a) prepare the Investor Report with respect to the relevant Payment Date, on a quarterly basis on or prior to each Investor Reports Date and also upon occurrence of any significant event relating to the Transaction in accordance with article 11.2 (*Transparency requirements under the EU Securitisation Regulation*) of the Intercreditor Agreement;

(b) on or prior to each Investor Report Date (and also upon occurrence of any significant event relating to the Transaction in accordance with article 11.2 (*Transparency requirements under the EU Securitisation Regulation*) of the Intercreditor Agreement),

deliver, via email, a copy of the Investor Reports to the Issuer, the Reporting Entity, the Representative of the Noteholders, the Master Servicer, the Additional Servicer, the Corporate Servicer, the Arranger, the Principal Paying Agent and the Rating Agencies.

Under the Cash Allocation, Management and Payments Agreement, the Calculation Agent has undertaken to prepare, on behalf and at the expense of the Issuer and in consultation with the Originators, the Inside Information and Significant Event Report (which includes information set out under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, including, inter alia, the events which trigger changes in the Priorities of Payments, the occurrence of a Trigger Event and the delivery of a Trigger Notice) and will deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository by no later than one month after each Payment Date. In addition, the Calculation Agent shall without undue delay: (y) prepare an ad hoc Inside Information and Significant Event Report on the basis of the information provided under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation notified to the Calculation Agent or of the information that the Calculation Agent is in any case aware of; and (z) deliver it to the Reporting Entity in order to make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be.

Principal Paying Agent

On each Interest Determination Date, the Principal Paying Agent shall determine in accordance with the Conditions:

(a) the Rate of Interest applicable to the Interest Period beginning after such Interest Determination Date; and

(b) the Interest Payment Amount payable on the Notes in respect of such Interest Period,

and, promptly after such determination (and in any event not later than the first day of each relevant Interest Period), it shall notify such Rate of Interest, such Interest Payment Amount and the Payment Date in respect of such Interest Payment Amount to the Issuer, the Master Servicer, the Additional Servicer, the Back-up Servicer, the Representative of the Noteholders, the Account Banks, the Calculation Agent, the Corporate Servicer, Monte Titoli and, only with respect to the Senior Notes, to Borsa Italiana S.p.A. and shall procure that the same are published in accordance with Condition 14 (*Notices*) on or as soon as possible after the relevant Interest Determination Date.

Cash Manager

Once appointed, the Cash Manager shall, in the name and on behalf of the Issuer and on the basis of the instructions received from the Master Servicer, instruct the relevant Account Bank (i) to make Eligible Investments in which all the credit balance of the Investment Account will be invested and (ii) to disinvest and liquidate any of such Eligible Investments.

Governing Law and Jurisdiction

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

Any dispute which may arise in relation to the interpretation or the execution of the Cash Allocation, Management and Payments Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the court of Milan.

5. THE INTERCREDITOR AGREEMENT

General

On or about the Issue Date, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement which contain provisions for the application of the proceeds from Collections in respect of the Portfolio and in respect to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

In the Intercreditor Agreement the Other Issuer Creditors have agreed, *inter alia*, to the Priority of Payments to be made out of the Issuer Available Funds. The obligations owed by the Issuer to the Noteholders and, in general, to the Other Issuer Creditors are limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, following the service of a Trigger Notice, to comply with all directions of the Representative of the Noteholders, acting pursuant to the Conditions, in relation to the management and administration of the Portfolio.

Retention undertaking of the Originators

Under the Intercreditor Agreement, each of the Originators, for so long as the Notes are outstanding, has undertaken in favour of the Issuer and the Representative of the Noteholders to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Transaction (calculated for each Originator with respect to the Receivables comprised in the relevant Individual Portfolio pursuant to article 3(2) of the Regulatory Technical Standards on risk retention requirements), in accordance with option (d) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the section headed "*Regulatory Disclosure and Retention Undertaking*").

Transparency requirements under the EU Securitisation Regulation

Under the Intercreditor Agreement, the Originators and the Issuer have designated among themselves Banca Carige as the reporting entity pursuant to article 7 of the EU Securitisation Regulation (the "**Reporting Entity**") and the parties thereto have acknowledged that the Reporting Entity shall be responsible for compliance with article 7 of the EU Securitisation Regulation and will fulfil the information requirements pursuant to points (a), (b), (c), (d), (e),

(f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, pursuant to the Transaction Documents (for further details, see the section headed "*Compliance with STS Requirements*").

Pursuant to the Intercreditor Agreement, the Reporting Entity has agreed to make the Loan by Loan Report available (simultaneously with the Investor Report received on the relevant Investor Report Date) to investors in the Notes and the entities referred to under article 7(1) of the EU Securitisation Regulation by no later than one month after the immediately preceding Payment Date through the Temporary Website or through the Data Repository (if appointed).

In addition, under the Intercreditor Agreement, the relevant parties thereto have acknowledged and agreed that pursuant to the Cash Allocation, Management and Payments Agreement and in accordance with the relevant provisions, the Calculation Agent will prepare the Investor Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity on or prior to the relevant Investor Report Date (and also upon occurrence of any significant event relating to the Transaction in accordance with article 11.2 (*Transparency requirements under the EU Securitisation Regulation*) of the Intercreditor Agreement) in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Investor Report within 1 Business Day after the relevant Investor Report Date and in any case no later than one month after the immediately preceding Payment Date.

In addition, under the Intercreditor Agreement, the relevant parties thereto have acknowledged and agreed that, pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent has undertaken to prepare, on behalf and at the expense of the Issuer and in consultation with the Originators, the Inside Information and Significant Event Report (which includes information set out under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, including, inter alia, the events which trigger changes in the Priorities of Payments, the occurrence of a Trigger Event and the delivery of a Trigger Notice) and will deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository by no later than one month after each Payment Date. In addition, The Calculation Agent shall without undue delay: (y) prepare an ad hoc Inside Information and Significant Event Report on the basis of the information provided under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation notified to the Calculation Agent or of the information that the Calculation Agent is in any case aware of; and (z) deliver it to the Reporting Entity in order to make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be.

Governing Law and Jurisdiction

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

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

6. THE MANDATE AGREEMENT

On or about the Issue Date, the Issuer and the Representative of the Noteholders entered into the Mandate Agreement, according to which the Issuer agreed to grant an irrevocable mandate *in rem propriam* for the benefit of the Noteholders and the Other Issuer Creditors, to the Representative of the Noteholders, in order to enable it to exercise the Issuer's rights in relation to certain Transaction Documents.

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

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

7. THE CORPORATE SERVICES AGREEMENT

Under the Corporate Services Agreement entered into on 16 July 2020, 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 in relation to the Transaction.

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

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

8. QUOTAHOLDERS' AGREEMENT

Pursuant to the terms of the Quotaholders' Agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Representative of the Noteholders and the Quotaholders, the Quotaholders have agreed, *inter alia*, not to amend the by-laws (*statuto*) of the Issuer and not to pledge, charge or dispose of the quota (save as set out below) of the Issuer without the prior written consent of the Representative of the Noteholders.

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

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

FEES AND EXPENSES IN RELATION TO THE TRANSACTION

The estimated annual fees and expenses payable in connection with the Transaction amount to approximately Euro 160,000,000 (including VAT and excluding servicing fees).

EXPECTED AVERAGE LIFE OF THE SENIOR NOTES

The estimated weighted average life of the Senior Notes cannot be predicted, as the actual rate at which the Loan Agreements will be repaid and a number of other relevant factors are unknown. Calculations as to the estimated weighted average life of the Senior Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations can be made that such estimates are accurate, or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

The following tables show the estimated weighted average life and the principal payment window of the Senior Notes and have been prepared based on the characteristics of the Receivables included in the Portfolio and on the following additional assumptions:

(a) all Receivables are duly and timely paid and there are no Delinquent Receivables or Defaulted Receivables at any time;

(b) the terms of the Loan Agreements will not be affected by any legal provision authorising borrowers to suspend payment of interest and/or principal instalments;

(c) all Receivables are accruing interest from the Valuation Date;

(d) the constant prepayment rate, as per table below, has been applied to the Portfolio in homogeneous terms;

(e) no optional redemption for taxation reasons pursuant to Condition 6.3 (*Optional redemption for taxation reasons*) occurs in respect of the Notes;

(f) no Trigger Event occurs in respect of the Notes;

(g) no optional redemption pursuant to Condition 6.2 (*Optional redemption*) occurs in respect of the Notes;

(h) the Principal Amount Outstanding of the Notes is set as per below:

  (i) Class A1 Notes €173,891,000.00;

  (ii) Class A2 Notes €11,179,000.00;

  (iii) Class J Notes €69,034,000;

(i) no purchase, sale, indemnity or renegotiation on the Portfolio is made according to the Transaction Documents;

(j) no further advances or product switches will be granted for any Receivable;

(k) the interest of each Receivable is calculated on a 30/360 basis;

(l) interest on the Senior Notes is calculated on a 30/360 basis;

(m) interest on the Senior Notes is calculated on a three-month Euribor of -0.4540%;

(n) there is no reinvestment into Eligible Investments;

(o) the weighted average life is calculated on a 30/360 basis;

(p) the Originators do not repurchase any Receivables;

(q) each of (i) the ECB rate, (ii) one-month Euribor, (iii) three-month Euribor, (iv) six-month Euribor and (v) twelve-month Euribor remains at current levels, in each case for so long as any Senior Notes are outstanding;

(r) there is no swap or any derivative in place for hedging against interest rates;

(s) the first Payment Date occurs on 31 October 2020, and thereafter each Payment Date occurs, and payments are made on the last day of January, April and July and October of each year throughout the life of the Senior Notes (whether or not those dates are Business Days); and

(t) the senior fees payable in Pre-Trigger Event Notice Priority of Payments (items *First*, *Second* and *Third*) are equal to 0.4% p.a. of the Collections relating to the Receivables other than the Defaulted Receivables collected by the Issuer in the Collection Period immediately preceding, plus €160,000 *per annum.*

The actual performance of the Portfolio is likely to differ from the assumptions used in constructing the tables set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Receivables will cause the estimated weighted average life and the principal payment window of the Senior Notes to differ (which difference could be material) from the corresponding information in the following tables.

CPR (%)	**0%**	**1%**	**2%**	**3%**	**5%**	**7%**
Class A1 Notes	6.31	5.72	5.21	4.78	4.07	3.54
Class A2 Notes	12.53	11.66	10.87	10.25	8.99	7.96

Each of Banca Carige and BML have provided the historical data used as assumptions to make the calculations contained in this section on the basis of which the information and assumptions here contained have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. The Issuer accepts responsibility for the other information and assumptions contained in this section.

The estimated maturity and the estimated weighted average life of the Senior Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

COMPLIANCE WITH STS REQUIREMENTS

Pursuant to article 18 (*Use of the designation "simple, transparent and standardised securitisation"*) of the EU Securitisation Regulation, a number of requirements must be met if the Originators and the Issuer wish to use the designation "STS" or "simple, transparent and standardised" for securitisation transactions initiated by them.

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

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

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

As at the date of this Prospectus, no assurance can however be provided that the Transaction (i) does or continues to comply with the EU Securitisation Regulation and/or the CRR, (ii) does or will at any point in time qualify as an STS-securitisation under the EU Securitisation Regulation or that, if it qualifies as a STS-securitisation under the EU Securitisation Regulation, it will at all times continue to so qualify and remain an STS-securitisation under

the EU 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 EU Securitisation Regulation.

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

Without prejudice to the above, the below set out elements of information in relation to each criteria set out in articles 19 to 22 of the EU Securitisation Regulation, on the basis of the information available with respect to the EU Securitisation Regulation and related regulations and interpretations (including, without limitation, the EBA Guidelines on STS Criteria) and regulations and interpretations in draft form at the time of this Prospectus (including, without limitation, with regard to the risk retention requirements under article 6 of the EU Securitisation Regulation and the transparency obligations imposed under article 7 of the EU Securitisation Regulation), and are subject to any changes made therein after the date of this Prospectus. Prospective investors should conduct their own due diligence and analysis to determine whether the elements set out below are sufficient to satisfy the criteria of articles 20 to 22 of the EU Securitisation Regulation. The purpose of this section is not to assert or confirm the compliance of the Transaction with those criteria, but only to facilitate the own reading and analysis by such prospective investors:

1. Article 20 (Requirements relating to simplicity) of the EU Securitisation Regulation

(a) for the purpose of compliance with article 20(1) of the EU Securitisation Regulation, pursuant to the Receivables Transfer Agreement each of the Originators has assigned and transferred without recourse (*pro soluto*) to the Issuer, which has purchased, in accordance with articles 1 and 4 of the Securitisation Law, all of its right, title and interest in and to the relevant Individual Portfolio. The transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the Originators (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette No. 86 Part II of 23 July 2020, and (ii) the registration of the transfer in the companies' register of Genoa on 24 July 2020 (for further details, see the section headed "*Description of the Transaction Documents – The Receivables Transfer Agreement*"). The true sale nature of the transfer of the Receivables and the validity and enforceability of the same is covered by the legal opinion issued by the legal counsel to the Arranger, which may be disclosed to any relevant competent authority referred to in article 29 of the EU Securitisation Regulation. Furthermore, the Italian insolvency laws do not contain severe clawback provisions within the meaning of articles 20(2) and 20(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(b) for the purpose of compliance with articles 20(2) and 20(3) of the EU Securitisation Regulation, under the Subscription Agreement each of the Originators has represented that it is a credit institution (as defined in article 1.1 of Directive 2000/12/EC) with its "home Member State" (as that term is defined in article 2 of Directive 2001/24/EC on the re-organisation and winding up of credit institutions by reference to article 1.6 of Directive 2000/12/EC) in the Republic of Italy; therefore, each of the Originators would be subject to Italian insolvency laws that do not contain severe clawback provisions;

(c) with respect to article 20(4) of the EU Securitisation Regulation, the Receivables arise from Loans granted by (1) each of the Originators as lender or other banks belonging

to the banking group "Gruppo Banca Carige" merged by incorporation into Banca Carige following the granting of the relevant Loan or (2) other banks not belonging to the banking group "Gruppo Banca Carige" whose Receivables were purchased by any of the Originators through the acquisition of the related branches or following subrogation (*surroga*) pursuant to Law no. 40 of 2 April 2007 (as subsequently amended) (for further details, see the section headed "*The Portfolio*"). Consequently, the requirement provided for under article 20(4) of the EU Securitisation Regulation is met;

(d) with respect to article 20(5) of the EU Securitisation Regulation, the transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the relevant Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette of the Republic of Italy no. 86 Part II of 23 July 2020 and filed with the companies' register of Genoa on 24 July 2020 (for further details, see the section headed "*Description of the Transaction Documents – The Receivables Transfer Agreement*"); therefore, the requirements of article 20(5) of the EU Securitisation Regulation are not applicable;

(e) with respect to article 20(6) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement each of the Originators has represented and warranted that, as at the Transfer Date, each Receivable is fully and unconditionally owned and available directly to such Originator and, to the best of its knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of the Receivables under the Receivables Transfer Agreement and is freely transferable to the Issuer (for further details, see the section headed "*The Portfolio*");

(f) for the purpose of compliance with article 20(7) of the EU Securitisation Regulation, the disposal of Receivables from the Issuer is permitted solely following the delivery of a Trigger Notice, in accordance with Condition 12 (*Actions Following the Delivery of a Trigger Notice*) and with the relevant provisions of the Intercreditor Agreement, provided that the Originators under the Transaction Documents have certain option rights connected with the purchase of single Receivables or, as the case may be, the Portfolio. Therefore, none of the Transaction Documents provide for (i) a portfolio management which makes the performance of the Transaction dependent both on the performance of the Receivables and on the performance of the portfolio management of the Transaction, thereby preventing any investor in the Notes from modelling the credit risk of the Receivables without considering the portfolio management strategy of the Servicers; or (ii) a portfolio management which is performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit. In addition, there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the sections headed "*Description of the Transaction Documents – The Receivables Transfer Agreement*");

(g) for the purpose of compliance with article 20(8) of the EU Securitisation Regulation, pursuant to the Warranty and Indemnity Agreement each Originator has represented and warranted that, as at the Valuation Date and as at the Transfer Date, the Receivables are homogeneous in terms of asset type, taking into account the specific characteristics of the cash flows of the asset type, the characteristics of the relevant Loan Agreement,

the credit-risk and prepayment characteristics, given that: (i) the Receivables have been originated by the relevant Originator (or, as the case may be, the other banks indicated under paragraph (1)(c) above), as lender, in accordance with loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the Receivables; (ii) the Receivables have been serviced by the Originators according to similar servicing procedures applicable from time to time. Under the Warranty and Indemnity Agreement each of the Originators has represented and warranted that (i) as at the Transfer Date, the Receivables comprised in the Portfolio contain obligations that are contractually binding and enforceable with full recourse to the Debtors and, where applicable, the Guarantors; (ii) the Loans provide for a repayment through constant and predefined instalments as determined in the relevant Loan Agreement; and (iii) as at the Transfer Date, the Portfolio does not comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU, or derivatives (for further details, see the sections headed "*The Portfolio*"). Moreover, under the Intercreditor Agreement:

i. Banca Carige has represented and warranted that, as at the Transfer Date, the Receivables comprised in the Banca Carige Portfolio were homogeneous in terms of asset type, taking into account the specific characteristics to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that: (i) the Receivables have been originated by Banca Carige as lender (or (1) other banks belonging to the banking group "Gruppo Banca Carige" merged by incorporation into Banca Carige following the granting of the relevant Loan or (2) other banks not belonging to the banking group "*Gruppo Banca Carige*" whose Receivables have been purchased by Banca Carige through the acquisition of the related branches or following subrogation (*surroga*) pursuant to Law no. 40 of 2 April 2007 (as subsequently amended) in accordance with loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the Receivables; (ii) the Receivables have been serviced by Banca Carige according to similar servicing procedures; (iii) the Receivables arise from Loans which are secured by a Mortgage on residential Real Estate Assets, in accordance with the applicable laws and regulations, and located in Italy; (iv) the Receivables fall within the same asset category of the relevant Regulatory Technical Standards named "*residential loans secured with one or several mortgages on residential immovable property credit facilities provided to individuals for personal, family or household consumption purposes*" provided under article 1(a)(i) of the Commission Delegated Regulation (EU) 2019/1851 (the "**Commission Delegated Regulation on Homogeneity**") and meet the homogeneity factors set out under article 2(1)(a)(i), 2(1)(a)(ii) and 2(1)(c) of the Commission Delegated Regulation on Homogeneity; and (v) as at the Valuation Date, all Debtors were resident in the Republic of Italy; and

ii. BML has represented and warranted that, as at the Transfer Date, the Receivables comprised in the BML Portfolio were homogeneous in terms of asset type, taking into account the specific characteristics to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that: (i) the Receivables have been originated by BML as lender (or other banks not belonging to the banking group "*Gruppo Banca Carige*" whose Receivables have been purchased by BML through the acquisition of the related branches or following subrogation (*surroga*) pursuant

to Law no. 40 of 2 April 2007 (as subsequently amended) in accordance with loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the Receivables; (ii) the Receivables have been serviced by BML according to similar servicing procedures; (iii) the Receivables arise from Loans which are secured by a Mortgage on residential Real Estate Assets, in accordance with the applicable laws and regulations, and located in Italy; (iv) the Receivables fall within the same asset category of the relevant Regulatory Technical Standards named "*residential loans secured with one or several mortgages on residential immovable property credit facilities provided to individuals for personal, family or household consumption purposes*" provided under article 1(a)(i) of the Commission Delegated Regulation on Homogeneity and meet the homogeneity factors set out under article 2(1)(a)(i), 2(1)(a)(ii) and 2(1)(c) of the Commission Delegated Regulation on Homogeneity; and (v) as at the Valuation Date, all Debtors were resident in the Republic of Italy.

(h) for the purpose of compliance with article 20(9) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement each Originator has represented and warranted that, as at the Transfer Date, the Portfolio does not comprise any securitisation positions (for further details, see the sections headed "*The Portfolio*");

(i) for the purpose of compliance with article 20(10) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement each Originator has represented and warranted that: (i) the Receivables have been originated by the relevant Originator (or, as the case may be, the other banks indicated under paragraph (1)(c) above) in the ordinary course of its business; (ii) each Loan Agreement was entered into only after the relevant Originator or the relevant person in charge diligently abided by the creditworthiness assessment (also pursuant to article 8 of Directive 2008/48/EC) and the relevant debtor has met all the relevant requirements (iii) the credit assessment of the Debtors is not less rigorous than that which each Originator (or, as the case may be, the other banks indicated under paragraph (1)(c) above) had applied to similar non-securitised exposures at the time of their creation; (iv) the relevant Originator has a more than 5 (five) year-expertise in originating exposures of a similar nature to the Receivables; and (v) the pool of Loans does not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided might not be verified by the relevant Originator. In addition, there are no exposures that can be sold to the Issuer after the Issue Date in respect of which any of the Originators should fulfil the obligation to disclose without undue delay any material changes from prior underwriting standards (for further details, see the sections headed "*The Portfolio*");

(j) for the purpose of compliance with article 20(11) of the EU Securitisation Regulation, the Portfolio has been selected on the Valuation Date and transferred to the Issuer on the Transfer Date. Under the Warranty and Indemnity Agreement each Originator has represented and warranted that, as at the Valuation Date and as at the Transfer Date, the Portfolio does not include Receivables qualified as exposure in default within the meaning of article 178, paragraph 1, of Regulation (EU) No. 575/2013. In addition, under the Warranty and Indemnity Agreement each Originator has represented and warranted that, to the best of each Originator's knowledge, neither the Debtors nor the relevant guarantors: (i) has been declared insolvent or had a court grant his creditors a

final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the signing date of the Warranty and Indemnity Agreement (for further details, see the sections headed "*The Portfolio*");

(k) for the purpose of compliance with article 20(12) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement, each Originator has represented and warranted that, as at the Valuation Date and the Transfer Date, in relation to each Receivables, the relevant Debtor has made at any title at least one payment of a capital instalment;

(l) for the purpose of compliance with article 20(13) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement, each Originator has represented and warranted as at the Transfer Date that the repayment of the Receivables by the relevant Debtors does not depend on the sale of the Real Estate Assets;

2. Article 21 (Requirements relating to standardisation) of the EU Securitisation Regulation

(a) for the purpose of compliance with article 21(1) of the EU Securitisation Regulation, under the Intercreditor Agreement each Originator has undertaken to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Transaction (calculated for each Originator with respect to the Receivables comprised in the relevant Individual Portfolio pursuant to article 3(2) of the Regulatory Technical Standards on risk retention requirements), in accordance with option (d) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the section headed "*Regulatory Disclosure and Retention Undertaking*");

(b) for the purpose of compliance with article 21(2) of the EU Securitisation Regulation, in order to mitigate any interest rate risk connected with the Notes, (A) the Conditions provide that the Rate of Interest on the Class A1 Notes are subject to a cap of 2.5% per annum, so that with respect to such notes if the relevant Rate of Interest is higher than 2.5% per annum, the rate of interest applicable on the Class A1 Notes shall be equal to 2.5% *per annum* (for further details, see Condition 5.2 (*Interest - Rate of Interest*)), and (B) with reference to the payment of interest on the Senior Notes, a cash reserve has been established into the General Reserve Account in accordance with the provisions of the Conditions (for further details, see section headed "*Risk Factors – Interest Rate Risk*"). In addition, (i) under the Warranty and Indemnity Agreement, each Originator has represented and warranted that, as at the Transfer Date, the Portfolio does not comprise any derivatives, and (ii) under the Conditions, the Issuer has undertaken that, for so long as any amount remains outstanding in respect of the Notes of any Class, it shall not enter into derivative contracts save as expressly permitted by article 21(2) of the EU Securitisation Regulation (for further details, see Condition 3 (*Covenants*)). Finally, there is no currency risk since (i) under the Warranty and Indemnity Agreement, each Originator has represented and warranted that the Loan Agreements do not contain provisions which allow for the conversion of the currency of the Loan from Euro into another currency, and (ii) pursuant to the Conditions, the Notes are denominated in Euro (for further details, see the sections headed "*Transaction Overview*" and "*Terms and Conditions of the Notes*");

(c) for the purpose of compliance with article 21(3) of the EU Securitisation Regulation, (i) the payment of interest due in relation to Receivables is linked to a reference rate based on generally used market interest rates or generally used sector rates that reflect the cost of financing and does not refer to complex formulas or derivatives; and (ii) the Rate of Interest applicable to the Senior Notes is calculated by reference to EURIBOR (for further details, see Condition 5.2 (*Interest - Rate of Interest*)); therefore, any referenced interest payments under the Receivables and the Senior Notes are based on generally used market interest rates and do not reference complex formulae or derivatives;

(d) for the purpose of compliance with article 21(4) of the EU Securitisation Regulation (A) following the service of a Trigger Notice, (i) no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Trigger Notice Priority of Payments and pursuant to the terms of the Transaction Documents; (ii) the Senior Notes will continue to rank, as to repayment of principal, in priority to the Junior Notes as before the delivery of a Trigger Notice; and (iii) the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to dispose of the Portfolio in accordance with the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Portfolio (for further details, see Condition 4.2, Condition 11 (*Trigger Events*)), Condition 12.1 (*Actions following the delivery of a Trigger Notice – Proceedings*));

(e) as to repayment of principal, both prior and following the service of a Trigger Notice, the Senior Notes will rank in priority to the Junior Notes, ***provided that*** prior to the service of a Trigger Notice the Class A1 Notes will also rank in priority to the Class A2 Notes (for further details, see Condition 4 (*Priority of Payments*)); both prior and following the service of a Trigger Notice, the payment of interest on the Junior Notes is fully subordinated to repayment of principal on the Senior Notes; therefore, the requirements of article 21(5) of the EU Securitisation Regulation are not applicable;

(f) there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the section headed "*Description of the Transaction Documents – The Receivables Transfer Agreement*"); therefore, the requirements of article 21(6) of the EU Securitisation Regulation are not applicable;

(g) for the purpose of compliance with article 21(7) of the EU Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicers, the Representative of the Noteholders and the other service providers are set out in the relevant Transaction Documents (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*", "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*", "*Description of the Transaction Documents – The Corporate Services Agreement*", "*Description of the Transaction Documents – The Mandate Agreement*" and "*Terms and Conditions of the Notes*"). In addition, the Servicing Agreement contains provisions aimed at ensuring that a default by or an insolvency of any of the Servicers does not result in a termination of the servicing activities, including provisions regulating the replacement of the defaulted or insolvent Servicer with any Successor Servicer (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*"). Finally, the Cash Allocation,

Management and Payments Agreement contains provisions aimed at ensuring the replacement of the Transaction Account Bank in case of its default, insolvency or other specified events (for further details, see the sections headed "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*");

(h) for the purpose of compliance with article 21(8) of the EU Securitisation Regulation, under the Servicing Agreement, each of the Servicers has represented and warranted that it has experience in managing exposures of a similar nature to the Receivables and has established well-documented and adequate risk management policies, procedures and controls relating to the management of such exposures in accordance with article 21(8) of the EU Securitisation Regulation and in accordance with the EBA Guidelines. In addition, pursuant to (i) the Servicing Agreement, any Successor Servicer shall, *inter alia*, have at least 5 years expertise and (ii) the Back-up Servicer represented that it has more than 5 years expertise, in both cases under paragraphs (i) and (ii) above, in servicing exposures of a similar nature to those securitised for and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*");

(i) for the purpose of compliance with article 21(9) of the EU Securitisation Regulation, the Servicing Agreement and the Collection Policies attached thereto set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies (for further details, see the section headed "*Description of the Transaction Documents – The Servicing Agreement*"). In addition, the Transaction Documents clearly specify the Priorities of Payments and the events which trigger changes in such Priorities of Payments. Pursuant to the Servicing Agreement, each Servicer has undertaken to provide promptly the Reporting Entity and the Calculation Agent with the information referred to under article 7, paragraph 1, letters (f) and (g) of the EU Securitisation Regulation that it has become aware of in the manner requested by the applicable Regulatory Technical Standards. Furthermore, pursuant to the Cash Allocation, Management and Payments Agreement and in accordance with the relevant provisions, the Calculation Agent will prepare the Investor Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity on or prior to the relevant Investor Report Date (and also upon occurrence of any significant event relating to the Transaction in accordance with article 11.2 (*Transparency requirements under the EU Securitisation Regulation*) of the Intercreditor Agreement) in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Investor Report within 1 Business Day after the relevant Investor Report Date and in any case no later than one month after the immediately preceding Payment Date (for further details, see the sections headed, "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*");

(j) for the purposes of compliance with article 21(10) of the EU Securitisation Regulation, the Conditions (including the Rules of the Organisation of the Noteholders attached

thereto) contain clear provisions that facilitate the timely resolution of conflicts between Noteholders of different Classes, clearly define and allocate voting rights to Noteholders and clearly identify the responsibilities of the Representative of the Noteholders (for further details, see the section headed "*Terms and Conditions of the Notes*");

3. *Article 22 (Requirements relating to transparency) of the EU Securitisation Regulation*

(a) for the purposes of compliance with article 22(1) of the EU Securitisation Regulation, under the Intercreditor Agreement each Originator (i) has confirmed that, as initial holder of the Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, and (ii) in case of transfer of any Notes by such Originator to third party investors after the Issue Date, has undertaken to make available to such investors before pricing on the Temporary Website or through the Data Repository (if appointed), data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the section headed "*Description of the Transaction Documents – The Intercreditor Agreement*");

(b) for the purposes of compliance with article 22(2) of the EU Securitisation Regulation, the Pool Audit Report (defined as the report prepared by an appropriate and independent party) has been made in respect of the Portfolio prior to the Issue Date and no significant adverse findings have been found (for further details, see the section headed "*The Portfolio – Pool Audit*");

(c) for the purposes of compliance with article 22(3) of the EU Securitisation Regulation, under the Intercreditor Agreement each Originator (i) has confirmed that, as initial holder of the Notes, it has been in possession, before pricing, of a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, the investors in the Notes, other third parties and the Issuer, and (ii) in case of transfer of any Notes by such Originator to third party investors after the Issue Date, has undertaken to make available to such investors before pricing on the Temporary Website or through the Data Repository (if appointed), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, the investors in the Notes, other third parties and the Issuer. In addition, under the Intercreditor Agreement, each Originator has undertaken to: (1) make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, on the Temporary Website or through the Data Repository (if appointed), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and (2) to update such cash flow model, in case there will be significant changes in the cash flows.

(d) for the purposes of compliance with article 22(4) of the EU Securitisation Regulation, pursuant to the Servicing Agreement, the Master Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) and article 22(4) of the EU Securitisation Regulation) and deliver it to the Issuer, the Corporate Servicer, the Calculation Agent, the Cash Manager (if any), the Additional Servicer, the Back-up Servicer, the Representative of the Noteholders, the Rating Agencies, the Reporting Entity and the Arranger on or prior to each Investor Report Date (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*") and pursuant to the Intercreditor Agreement the Reporting Entity shall make such Loan by Loan Report available (simultaneously with the Investor Report received on the relevant Investor Report Date) to investors in the Notes and the entities referred to under article 7(1) of the EU Securitisation Regulation by no later than one month after the immediately preceding Payment Date through the Temporary Website or through the Data Repository (if appointed);

(e) for the purposes of compliance with article 22(5), under the Intercreditor Agreement, the Originators and the Issuer have designated among themselves Banca Carige as the reporting entity pursuant to article 7(2) of the EU Securitisation Regulation (the "**Reporting Entity**"). The Reporting Entity shall be responsible for compliance with article 7 of the EU Securitisation Regulation, pursuant to the Transaction Documents. In that respect, Banca Carige, in its capacity as Reporting Entity, will fulfil the information requirements pursuant to points (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation by making available the relevant information:

   (i) until the Data Repository is appointed by the Reporting Entity, on the Temporary Website; and

   (ii) after the Data Repository is appointed by the Reporting Entity, through the Data Repository.

   Under the Intercreditor Agreement, the Reporting Entity has represented to the other parties that, as long as the Data Repository has not been appointed by the Reporting Entity, the Temporary Website:

   (i) includes a well-functioning data quality control system;

   (ii) is subject to appropriate governance standards and to maintenance and operation of an adequate organizational structure that ensures the continuity and orderly functioning of the Temporary Website;

   (iii) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk;

   (iv) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information; and

   (v) makes it possible to keep record of the information for at least five years after the Final Maturity Date.

Under the Intercreditor Agreement, the Reporting Entity has undertaken, as soon as a data repository pursuant to article 10 of the EU Securitisation Regulation will have been authorized by ESMA and enrolled within the relevant register, to appoint a Data Repository by entering into a separate agreement.

Under the Intercreditor Agreement, after the Data Repository is appointed:

(i) the Reporting Entity has undertaken to notify in writing the other parties of the corporate name and relevant details of the Data Repository so appointed;

(ii) the relevant parties, in order to comply with the obligation under article 7(2), last paragraph, of the EU Securitisation Regulation, have undertaken to amend the Intercreditor Agreement in order to include therein the details relating to the Data Repository; and

(iii) the Reporting Entity has undertaken that it will procure that all documents and information published on the Temporary Website prior to such date are promptly relocated to the Data Repository, if so required in accordance with the EU Securitisation Regulation.

Under the Intercreditor Agreement, the Reporting Entity has undertaken to inform the Noteholders and the potential investors in the Notes in accordance with Condition 14 (*Notices*) in case of replacement of any of the Temporary Website or the Data Repository.

As to pre-pricing disclosure requirements set out under articles 7 and 22 of the EU Securitisation Regulation, under the Intercreditor Agreement:

(i) each Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of (i) data relating to each Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, including, to the extent required by any applicable law or regulation, data on the environmental performance of the Real Estate Assets) and the information under points (b), (c) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data covers a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;

(ii) in case of transfer of any Notes by the Originators to third party investors after the Issue Date, each Originator has undertaken to make available to such investors before pricing through the Data Repository appointed by the Reporting Entity or, if the Data Repository has not been appointed by the Reporting Entity, on the Temporary Website, (i) the information under point (a)

of the first subparagraph of article 7(1) (including data on the environmental performance of the Real Estate Assets, to the extent required by any applicable law or regulation) upon request, as well as the information under points (b), (c) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(iii) the Reporting Entity has made available to investors in the Notes a draft of the STS Notification (as defined under the EU Securitisation Regulation).

As to post-closing disclosure requirements set out under articles 7 and 22 of the EU Securitisation Regulation, under the Intercreditor Agreement, the relevant parties have acknowledged and agreed as follows:

(i) pursuant to the Servicing Agreement, the Master Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) and article 22(4) of the EU Securitisation Regulation) and deliver it to the Issuer, the Corporate Servicer, the Calculation Agent, the Cash Manager (if any), the Additional Servicer, the Back-up Servicer, the Representative of the Noteholders, the Rating Agencies, the Reporting Entity and the Arranger on or prior to each Investor Report Date and pursuant to the Intercreditor Agreement the Reporting Entity shall make such Loan by Loan Report available (simultaneously with the Investor Report received on the relevant Investor Report Date) to investors in the Notes and the entities referred to under article 7(1) of the EU Securitisation Regulation by no later than one month after the immediately preceding Payment Date through the Temporary Website or through the Data Repository (if appointed);

(ii) pursuant to the Cash Allocation, Management and Payments Agreement and in accordance with the relevant provisions, the Calculation Agent will prepare the Investor Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity on or prior to the relevant Investor Report Date (and also upon occurrence of any significant event relating to the Transaction in accordance with article 11.2 (*Transparency requirements under the EU Securitisation Regulation*) of the Intercreditor Agreement) in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Investor Report within 1 (one) Business Day after the relevant Investor Report Date and in any case no later than one month after the immediately preceding Payment Date;

(iii) pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent will prepare the Inside Information and Significant Event Report (which includes information set out under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, including, inter alia, the events which trigger changes in the Priorities of Payments, the occurrence of a Trigger Event and the delivery of a Trigger Notice) and will deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository by no later than one month after each Payment Date; it being understood that, in accordance with the Cash Allocation, Management and Payments Agreement, the Calculation Agent shall without undue delay: (y) prepare an *ad hoc* Inside Information and Significant Event Report on the basis of the information provided under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation notified to the Calculation Agent or of the information that the Calculation Agent is in any case aware of; and (z) deliver it to the Reporting Entity in order to make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be;

(iv) the Issuer will deliver to the Reporting Entity (i) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (ii) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the EU Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already in its possession); and

(v) the Reporting Entity shall make available to the investors in the Notes the STS Notification (as defined under the EU Securitisation Regulation) by not later than 15 (fifteen) days after the Issue Date,

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

In addition, under the Intercreditor Agreement, each Originator has undertaken to: (1) make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, on the Temporary Website or through the Data Repository (if appointed), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originators, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and (2) to update such cash flow model, in case there will be significant changes in the cash flows.

Under the Intercreditor Agreement, the Reporting Entity has undertaken to the Issuer and the Representative of the Noteholders:

(i) to ensure that Noteholders and prospective investors (if any) have readily available access to (i) all information necessary to conduct comprehensive and

well informed stress tests and to fulfil their monitoring and due diligence duties under article 5 of the EU Securitisation Regulation, which does not form part of this Prospectus as at the Issue Date but may be of assistance to prospective investors (if any) before investing; and (ii) any other information which is required to be disclosed to Noteholders and to prospective investors (if any) pursuant to the EU Securitisation Regulation and the applicable Regulatory Technical Standards;

(ii) to ensure that the competent supervisory authorities pursuant to article 29 of the EU Securitisation Regulation have readily available access to any information which is required to be disclosed pursuant to the EU Securitisation Regulation.

Under the Intercreditor Agreement, each of the relevant parties (in any capacity) has undertaken to notify promptly to the Reporting Entity and the Calculation Agent any information set out under point (f) of the first subparagraph of article 7(1) of the EU Securitisation Regulation or the occurrence of any event set out under point (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation (as the case may be, including, inter alia, the events which trigger changes in the Priorities of Payments, the occurrence of a Trigger Event and the delivery of a Trigger Notice) in order to allow the Calculation Agent to prepare and deliver to the Reporting Entity the Inside Information and Significant Event Report in a timely manner in order for the Reporting Entity to make it available without undue delay in accordance with the provisions above and the Intercreditor Agreement.

In addition, in order to ensure that the disclosure requirements set out under article 7 and 22 of the EU Securitisation Regulation are fulfilled by the Reporting Entity, under the Intercreditor Agreement each party to such agreement has undertaken to provide the Reporting Entity with any further information which from time to time is required under the EU Securitisation Regulation that is not covered under the Intercreditor Agreement.

Under the Intercreditor Agreement, the relevant parties agreed that any costs, expenses and taxes deriving from compliance with the provisions of the EU Securitisation Regulation and the Regulatory Technical Standards in relation to the transparency requirements shall be borne by Banca Carige.

4. Criteria for credit-granting

With reference to article 9 of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement each Originator has represented and warranted that it complies and has complied with, in respect of the relevant Individual Portfolio, the credit-granting criteria and procedures and all other obligations and provisions set out under article 9 of the EU Securitisations Regulation.

5. First contact point

Banca Carige will be the first contact point for investors in the Notes and competent authorities pursuant to and for the purposes of third sub-paragraph of article 27(1) of the EU Securitisation Regulation.

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

By designating the Transaction as an STS-securitisation, no views are expressed about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes. No assurance can be provided that the Transaction does or continues to qualify as an STS-securitisation under the EU Securitisation Regulation.

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

Under the Intercreditor Agreement, each of the Originators, for so long as the Notes are outstanding, has undertaken in favour of the Issuer and the Representative of the Noteholders that it will:

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Transaction (calculated for each Originator with respect to the Receivables comprised in the relevant Individual Portfolio pursuant to article 3(2) of the Regulatory Technical Standards on risk retention requirements), in accordance with option (d) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards; as at the Issue Date, such interest will be comprised of an interest in the first loss tranche (being the Junior Notes);

(b) not change the manner in which the net economic interest is held, unless (i) expressly permitted by article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, or (ii) a change is required due to exceptional circumstances and such change is not used as a means to reduce the amount of the retained interest in the Transaction;

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

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

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

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

In addition, under the Warranty and Indemnity Agreement, each Originator has represented and warranted to the Issuer that it did not select the Receivables with the aim of rendering losses on such Receivables higher than the losses on comparable assets held on the balance sheet of the relevant Originator, in accordance with article 6(2) of the EU Securitisation Regulation.

Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Chapter 2 of the EU Securitisation Regulation and any corresponding national measure which may be relevant and none of the Issuer, the Originators, the Servicers, the Arranger or any other party to the Transaction Documents or any other person makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

PCS SERVICES

Application has been made to Prime Collateralised Securities (PCS) EU SAS ("**PCS**") to assess compliance of the Notes with the criteria set forth in the CRR regarding STS-securitisations (the "**CRR Assessment**"). There can be no assurance that the Notes will receive the CRR Assessment (either before issuance or at any time thereafter) and that CRR is complied with.

In addition, an application has been made to PCS for the Transaction to receive a report from PCS verifying compliance with the criteria stemming from articles 18, 19, 20, 21 and 22 of the EU Securitisation Regulation (the "**STS Verification**"). There can be no assurance that the Transaction will receive the STS Verification (either before issuance or at any time thereafter) and if the Transaction does receive the STS Verification, this shall not, under any circumstances, affect the liability of the Originators and the Issuer in respect of their legal obligations under the EU 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 EU Securitisation Regulation.

The STS Verifications and the CRR Assessments (the "**PCS Services**") are provided by PCS. No PCS Service is a recommendation to buy, sell or hold securities. None are investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and none are a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended). PCS is not an "expert" as defined in the Securities Act.

PCS is not a law firm and nothing in any PCS Service constitutes legal advice in any jurisdiction. PCS is authorised by the *Autorité des Marchés Financiers* as a third-party verification agent, pursuant to article 28 (*Third party verifying STS compliance*) of the EU Securitisation Regulation, to act as a third party verifying STS compliance. This authorisation covers STS Verifications in the European Union. Other than as specifically set out above, none of the activities involved in providing the PCS Services are endorsed or regulated by any regulatory and/or supervisory authority nor is PCS regulated by any other regulator.

By providing any PCS Service in respect of any securities PCS does not express any views about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities or financings. Investors should conduct their own research regarding the nature of the CRR Assessment and the STS Verification. It is expected that the PCS Services prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verificationtransactions/) together with detailed explanations of its scope at https://pcsmarket.org/disclaimer/ on and from the Issue Date. For the avoidance of doubt, this PCS websites and the contents thereof do not form part of this Prospectus and must read the information set out in http://pcsmarket.org. In the provision of any PCS Service, PCS has based its decision on information provided directly and indirectly by the Originators. PCS does not undertake its own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any PCS Service is not a confirmation or implication that the information provided by or on behalf of the Originators as part of the relevant PCS Service is accurate or complete.

In completing an STS Verification, PCS bases its analysis on the STS criteria appearing in articles 20 to 26 of the EU 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 EU Securitisation Regulation. In addition, article 19(2) of the EU 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 EU 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 EU Securitisation Regulation, (b) any relevant guidelines issued by EBA and (c) any relevant NCA Interpretation.

There can be no guarantees that any regulatory authority or any court of law interpreting the STS criteria will agree with the interpretation of PCS. There can be no guarantees that any future guidelines issued by EBA or NCA Interpretations may not differ in their approach from those used by PCS in interpreting any STS criterion prior to the issuance of such new guideline or interpretation. In particular, guidelines issued by EBA are not binding on any NCA. There can be no guarantees that any interpretation by any NCA will be the same as that set out in the EBA Guidelines and therefore used, prior to the publication of such NCA interpretation, by PCS in completing an STS Verification. Although PCS will use all reasonable endeavours to ascertain the position of any relevant NCA as to STS criteria interpretation, PCS cannot guarantee that it will have been made aware of any NCA interpretation in cases where such interpretation has not been officially published by the relevant NCA.

Accordingly, the provision of an STS Verification is only an opinion by PCS and not a statement of fact. It is not a guarantee or warranty that any national competent authority, court, investor or any other person will accept the STS status of the relevant securitisation.

The task of interpreting individual CRR criteria as well as the final determination of the capital required by a bank to allocate for any investment rests with prudential authorities (PRAs) supervising any European bank. The CRR criteria, as drafted in the CRR, are subject to a potentially wide variety of interpretations. In compiling a CRR Assessment, PCS uses its discretion to interpret the CRR criteria based on the text of the CRR, and any relevant and public interpretation by the European Banking Authority. Although PCS believes its interpretations reflect a reasonable approach, there can be no guarantees that any prudential authority or any court of law interpreting the CRR criteria will agree with the PCS interpretation. PCS also draws attention to the fact that, in assessing capital requirements, prudential regulators possess wide discretions.

Accordingly, when performing a CRR Assessment, PCS is not confirming or indicating that the securitisation the subject of such assessment will be allowed to have lower capital allocated to it under the CRR Regulation. PCS is merely addressing the specific CRR criteria and determining whether, in PCS' opinion, these criteria have been met.

Therefore, no bank should rely on a CRR Assessment in determining the status of any securitisation in relation to capital requirements and must make its own determination. All PCS Services speak only as of the date on which they are issued. PCS has no obligation to monitor (nor any intention to monitor) any securitisation the subject of any PCS Service. PCS has no obligation and does not undertake to update any PCS Service to account for (a) any change of law or regulatory interpretation or (b) any act or failure to act by any person relating to those

STS criteria that speak to actions taking place following the close of any transaction such as – without limitation – the obligation to continue to provide certain mandated information.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the "**Terms and Conditions**" or the "**Conditions**"). In these Conditions, references to the "Holder" of a Note or to the "Noteholders" are to the beneficial owners of the Notes, dematerialised and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of article 83-bis and following of the Consolidated Financial Act and the 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.*

INTRODUCTION

The Euro 173,891,000 Class A1 Residential Mortgage Backed Floating Rate Notes due January 2065 (the "**Class A1 Notes**"), the Euro 11,179,000 Class A2 Residential Mortgage Backed Floating Rate Notes due January 2065 (the "**Class A2 Notes**" and, together with the Class A1 Notes, collectively the "**Class A Notes**" or the "**Senior Notes**") and the Euro 69,034,000 Class J Residential Mortgage Backed Fixed Rate Notes due January 2065 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Class A Notes, the "**Notes**") will be issued by Lanterna Mortgage S.r.l. (the "**Issuer**") on 31 July 2020 (the "**Issue Date**").

Any reference in these Conditions to a "**Class**" of Notes or a "**Class**" of Holders of Notes shall be a reference to a Class of Senior Notes or a Class of Junior Notes, as the case may be, or to the respective holders thereof.

The Notes will be issued in the context of a securitisation of receivables arising out of Loan Agreements entered into by Banca Carige S.p.A. ("**Banca Carige**") and Banca del Monte di Lucca S.p.A. ("**BML**" and, together with Banca Carige, the "**Originators**" and each an "**Originator**") with their clients, including individuals (the "**Transaction**"). On 16 July 2020 the Issuer purchased (i) from Banca Carige, the Banca Carige's Portfolio and (ii) from BML, the BML's Portfolio (each an "**Individual Portfolio**", and collectively the "**Portfolio**"), pursuant to the Receivables Transfer Agreement, in relation to which a communication of erroneous identification according to clauses 4.1(b) and 4.2 of the Receivables Transfer Agreement has been sent by the Issuer (the "**Communication of Erroneous Identification**") on 17 July 2020. Under the Communication of Erroneous Identification, the Issuer informed the Originators that certain receivables originally included in the list of Receivables attached under schedule 2, Part 1, of the Receivables Transfer Agreement did not meet the Criteria at the Valuation Date and/or such other date specified in the relevant Criteria. The Purchase Price of the Portfolio will be financed by the Issuer through the issuance of the Notes.

The principal source of payment of interest and repayment of principal on the Notes, as well as payment of the Premium (if any) on the Junior Notes, will be the Collections received or recovered in respect of the Portfolio. By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Portfolio any claim of the Issuer which has arisen in the context of the Transaction, their collections and the financial assets purchased using those fund will be segregated from all other assets of the Issuer (including any other portfolio of receivables purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer (whether in the context of an insolvency proceeding or otherwise) to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Transaction.

Pursuant to the Warranty and Indemnity Agreement entered into on 16 July 2020 (as amended on 30 July 2020) between the Issuer and the Originators, each Originator (i) has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, the Receivables comprised in the relevant Portfolio and the relevant Loans, Insurance Policies, Guarantees, State Guarantees, Debtors and Real Estate Assets, and (ii) has agreed to indemnify the Issuer in respect of certain liabilities incurred in connection with the purchase and ownership of such Receivables.

Pursuant to the Servicing Agreement entered into on 16 July 2020 (as amended on 30 July 2020) between the Issuer, the Master Servicer and the Additional Servicer, the Master Servicer and the Additional Servicer have agreed to administer and service the Receivables comprised in the Portfolio in accordance with the terms thereof and in compliance with the Securitisation Law.

Pursuant to the Back-up Servicing Agreement entered into on or about the Issue Date between the Issuer, the Servicers and the Back-up Servicer, the Back-up Servicer has agreed to replace the Servicer upon termination of the appointment of the Servicer under the Servicing Agreement.

Pursuant to the Corporate Services Agreement entered into on 16 July 2020 between the Issuer and the Corporate Servicer, the Corporate Servicer has agreed to provide certain corporate administrative services, including the maintenance of corporate books and of accounting and tax registers, in compliance with reporting requirements relating to the Receivables and with other regulatory requirements applicable to the Issuer.

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

Pursuant to the Cash, Allocation Management and Payments Agreement entered into on or about the Issue Date between the Issuer, the Servicers, the Corporate Servicer, the Calculation Agent, the Transaction Account Bank, the Principal Paying Agent and the Representative of the Noteholders, the Account Banks, the Principal Paying Agent and the Calculation Agent have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling services in relation to monies and securities from to time standing to the credit of the Accounts.

Pursuant to the Quotaholders' Agreement entered into on or about the Issue Date between the Quotaholders and the Issuer, the Quotaholders have agreed certain undertakings in relation to the management of the Issuer and the exercise of their rights as Quotaholders.

Pursuant to the Subscription Agreement entered into on or about the Issue Date between the Issuer, the Arranger, the Initial Subscribers, the Reporting Entity and the Representative of the Noteholders, the Initial Subscribers have agreed to subscribe for the Notes, subject to the terms and conditions provided for thereunder.

Pursuant to the Mandate Agreement entered into on or about the Issue Date between the Issuer the Representative of the Noteholders, the Issuer has agreed to grant an irrevocable mandate *in rem propriam* for the benefit of the Noteholders and the Other Issuer Creditors, to the Representative of the Noteholders, in order to enable it to exercise the Issuer's rights in relation to certain Transaction Documents.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents. Copies of the Transaction Documents are available for inspection:

(i) during normal business hours (a) at the registered office of the Issuer, being, as at the Issue Date, Via Cassa del Risparmio 15, 16123 Genova, Italy, and (b) at the offices of the Principal Paying Agent specified in the Cash Allocation, Management and Payments Agreement, being, as at the Issue Date, Diamantino Building – 5th Floor - via Mike Bongiorno 13, 20124 Milan, Italy;

(ii) at the Temporary Website (being, as at the date of this Prospectus, https://eurodw.eu/) or through the Data Repository (once appointed).

In addition, the Principal Paying Agent shall provide by e-mail, such documents as may from time to time be required by the Representative of the Noteholders and/or Borsa Italiana S.p.A. or any Noteholder.

The rights and the powers of the Noteholders may only be exercised in accordance with the Rules of Organisation of the Noteholders which are attached to these Conditions.

INTERPRETATION

In these Conditions, the following expressions shall, except where the context otherwise requires and save where defined therein, have the following meanings:

"**Account Bank In Relation To Banca Carige Accounts**" means Banca Carige S.p.A. or any other person acting as account bank pursuant to the Cash Allocation, Management and Payments Agreement from time to time.

"**Account Bank Report Date**" means the date falling on the 10th (tenth) Business Day of each month.

"**Account Banks**" means the Transaction Account Bank and the Account Bank In Relation To Banca Carige Accounts.

"**Account Banks Report**" means each of the Banca Carige Report and the Transaction Account Bank Report.

"**Accounts**" means the Collection Account, the Expenses Account, the Payments Account, the General Reserve Account, the Investment Account (if any) and the Quota Capital Account and any other account opened from time to time in the name of the Issuer under the Transaction.

"**Additional Servicer**" means BML as additional servicer under the Servicing Agreement or any other person acting as additional servicer from time to time under the Transaction.

"**Agents**" means, collectively, the Account Banks, the Principal Paying Agent, the Cash Manager (if any) and the Calculation Agent.

"**Arranger**" means NatWest Markets Plc.

"**Assigned Debtor**" means any physical person who has entered into a Loan (as obligor or co-obligor) and any transferee, successor or assignee of the same who is obliged to pay the relevant Receivables.

"**Back-up Servicer**" means Zenith Service S.p.A. or any other person acting as back-up servicer from time to time under the Transaction.

"**Back-up Servicing Agreement**" means the back-up servicing agreement entered into on or about the Issue Date between the Issuer, the Servicer and the Back-up Servicer, as amended, supplemented and/or replaced from time to time.

"**Banca Carige**" or "**Carige**" means Banca Carige S.p.A.

"**Banca Carige Accounts**" means, collectively, the Expenses Account and the Quota Capital Account.

"**Banca Carige Group**" means the Banca Carige group registered with the Bank of Italy pursuant to article 64 of the Banking Law.

"**Banca Carige Portfolio**" means, collectively, the Receivables transferred by Banca Carige to the Issuer pursuant to the Receivables Transfer Agreement.

"**Banca Carige Report**" means the report prepared by Banca Carige pursuant to clause 4.4(b) of the Cash Allocation, Management and Payments Agreement.

"**Bank of Italy Supervisory Regulations**" means, as the case may be, the "*Istruzioni di Vigilanza per le banche*" (Circular no. 229 of 21 April 1999) and/or the "*Nuove disposizioni di vigilanza prudenziale per le banche*" (Circular no. 263 of 27 December 2006), as amended.

"**Banking Law**" means the Legislative Decree No. 385 of 1 September 1993, as amended from time to time.

"**Bankruptcy Law**" means the Royal Decree No. 267 of 16 March 1942, as amended from time to time (including pursuant to the Italian Crisis and Insolvency Code).

"**Basic Terms Modification**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**BML**" means Banca del Monte di Lucca S.p.A.

"**BML Portfolio**" means, collectively, the Receivables transferred by BML to the Issuer pursuant to the Receivables Transfer Agreement.

"**BNYM, Milan Branch**" means The Bank of New York Mellon S.A./N.V. – Milan Branch.

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

"**Business Day**" means any day on which banks are generally open for business in London and Milan and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) or any successor thereto is open.

"**Calculation Agent**" means The Bank of New York Mellon, London Branch or any other person acting as calculation agent from time to time under the Transaction.

"**Calculation Date**" means the date which falls 5 (five) Business Days prior to each Payment Date, or if such day is not a Business Day, the immediately preceding Business Day.

"**Capital Requirements Regulation**" or "**CRR**" means Regulation (EU) no. 575/2013, as amended from time to time (including through the CRR Amendment Regulation).

"**Cash Allocation, Management and Payments Agreement**" means the agreement entered into on or about the Issue Date between the Issuer, the Servicers, the Corporate Servicer, the Calculation Agent, the Account Banks, the Principal Paying Agent and the Representative of the Noteholders, as amended, supplemented and/or replaced from time to time.

"**Cash Manager**" means the entity which may be appointed after the Issue Date in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, for the purposes of making Eligible Investments.

"**Circular 272**"means circular (*circolare*) No. 272 of 30 July 2008 (*Matrice dei Conti*) issued by the Bank of Italy, as subsequently amended, supplemented and novated.

"**Class**" means a class of Notes.

"**Class A Initial Subscribers**" means Banca Carige and BML as initial subscribers of the Class A1 Notes and Class A2 Notes.

"**Class A Notes**" means, collectively, the Class A1 Notes and the Class A2 Notes.

"**Class A1 Noteholders**" means the holders of Class A1 Notes.

"**Class A1 Notes**" means the Euro 173,891,000 Class A1 Residential Mortgage Backed Floating Rate due January 2065 (ISIN: IT0005417990)

"**Class A2 Noteholders**" means the holders of Class A2 Notes.

"**Class A2 Notes**" means the Euro 11,179,000 Class A2 Residential Mortgage Backed Floating Rate Notes due January 2065 (ISIN: IT0005418006).

"**Class J Initial Subscribers**" means Banca Carige and BML as initial subscribers of the Class J Notes.

"**Class J Noteholders**" means the holders of Class J Notes.

"**Class J Notes**" means the Junior Notes.

"**Clearstream**" means Clearstream Banking.

"**Collection Account**" means the Euro denominated account with No. IT28S0335101600004222229780 IBAN code 4222229780 established in the name of the Issuer with the Transaction Account Bank.

"**Collection Period**" means each quarterly period commencing on, respectively, the first day of July (included), October (included), January (included) and April (included) and ending on, respectively, the last day of September (included), December (included), March (included) and June (included) of each year, until the full reimbursement of the Notes. The first Collection Period will commence on the Valuation Date (included) and will end on 30 September 2020 (included).

"**Collection Policy**" means any procedure relating to the administration, collection and recovery of the receivables and management of the Proceedings, as set out under schedule 1 (*Procedure di Riscossione*) of the Servicing Agreement, as subsequently amended.

"**Collections**" means all the amounts collected or recovered from time to time by the Servicers in respect of the Receivables, including, without limitation, any amount collected or recovered as principal, interest, expenses, payment of damages, insurance indemnities under the Insurance Policies or any sum deriving from the enforcement of a Mortgage, a Guarantee or a State Guarantee, as a result of the activity of each of the Servicer pursuant to the Servicing Agreement during the preceding Collection Period.

"**Conditions**" means each condition of the Notes comprised in the Terms and Conditions.

"**CONSOB**" means the *Commissione Nazionale per le Società e la Borsa*.

"**Consolidated Financial Act**" means the Italian Legislative Decree no. 58 of 24 February 1998, as amended.

"**Corporate Servicer**" means Banca Carige or any other person acting as corporate servicer from time to time under the Transaction.

"**Corporate Services Agreement**" means the corporate services agreement entered into on 16 July 2020 by the Corporate Servicer and the Issuer in relation to the provision of certain corporate and administrative services, as amended, supplemented and/or replaced from time to time.

"**CRA Regulation**" means Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended from time to time.

"**Criteria**" means the criteria listed in schedule 1 of the Receivables Transfer Agreement, on the basis of which the Receivables comprised in the relevant Portfolio have been selected as at the Valuation Date (or any other date specified in the relevant Criteria).

"**Data Repository**" means the securitisation repository/ies authorized by ESMA and enrolled in the register held by it pursuant to article 10 of the EU Securitisation Regulation appointed in respect of the Transaction, as from time to time replaced.

"**DBRS**" means (i) for the purpose of identifying which DBRS entity which has assigned the credit rating to the Senior Notes, DBRS Ratings Limited or DBRS Ratings GmbH, and in each case, any successor to this rating activity, and (ii) in any other case, any entity that is part of DBRS, which is either registered or not under the CRA Regulation, as it appears from the last

available list published by European Securities and Markets Authority (ESMA) on the ESMA website, or any other applicable regulation.

"**DBRS Equivalent Rating**" means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means:

(a) if a Fitch public long term rating, a Moody's public long term rating and a S&P public long term rating (each, a "**Public Long Term Rating**") are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (***provided that*** if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded);

(b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of the lower of such Public Long Term Rating (***provided that*** if such Public Long Term Rating is under

credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

(c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating (***provided that*** if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

"**Debtors**" means any person who has entered into a Loan (as obligor or co-obligor) and any transferee, successor or assignee of the same who is obliged to pay the relevant Receivables.

"**Decree 170**" means the Legislative Decree no. 170 of 21 May 2004, as amended and supplemented from time to time.

"**Decree 239**" means the Italian Legislative Decree no. 239 of 1 April 1996 and any related regulations, as amended.

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree 239.

"**Defaulted Receivables**" means any Receivables qualified as "sofferenze" in accordance with the Collection Procedures and Circular 272.

"**Delinquent Receivables**" means any Receivables qualified as "Inadempienze Probabili" and/or unlikely to pay in accordance with the Collection Procedures and Circular 272.

"**Designated Person**" means any (i) governments of Sanctioned Countries, (ii) located, domiciled, resident or incorporated in a Sanctioned Country, (iii) subject to any sanctions or named on any sanctions lists administered by one of the aforementioned bodies, or (iv) owned or controlled by persons, entities or other parties referred to in (i) to (iii).

"**EBA**" means the European Banking Authority.

"**EBA Guidelines on STS Criteria**" means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the EU Securitisation Regulation.

"**Eligible Institution**" means a depository institution organised under the laws of any State which is a member of the European Union whose rating (or whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee granted by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America, provided that such guarantee complies with the Rating Agencies' criteria applicable from time to time and does not negatively affect the rating of the Senior Notes, whose rating) is at least as follows:

(a) by S&P, at least "A-" in respect of long-term public rating; and

(b) by DBRS, at least:

   (i) "BBB (high)", in respect of the greater of (a) the rating one notch below the institution's long-term COR and (b) the institution's long-term senior unsecured debt rating; or

   (ii) if the long-term COR is not currently maintained for the institution, at least "BBB (high)", in respect of the institution's long-term senior unsecured debt rating; or

   (iii) if there is no such public rating, at least "BBB (high)" in respect of the greater of (a) the rating one notch below the institution's private long-term COR supplied by DBRS and (b) the private long-term senior unsecured debt rating of the institution supplied by DBRS; or

   (iv) if neither the private long-term COR nor the private long-term senior unsecured debt rating of the institution is available, the DBRS Minimum Rating of a least "BBB (high)".

"**Eligible Investments**" means:

(a) any dematerialised (i) euro-denominated senior (unsubordinated) debt securities, (ii) other debt instruments, (iii) account or deposit held with an Eligible Institution incorporated and having its registered office and centre of main interest in Italy (an "**Italian Eligible Institution**") (and, in case such account or deposit is not held with an Italian Eligible Institution, it will be subject to the Issuer having created thereon a valid, binding and enforceable security and obtained a legal opinion in this respect), (iv) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments ***provided that***: (y) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer; and (z) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer, or (v) commercial paper issued by, or fully and unconditionally guaranteed on an unsubordinated, irrevocable and first demand basis (provided that such guarantee complies with the Rating Agencies' criteria applicable from time to time and does not negatively affect the rating of the Senior Notes) by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings, further provided that any of such instrument have a fixed principal amount due at its maturity and cannot include any embedded options (i.e., it is not callable, puttable, or convertible), unless full payment of principal is paid in cash upon the exercise of the option:

   (i) with respect to S&P:

      (A) to the extent such Eligible Investment has a maturity not exceeding 60 days, a short term public rating of at least "A-1";

      (B) to the extent such Eligible Investment has a maturity exceeding 60 days but not exceeding 365 days, a long term public rating of at least "AA-" or a short term public rating of at least "A1+";

(ii) with respect to DBRS, (1) with regard to investments having a maturity of less than 30 days, a short-term public or private rating at least equal to "R-1 (low)" or a long-term public or private rating at least equal to "BBB" (high), or in the absence of a public or private rating by DBRS, a DBRS Minimum Rating at least equal to "BBB (high)" in respect of long-term debt; or (2) with regard to investments having a maturity between 30 days and 90 days, a short-term public or private rating at least equal to "R-1 (middle)" or a long-term public or private rating at least equal to "AA (low)", or in the absence of a public or private rating by DBRS, a DBRS Minimum Rating of "AA (low)" or (3) such other rating as may from time to time comply with DBRS' criteria;

(b) any other investment that, upon prior written notice to S&P and DBRS, does not adversely affect the current ratings of the Class A Notes,

provided that, in all cases (a) such investments (i) are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the Eligible Investment Maturity Date and that in any case does not exceed three months; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; and (b) in the event of downgrade below the rating allowed under this definition, the securities shall be sold, if it could be achieved without a loss, or otherwise shall be allowed to mature; and further provided that, in each case, (1) such investments qualify as "*attività finanziarie*" pursuant to and for the purpose of the Decree 170; and (2) no such investment shall be made, in whole or in part, actually or potentially, in credit linked notes, swaps, other derivatives instruments, synthetic securities or tranches of other asset-backed securities, or any other instrument that does not comply with the criteria set out in the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on monetary policy instruments and procedures of the Eurosystem, as amended from time to time.

"**Eligible Investment Liquidation Date**" means, with reference to each Eligible Investment, the earlier of (i) the maturity date of such Eligible Investment, and (ii) the day falling 7 (seven) Business Days prior to each Payment Date.

"**Enforcement Proceedings**" means any judicial proceedings or other procedure (including any "*procedimento di cognizione*") aimed at collecting the Receivables, also through the enforcement of a Guarantee, a State Guarantee or a Mortgage, or related to them, to the Loans.

"**ESMA**" means the European Securities and Markets Authority.

"**EU Insolvency Regulation**" means the EU Council Regulation No. 2015/848 on insolvency proceedings (recast).

"**Euribor**" or "**EURIBOR**" means at or about 11:00 a.m. (Brussels time) on the Interest Determination Date:

(a) the Euro Interbank Offered Rate for three months Euro deposit (except in respect of the first Interest Period, where an interpolated interest rate based on interest rates for one month and three months deposits in Euro will be substituted for Euribor) which appears on the display page designated EURIBOR 01 on Thomson Reuters; or

(b) in the case of (a), Euribor shall be determined by reference to such other page as may replace the relevant Thomson Reuters page on that service for the purpose of displaying such information; or

(c) in the case of (a), Euribor shall be determined, if the Thomson Reuters service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (c) above being the "**Screen Rate**" or, in the case of the first Interest Period, the "**Additional Screen Rate**"); and

if the Screen Rate (or, in the case of the first Interest Period, the Additional 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 four decimal places with the mid-point rounded up) of the rates notified to the Principal Paying Agent 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. (Brussels time) on the Interest Determination Date; or

(ii) if only two of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or

(iii) if only one or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which sub-paragraph (a) above shall have applied; and

if such rate is also unavailable at such time for Euro deposits, then the rate for the relevant Interest Period shall be calculated pursuant to Condition 5.6 (*Fallback Provisions*).

"**Euro**" or "**euro**" 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.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

"**EU Securitisation Regulation**" means Regulation (EU) 2402/2017 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for

securitisation and creating a specific framework for simple, transparent and standardised securitisation, as amended and supplemented from time to time.

"**EU Securitisation Rules**" means, collectively, (i) the EU Securitisation Regulation, (ii) the Regulatory Technical Standards, (iii) the EBA Guidelines on STS Criteria, (iv) the CRR Amendment Regulation, (v) the Solvency II Amendment Regulation, (vi) the LCR Amendment Regulation, and (vii) any other rule or official interpretation implementing and/or supplementing the same.

"**Expenses**" means any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Transaction and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of the then outstanding securitisation transaction carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws.

"**Expenses Account**" means the Euro denominated account with No. 7710680 IBAN code IT91W0617501400000007710680 established in the name of the Issuer with Account Bank In Relation To Banca Carige Accounts.

"**ExtraMOT PRO**" means the professional segment of the multilateral trading facility "ExtraMOT", which is a multilateral system for the purposes of the Market and Financial Instruments Directive 2014/65/EC, managed by Borsa Italiana.

"**Extraordinary Resolution**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**FATCA**" means the Foreign Account Tax Compliance Act in Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986.

"**Final Maturity Date**" means the Payment Date falling in January 2065.

"**First Home Fund**" (Fondo Prima Casa) means the first home-guarantee fund established by the Italian Ministry for the Economy and Finance pursuant to article 1, paragraph 48, let. c) of Italian law no. 147 of 27 December 2013, managed by Consap S.p.A.

"**Further Securitisation**" has the meaning ascribed to such term in paragraph (xiv) of Condition 3 (*Covenants*).

"**General Reserve Account**" means the Euro denominated account with No. 4222269780 IBAN code IT42W0335101600004222269780 established in the name of the Issuer with the Transaction Account Bank.

"**General Reserve Initial Amount**" means Euro 4,626,750.

"**General Reserve Target Amount**" means (A) on each Payment Date before the Payment Date falling in July 2030, an amount equal to 2.5% of the Principal Amount Outstanding of the Senior Notes on the Issue Date and (B) starting from the Payment Date falling in July 2030 and on each Payment Date thereafter, prior to the Payment Date in which the Senior Notes are fully reimbursed, an amount equal to *the higher of* (i) 2.5% of the Principal Amount Outstanding of the Senior Notes on the immediately preceding Payment Date after making payments due under the Pre-Trigger Notice Priority of Payments on that date, *and* (ii) 1% of the Principal Amount

Outstanding of the Senior Notes as of the Issue Date, and (C) on or after the Payment Date in which the Senior Notes are fully reimbursed, or following the service of a Trigger Notice, an amount equal to 0.

"**Group**" means the Banca Carige Group.

"**Guarantee**" means any guarantee or security other than any Mortgage granted by anyone and referred to the Receivables, including, *inter alia*, any mandate to collect the indemnities paid under the Insurance Policies, *fideiussioni omnibus* pursuant to the terms and within the limits of the Collection Policies, pledges and guarantees granted by underwriting syndicates, but excluding any *fideiussione* and/or *polizza fideiussoria* granted by Amissima S.p.A. (formerly Carige Assicurazioni S.p.A.).

"**Guarantor**" means any entity or person, either than a Debtor, who have granted a Guarantee with regard to a Receivable.

"**Holder**" means, in respect of a Note, the beneficial owner of such Note.

"**Illiquid Collection**" means any payment towards the Receivables made through any means of payment (e.g. payments made by negotiable instruments such as promissory notes and bills of exchange) which does not determine the direct credit on the bank or postal accounts of the relevant Servicer and which does not comprise, without limitation, payments made through R.I.D. or debit onto the relevant Debtor's current account.

"**Individual Portfolio**" means each of the Banca Carige Portfolio and the BML Portfolio.

"**Individual Purchase Price**" means the purchase price of each Receivable, as determined pursuant to the Receivables Transfer Agreement.

"**Initial Subscribers**" means the Class A Initial Subscribers and the Class J Initial Subscribers as subscribers of, respectively, the Senior Notes and the Junior Notes pursuant to the Subscription Agreement.

"**Inside Information and Significant Event Report**" means the insider information and significant event report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Insolvency Event**" means in respect of any company or corporation, any of the following events:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*accordo di ristrutturazione del debito*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect, unless, in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable

prospect of success, ***provided that***, with respect to Banca Carige, no Insolvency Event shall be deemed occurred if it becomes subject to "*amministrazione straordinaria*" for reasons related to the management of Banca Carige (for the sake of clarity, this exception shall not apply if Banca Carige becomes subject to "*amministrazione straordinaria*" for other reasons; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings is not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under article 2484 of the Italian Civil Code occurs with respect to such company or corporation.

"**Insolvency Proceedings**" means any bankruptcy and other insolvency proceedings or analogous proceedings under the laws of the Republic of Italy (in particular under the Bankruptcy Law, the Italian Crisis and Insolvency Code and the Banking Law), including, without limitation, "*liquidazione coatta amministrativa*", "*amministrazione* straordinaria", "*concordato preventivo*", "*concordato fallimentare*" and "*amministrazione straordinaria delle grandi imprese in stato di insolvenza*", ***provided that***, with respect to Banca Carige, "*amministrazione straordinaria*" shall not be deemed as an Insolvency Proceeding if it is due to reasons related to the management of Banca Carige (for the sake of clarity, this exception shall not apply if Banca Carige becomes subject to "*amministrazione straordinaria*" for other reasons).

"**Instalment**" means, with respect to each Loan Agreement, each instalment due from time to time from the relevant Debtor and which consists of an Interest Component and a Principal Component, except for the relevant pre-amortising period.

"**Insurance Companies**" means the companies which have issued the Insurance Policies.

"**Insurance Policy**" means each insurance policy entered into by the relevant Debtor and/or the relevant Originator in relation to a Loan Agreement (***provided that*** the *fideiussioni* and the *polizze fideiussorie* granted by Amissima S.p.A. (formerly Carige Assicurazioni S.p.A.) shall not qualify as insurance policies for the purposes hereof).

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders (acting on behalf of the

Noteholders) and the Other Issuer Creditors, as amended, supplemented and/or replaced from time to time.

"**Interest Component**" means, with respect to each Instalment, the component of such Instalment different from the Principal Component.

"**Interest Determination Date**" means, in relation to the Notes, (i) with respect to the first Interest Period, the date falling 2 (two) Business Days prior to the Issue Date, and (ii) with respect to each subsequent Interest Period, the date falling 2 (two) Business Days prior to the Payment Date at the beginning of such Interest Period.

"**Interest Payment Amount**" has the meaning ascribed to it in Condition 5.3 (*Interest - Determination of Rate of Interest and Calculation of Interest Payments*).

"**Interest Period**" means each period commencing on (and including) a Payment Date and ending on (but excluding) the immediately following Payment Date, ***provided that*** the first Interest Period will commence on the Issue Date (included) and will end on the Payment Date falling in October 2020 (excluded).

"**Investment Account**" means the Euro denominated account which may be established in the name of the Issuer after the Issue Date in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Investment Account Bank**" means the bank being an Eligible Institution with which the Investment Account may be opened after the Issue Date in accordance with the provisions of the Cash Management and Agency Agreement.

"**Investor Report**" means the investor report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Investor Report Date**" means the 25th calendar day of February, March, August and November of each year or, if such day is not a Business Day, the immediately following Business Day.

"**Issue Date**" means 31 July 2020.

"**Issue Price**" means 100.00% of the principal amount of the Notes upon issue.

"**Issuer**" means Lanterna Mortgage S.r.l.

"**Issuer Available Funds**" means, with reference to each Payment Date, the aggregate of:

(i) all Collections (including, without limitation, any sum deriving from the enforcement of a Mortgage, a Guarantee or a State Guarantee) received by the Issuer during the immediately preceding Collection Period in respect of the Portfolio;

(ii) any other amount credited or transferred into the Collection Account during the immediately preceding Collection Period in respect of the Portfolio (including, for the avoidance of doubt, any proceeds deriving from the repurchase of individual Receivables comprised in the Portfolio and any indemnity paid by the Originators in respect of the Portfolio pursuant to the Warranty and Indemnity Agreement);

(iii) all amounts of interest accrued and paid on the Collection Account, Payments Account and General Reserve Account during the immediately preceding Collection Period (net of any applicable withholding or expenses);

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

(v) the proceeds deriving from the disposal (if any) of the Portfolio or any Individual Receivables;

(vi) all amounts received by the Issuer from the Originators pursuant to the Receivables Transfer Agreement during the immediately preceding Collection Period;

(vii) any amount equal to the interest components and other profits arising from any Eligible Investments received, following liquidation thereof from the immediately preceding Eligible Investment Liquidation Date (excluded) up to the Eligible Investment Liquidation Date falling prior to the relevant Payment Date; and

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period,

provided that, prior to the delivery of a Trigger Notice, if the Master Servicer fails to deliver the Quarterly Servicer's Report to the Calculation Agent on or prior to the relevant Quarterly Servicer's Report Date (or such later date as may be agreed between the Master Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), the Issuer Available Funds in respect of the relevant Payment Date will comprise only the amounts necessary to make payments under items from (i) (*First*) to (vi) (*Sixth*) (excluding any servicing fees) of the Pre-Trigger Notice Priority of Payments.

"**Issuer's Rights**" means the Issuer's rights under the Transaction Document.

"**Italian Civil Code**" means the Italian civil code, enacted by Royal Decree No. 262 of 16 March 1942, as subsequently amended and supplemented.

"**Italian Crisis and Insolvency Code**" means (when and to the extent applicable) the Legislative Decree No, 14, 12 January 2019, as amended, supplemented and implemented from time to time.

"**Joint Regulation**" means the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018 and published on the Official Gazette No. 201 of 30 August 2018.

"**Junior Noteholders**" means the Holders of the Junior Notes.

"**Junior Notes**" means the Euro 69,034,000 Class J Residential Mortgage Backed Fixed Rate Notes due January 2065 (ISIN: IT0005418014).

"**Junior Notes Initial Subscribers**" means the Class J Initial Subscribers.

"**Junior Notes Subscribers**" means the subscribers of the Junior Notes.

"**Law 130**" means Law 30 April 1999, no. 130 as from time to time amended and supplemented.

"**LCR Amendment Regulation**" means Commission Delegated Regulation (EU) No. 1620 of 13 July 2018 amending the LCR Regulation.

"**Loan**" means each mortgage loan out of which the Receivables arise.

"**Loan Agreement**" means each agreement under which the relevant Originator has granted a Loan and out of which the Receivables arise, as well as any deed, agreement or document supplementing or amending the same or otherwise related to the same (including, without limitation, any deed of assumption (*accollo*)).

"**Loan by Loan Report**" means the report setting out certain information in relation to the Loan Agreements, which shall be prepared and delivered by the Master Servicer pursuant to the Servicing Agreement.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as amended, supplemented and/or replaced from time to time.

"**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.

"**Master Servicer**" means Banca Carige in its capacity as master servicer under the Servicing Agreement or any other person acting as servicer from time to time under the Transaction.

"**Meeting**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli, including any depository banks appointed by Euroclear and Clearstream.

"**Mortgages**" means the mortgages created on the Real Estate Assets as security for the payment of the Receivables.

"**Mortgagor**" means the Assigned Debtor or any third party who is the owner of a Real Estate Asset on which a Mortgage has been created as security for the payment of the Receivables.

"**Most Senior Class of Noteholders**" means the Holders of the Most Senior Class of Notes.

"**Most Senior Class of Notes**" means the Class A1 Notes or, upon redemption in full or cancellation of the Class A1 Notes, the Class A2 Notes or, upon redemption in full or cancellation of the Class A2 Notes, the Class J Notes.

"**Noteholder**" means, as the case may be, a Senior Noteholder or a Junior Noteholder, and "**Noteholders**" means, collectively, the same.

"**Notes**" means, collectively, the Senior Notes and the Junior Notes.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Ordinary Resolution**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Organisation of the Noteholders**" means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

"**Originators**" means, collectively, Banca Carige and BML.

"**Other Issuer Creditors**" means the Originators, the Servicers, the Back-up Servicer, the Corporate Servicer, the Transaction Account Bank, the Account Bank In Relation to Banca Carige Accounts, the Calculation Agent, the Cash Manager (if any), the Principal Paying Agent, the Representative of the Noteholders, the Arranger, the Initial Subscribers and any other party which may from time to time accede to the Intercreditor Agreement.

"**Outstanding Balance**" means, on any given date and in relation to any Receivable, (i) the aggregate of the Outstanding Principal Amount, (ii) the Interest Components due but unpaid as at that day and (iii) any other amount due but unpaid with respect thereto.

"**Outstanding Principal Amount**" means, on any given date and in relation to any Receivable, the sum of (i) all Principal Components due following that date, and (ii) all Principal Components due but unpaid as at that date.

"**Payment Date**" means (i) prior to the delivery of a Trigger Notice, the 28th day of January, April, July and October of each year or, if such day is not a Business Day, the immediately following Business Day ***provided that*** the first Payment Date will be on 28 October 2020, or (ii) following the delivery of a Trigger Notice, any Business Day specified as such in the Trigger Notice.

"**Payments Account**" means the Euro denominated account with No. 4222309780 IBAN code IT24S0335101600004222309780, established in the name of the Issuer with the Transaction Account Bank.

"**Payments Report**" means the payments report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**PCS**" means Prime Collateralised Securities (PCS) EU SAS.

"**Pool Audit Reports**" means the reports prepared by an appropriate and independent party pursuant to article 22, paragraph 2, of the EU Securitisation Regulation and the relevant EBA Guidelines on STS Criteria, in order to verify:

(a) that the data disclosed in the Prospectus in respect of the Receivables is accurate;

(b) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems, in respect of each selected position of the sample portfolio; and

(c) that the data of the Receivables included in the Portfolio contained in the loan-by-loan data tape prepared by Banca Carige are compliant with the Criteria that are able to be tested prior to the Issue Date.

"**Portfolio**" means, collectively, the Individual Portfolios.

"**Post Trigger Notice Enforcement Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied following the delivery of a Trigger Notice in accordance with the Conditions.

"**Pre-Trigger Notice Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice in accordance with the Conditions.

"**Premium**" means an amount equal to the Issuer Available Funds available after making all payments due under items from (i) *First* to *Eleventh* (both included) of the Pre-Trigger Notice Priority of Payments or under items from (i) *First* to *Eighth* (both included) of the Post Trigger Notice Priority of Payments (as applicable), less Euro 100,000.

"**Previous Securitisation**" means the securitisation transaction carried out by the Issuer in April 2016 through the issuance of the Euro 158,400,000 Class A1 Asset Backed Floating Rate Notes due 28 January 2041, the Euro 158,400,00 Class A2 Asset Backed Floating Rate Notes due 28 January 2041 and the Euro 117,900,000 Class Z Asset Backed Variable Return Notes due 28 January 2041, which has been terminated and unwound pursuant to, and in accordance with, an amendment and termination agreement entered into on 7 February 2019 by the parties to such securitisation transaction, including without limitation the Issuer (formerly Lanterna Consumer S.r.l.).

"**Principal Amount Outstanding**" means, on any date and with respect to any Note, the principal amount thereof upon issue less the aggregate amount of all principal payments that have been made in respect of that Note prior to such date.

"**Principal Component**" means the principal component of each Instalment.

"**Principal Paying Agent**" means BNYM, Milan Branch or any other person acting as principal paying agent from time to time under the Transaction.

"**Principal Payment Amount**" means the principal amount redeemable in respect of each Note of the relevant Class.

"**Priority of Payments**" means, as the case may be, the Pre-Trigger Notice Priority of Payments or the Post Trigger Notice Priority of Payments.

"**Proceedings**" means the Insolvency Proceedings and the Enforcement Proceedings;

"**Prospectus**" means the prospectus prepared by the Issuer pursuant to article 2, paragraph 2 of the Law 130 relating to the issuance of the Notes.

"**Prospectus Regulation**" means the Regulation (EU) 2017/1129, as amended.

"**Provisional Payments**" has the meaning ascribed to it in Condition 6.5 (*Redemption, purchase and cancellation - Notes Principal Payments, Redemption Amounts and Principal Amount Outstanding*).

"**Purchase Price**" means the purchase price of each Portfolio, being equal to the sum of all the Individual Purchase Prices of the Receivables comprised in such Portfolio.

"**Quarterly Servicer's Report**" means the report prepared by the Master Servicer in relation to the activities carried out by the Servicers pursuant to clause 4.19 (*Rendiconti del Servicer*) of the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means the 15th (fifteenth) day of January, April, July and October of each calendar year, or in the event such day is not a Business Day, the Business Date immediately following.

"**Quota Capital Account**" means the Euro denominated account with No. 7252880 IBAN code IT71G0617501400000007252880 established in the name of the Issuer with Banca Carige.

"**Quotaholders**" means Banca Carige and Special Purpose Entity Management S.r.l. as quotaholders of the Issuer.

"**Quotaholders' Agreement**" means the quotaholders' agreement entered into on or about the Issue Date between the Quotaholders and the Issuer, as amended, and/or supplemented from time to time.

"**Rate of Interest**" has the meaning ascribed to it in Condition 5.2 (*Interest - Rate of Interest*).

"**Rating Agencies**" means, collectively, DBRS and S&P and any other rating agency appointed to assign a rating to the Senior Notes.

"**Real Estate Assets**" means the real estate properties which have been mortgaged in order to secure the payment of the Receivables.

"**Receivables**" means any and all pecuniary rights and claims which, as at the Valuation Date (or the other date set out in the Criteria) comply with the Criteria, including without limitation:

(a) any and all rights and claims in respect of repayment of principal of the Loans as at the Valuation Date (including the principal amount of due and unpaid Instalments (*Rate scadute e non ancora pagate*) and excluding the principal amount of the instalments due after the Valuation Date and already collected by the Originators prior to the Valuation Date);

(b) any and all rights and claims in respect of the payment of interest (including the default interest) (i) accrued but not collected as at the Valuation Date and (ii) accruing on the Loans from (but excluding) the Valuation Date;

(c) any and all rights and claims (i) accrued but not collected up to the Valuation Date and (ii) accruing from the Valuation Date, in respect of all ancillary claims and the reimbursement of any other sum due to the Originators in relation to, or in connection with, the Loans, the Guarantees, the State Guarantees and the Insurance Policies, including (without limitation) reimbursement of expenses of legal or judiciary or other nature incurred in relation to the recovery of the Receivables,

together with the Mortgages, the Guarantees, the State Guarantees, the privileges and priority rights (*diritti di prelazione*) assisting the aforesaid rights and claims and other ancillary claims related thereto (including without limitation *fideiussioni omnibus*) to the extent that any amount deriving from their enforcement shall be in favour of the Issuer in accordance with the allocation criteria set out in the Collections Policies, as well as (to the fullest extent permitted by law) any other right, claim and action (including any legal proceeding for the recovery of

suffered damages), substantial and procedural action and defence inherent or otherwise ancillary to the aforesaid rights and claims and their exercise in accordance with the provisions of the Loan Agreement and any other applicable law, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*), jointly with any other right of the Originators in relation to the respective Insurance Policies; such Receivables constitute a portfolio of receivables in pool (*identificabili in blocco*) under and for the purposes of Securitisation Law.

"**Receivables in Arrears**" means the Receivables qualified as "*esposizioni scadute e/o confinanti*" and/or past due in accordance with the Collection Procedures and Circular 272.

"**Receivables *in Bonis***" means the Receivables qualified as "*in bonis*" in accordance with the Collection Procedures and Circular 272.

"**Receivables Transfer Agreement**" means the transfer agreement entered into on 16 July 2020 between the Originators and the Issuer pursuant to which the Originators transferred the Receivables to the Issuer.

"**Records**" means the records maintained (or whose maintenance has been procured) by each of the Agents in respect of its duties under the Receivables.

"**Reference Banks**" means three (3) major banks in the Euro-Zone inter-bank market selected by the Issuer with the approval of the Representative of the Noteholders in accordance with Condition 5.8 (*Interest - Reference Banks and paying agent*). The initial Reference Banks shall be Intesa Sanpaolo S.p.A., Barclays Bank Plc and UniCredit S.p.A.

"**Regulatory Technical Standards**" means:

(a) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation; or

(b) the transitional regulatory technical standards applicable pursuant to article 43 of the EU Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (a) above.

"**Reporting Entity**" means Banca Carige in its capacity as reporting entity pursuant to and for the purposes of article 7, paragraph 2, of the EU Securitisation Regulation.

"**Representative of the Noteholders**" means Zenith Service S.p.A. or any other person acting as representative of the Noteholders from time to time under the Transaction.

"**Retention Amount**" means an amount equal to Euro 60,000.

"**Rules of the Organisation of the Noteholders**" means the rules of the Organisation of the Noteholders attached as exhibit 1 to the Terms and Conditions.

"**S&P**" means Standard and Poor's Ratings Services or any successor to its rating business.

"**Sanctioned Country**" means any country or territory that is the subject or the target of Sanctions (currently, Cuba, Iran, North Korea, Sudan, the Crimea region and Syria) (each, a "**Sanctioned Country**").

"**Sanctions**" means any economic, financial or trade sanctions or restrictive measures enacted, imposed, administered or enforced from time to time by the Sanction Authorities.

"**Sanctions Authorities**" means (i) the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), the U.S. Department of State, (ii) the U.S. Department of Commerce, (iii) the United Nations Security Council, (iv) the European Union, (v) HM Treasury of the United Kingdom (or any other person which takes over the administration of this list) under the Consolidated List of Financial Sanctions Targets in the UK displayed on https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets (or any replacement webpage which displays that list), (v) the State Secretariat for Economic Affairs of Switzerland; (vi) the Swiss Directorate of International Law, or (vii) any other sanctions authority with which the Issuer is bound to comply in accordance with any applicable law.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securitisation Law**" means the Italian Law no. 130 of 30 April 1999, as amended.

"**Security Interest**" means any mortgage, charge pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

"**Senior Noteholders**" means the holders of the Senior Notes.

"**Senior Notes**" means Class A Notes.

"**Senior Notes Initial Subscribers**" means the Class A Initial Subscribers.

"**Servicers**" means each of the Master Servicer and the Additional Servicer.

"**Servicing Agreement**" means the servicing agreement entered into on 16 July 2020 between the Issuer and the Servicers, as amended, supplemented and/replaced from time to time.

"**Solvency II Amendment Regulation**" means the Commission Delegated Regulation (EU) No. 1221 of 1 June 2018 amending Delegated Regulation (EU) 2015/35 of 10 October 2014 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings.

"**State Guarantee**" means any guarantee granted through the First Home Fund (*Fondo Prima Casa*) under the Italian Interministerial Decree of 31 July 2014 in relation to the Receivables

"**STS Criteria**" means the criteria of simplicity, transparency and standardisation as adopted by EBA pursuant to the EU Securitisation Regulation under the guidelines published by it on 12 December 2018 and named "Guidelines on the STS criteria for non-ABCP securitisation".

"**Subscription Agreement**" means the subscription agreement relating to the Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Junior Notes Initial Subscribers and the Senior Notes Initial Subscribers, as amended, supplemented and/replaced from time to time.

"**Successor Servicer**" means the servicer that has been appointed pursuant to the Back-up Servicing Agreement as a successor of a Servicer.

"**Supervisory Regulations of the Bank of Italy**" means the supervisory instructions for the Banks issued by the Bank of Italy.

"**TARGET 2 Day**" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007, as amended, is open for the settlement of payments in Euro

"**Tax**" means any present or future taxes, duties, assessments or governmental charges (including any interest and penalties applied thereof) of whatever nature imposed, levied, collected, withheld or assessed by any competent taxing authority.

"**Tax Deduction**" means any deduction or withholding on account of Tax, including a Decree 239 Deduction.

"**Tax Event**" has the meaning ascribed to it in Condition 6.3 (*Optional redemption for taxation reasons*).

"**Temporary Website**" means the website complying with the requirements set out under article 7(2) of the EU Securitisation Regulation on which the information set out under article 7(1) of the EU Securitisation Regulation are uploaded with reference to the Transaction (being as at the date of the Prospectus, https://eurodw.eu/, for the avoidance of doubt, such website does not constitute part of the Prospectus), as from time to time replaced.

"**Terms and Conditions**" means the terms and conditions of the Notes.

"**Transaction**" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes.

"**Transaction Account Bank**" means BNYM, Milan Branch or any other person, acting as transaction account bank pursuant to the Cash Allocation, Management and Payments

"**Transaction Account Bank Report**" means the report prepared by the Transaction Account Bank pursuant to clause 4.4(a) of the Cash Allocation, Management and Payments Agreement.

"**Transaction Documents**" means the Receivables Transfer Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Corporate Services Agreement, the Warranty and Indemnity Agreement, the Cash Allocation, Management and Payments Agreement, the Mandate Agreement, the Master Definitions Agreement, the Intercreditor Agreement, the Quotaholders' Agreement, the Subscription Agreement and the Prospectus.

"**Transfer Date**" means, in respect of each Individual Portfolio, 16 July 2020.

"**Trigger Event**" means any of the events described in Condition 11 (*Trigger Events*).

"**Trigger Notice**" means the notice described in Condition 11 (*Trigger Events*).

"**Usury Law**" means Italian Law no. 108 of 7 March 1996, as amended, and the relevant implementing regulations.

"**Valuation Date**" means the date falling on 12 July 2020 at 23.59 (Italian time).

"**VAT**" means the value added tax (*imposta sul valore aggiunto*) as defined in Italian Presidential Decree no. 633 of 26 October 1972, as amended.

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into 16 July 2020 between the Originators and the Issuer, as amended, supplemented and/or replaced from time to time.

Any reference in these Conditions to:

(a) an "**holder**" means the ultimate holder of a Note and the words "**holder**", "**Noteholder**" and related expressions shall be construed accordingly.

(b) 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 provision as amended or re-enacted.

(c) 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.

(d) 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.

(e) 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.

(f) any person defined as a "**Party**" in these Terms and Conditions or in any Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

Words and expressions used herein and not otherwise defined shall have the meanings and constructions ascribed to them in the Master Definitions Agreement.

1. FORM, DENOMINATION AND TITLE

1.1 *Form:*

The Notes are in bearer form and dematerialised and will be wholly and exclusively deposited with Monte Titoli through Monte Titoli Account Holders.

1.2 *Monte Titoli:*

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption for the account of the relevant Monte Titoli Account Holder. Title to the Notes will be evidenced by one or more book entries in accordance with the provisions of (i) article 83-*bis* and following of the Consolidated Financial Act and (ii) the Joint Regulation. No physical document of title will be issued in respect of the Notes.

1.3 *Denomination:*

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

2. ***STATUS*, PRIORITY AND SEGREGATION**

2.1 *Status:*

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the Portfolio and the Issuer's rights under the Transaction Documents, subject to the amount required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the Notes. By holding the Notes, the Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a *contratto aleatorio* under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions of article 1469 of the Italian Civil Code. By operation of the Securitisation Law and of the Transaction Documents, the Issuer's right, title and interest in and to the Portfolio are segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer in the context of any further securitisation pursuant to the Securitisation Law) and amounts deriving therefrom (to the extent identifiable) will only be available both prior to and following a winding-up of the Issuer (whether in the context of an insolvency proceeding or otherwise) to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Transaction. Each Noteholder and any Other Issuer Creditor will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the applicable Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital.

2.2 *Ranking and subordination:*

2.2.1 In respect of the obligations of the Issuer to pay interest and/or Premium (as applicable) on the Notes prior to the service of a Trigger Notice:

(a) the Class A1 Notes rank *pari passu* without any preference or priority among themselves, and in priority to payment of interest on the Class A2 Notes, repayment of principal on the Class A1 Notes, repayment of principal on the Class A2 Notes, payment of interest on the Class J Notes, repayment of principal on the Class J Notes and payment of Premium on the Class J Notes;

(b) the Class A2 Notes will rank *pari passu* without preference or priority amongst themselves, and in priority to repayment of principal on the Class A1 Notes, repayment of principal on the Class A2 Notes, payment of interest on the Class J Notes, repayment of principal on the Class J Notes and payment of Premium on the Class J Notes, but subordinated to payment of interest on the Class A1 Notes; and

(c) the Class J Notes will rank *pari passu* without preference or priority amongst themselves, and in priority to repayment of principal on the Class J Notes and payment of Premium on the Class J Notes, but subordinated to payment of interest on the Class A1 Notes, payment of interest on the Class A2 Notes, repayment of principal on the Class A1 Notes and repayment of principal on the Class A2 Notes.

2.2.2 In respect of the obligations of the Issuer to repay principal on the Notes prior to the service of a Trigger Notice:

(a) the Class A1 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to repayment of principal on the Class A2 Notes, payment of interest on the Class J Notes, repayment of principal on the Class J Notes and payment of Premium on the Class J Notes, but subordinated to payment of interest the Class A1 Notes and payment of interest on the Class A2 Notes;

(b) the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to payment of interest on the Class J Notes, repayment of principal on the Class J Notes and payment of Premium on the Class J Notes, but subordinated to payment of interest on the Class A1 Notes, payment of interest on the Class A2 Notes and repayment of principal on the Class A1 Notes; and

(c) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to payment of Premium on the Class J Notes, but subordinated to payment of interest on the Class A1 Notes, payment of interest on the Class A2 Notes, repayment of principal on the Class A1 Notes, repayment of principal on the Class A2 Notes and payment of interest on the Class J Notes.

2.2.3 In respect of the obligations of the Issuer (A) to pay interest and Premium (if any) and (B) to repay principal on the Notes following the service of a Trigger Notice:

(a) the Class A1 Notes and the Class A2 Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves and in priority to the Junior Notes; and

(b) the Junior Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves, but subordinated to payment in full of all amounts due under the Class A1 Notes and the Class A2 Notes.

2.3 *Conflict of interest:*

The Intercreditor Agreement and the Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interest of different Class of Noteholders, then the Representative of the Noteholders is required under the Rules of the Organisation of the Noteholders to have regard only to the interests of the Most Senior Class of Noteholders.

2.4 *Obligations of the Issuer only:*

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person.

3. **COVENANTS**

Save with the prior written consent of the Representative of the Noteholders (to be notified by the Issuer to the Rating Agencies), or as provided in or contemplated by any of the Transaction Documents, for so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, nor shall cause or permit Quotaholders' meetings to be convened in order to:

(i) *Negative pledge*

create or permit to subsist any Security Interest whatsoever upon, or with respect to, the Receivables, or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Receivables or any of its other assets other than pursuant to the Transaction Documents, except in connection with further securitisations permitted pursuant to this Condition 3(xiv) below;

(ii) *Restrictions on activities*

(A) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage, except in connection with further securitisations permitted pursuant to this Condition 3(xiv) below;

(B) have any subsidiary (*società controllata*) or affiliate company (*societá collegata*) (as defined in article 2359 of the Italian Civil Code) or any employees or premises;

(C) at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents or do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

(D) become the owner of any real estate asset;

(iii) *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any equity capital to its Quotaholders, other than in accordance with the provisions of the Quotaholders' Agreement, or increase its equity capital;

(iv) *De-registration*

ask for de-registration from the register of the special purpose vehicles held by the Bank of Italy in accordance with the Bank of Italy provisions dated 7 June 2017, for as long as the Securitisation Law, the Banking Law or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

(v) *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of any further securitisations permitted pursuant to Condition 3(xiv) below) or give any guarantee, indemnity or security in respect of any indebtedness or of any obligation of any person;

(vi) *Merger*

consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;

(vii) *No variation or waiver*

(A) permit any of the Transaction Documents to which it is party to be amended, terminated or discharged; or

(B) consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of the Conditions, or any of the Transaction Documents to which it is a party; or

(C) permit any party to any of the Transaction Documents to which it is a party to be released from the obligations provided for thereunder, save as envisaged in the Transaction Document to which it is a party;

(viii) *Bank accounts*

have an interest in any bank account other than the Accounts or any bank account opened in relation to any further securitisations permitted pursuant to Condition 3(xiv) below or other than in any other account to be opened pursuant to a Transaction Document;

(ix) *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by any compulsory provision of Italian law or by the competent regulatory authorities;

(x) *Corporate records, financial statements and books of account*

cease to maintain corporate records, financial statements and books of account separate from those of the Originators and of any other person or entity;

(xi) *Compliance with corporate formalities*

cease to comply with all necessary corporate formalities; or

(xii) *Residency and Centre of Main Interest*

become resident, including (without limitation) for tax purposes, in any country outside of the Republic of Italy or cease to be managed and administered in Italy or cease to have its centre of main interest in Italy; or

(xiii) *Derivatives*

enter into derivative contracts save as expressly permitted by article 21(2) of the EU Securitisation Regulation; or

(xiv) *Further securitisations*

Nothing in these Term and Conditions or the Transaction Documents shall prevent or restrict the Issuer from carrying out any one or more other securitisation transactions pursuant to the Securitisation Law (the "**Further Securitisations**") or, without limiting the generality of the foregoing, implementing, entering into, making or executing any document, deed or agreement in connection with the Further Securitisations, subject to the Issuer confirming in writing to the Representative of the Noteholders - or the Representative of the Noteholders (which, for such purpose, may rely on the advice of any certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker or other expert) being otherwise satisfied - that:

(A) the transaction documents entered into in the context of the Further Securitisations constitute valid, legally binding and enforceable obligations of the parties thereto under the relevant governing law;

(B) the Rating Agencies have been informed of such further securitisation and have been provided with the copies of the relevant transaction documents;

(C) in the context of the Further Securitisations, the Quotaholders give undertakings in relation to the management of the Issuer, the exercise of its rights as quotaholders or the disposal of the quotas of the Issuer which

are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to the undertakings provided for in the Quotaholders Agreement;

(D) all the participants to the Further Securitisations and the holders of the notes issued in the context of such Further Securitisations will accept non-petition provisions and limited recourse provisions in every material respect equivalent to those provided in Condition 7 (*Limited Recourse and Non Petition*) below;

(E) the security deeds or agreements entered into in connection with such Further Securitisations do not comprise (or extend over) any of the Receivables or any of the Issuer's Rights;

(F) any such Further Securitisation would not adversely affect the then current rating of any of the Senior Notes;

(G) the notes to be issued in the context of such Further Securitisations:

(1) are not cross-collateralized or cross-defaulted with the Notes or any note issued by the Issuer in the context of any Further Securitisations; and

(2) include provisions which are the same as, or (in the sole discretion of the Representative of the Noteholders) equivalent to, this Condition 3 (*Covenants*).

In giving any confirmation on the foregoing, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient or appropriate (in its reasonable discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer or as to the matters contained therein. For the avoidance of doubt, the provisions contained in article 31 (*Exoneration of the Representative of the Noteholders*) of the Rules of the Organisation of the Noteholders will also apply (where appropriate) to the Representative of the Noteholders when acting under this Condition 3 (*Covenants*).

4. PRIORITY OF PAYMENTS

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

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

Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

(ii) *Second,* to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, negative interest, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Account Banks, the Cash Manager (if any), the Calculation Agent, the Principal Paying Agent, the Back-up Servicer (if any), the Corporate Servicer, the Servicers and the Reporting Entity;

(iv) *Fourth*, to pay, *pari passu* and *pro rata,* all amounts of interest due and payable on the Class A1 Notes;

(v) *Fifth*, to pay, *pari passu* and *pro rata,* all amounts of interest due and payable on the Class A2 Notes;

(vi) *Sixth*, up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, to credit into the General Reserve Account the amount necessary to bring the balance of the General Reserve Account up to (but not exceeding) the General Reserve Target Amount;

(vii) *Seventh*, to repay, *pari passu* and *pro rata*, all amounts of principal due and payable on the Class A1 Notes;

(viii) *Eight*, to repay, *pari passu* and *pro rata*, all amounts of principal due and payable on the Class A2 Notes;

(ix) *Ninth,* to pay any and all amounts due and payable in or towards satisfaction of any amounts (including any indemnity amount) due and payable by the Issuer pursuant to the Subscription Agreement;

(x) *Tenth*, to pay, *pari passu* and *pro rata,* all amounts of interest due and payable on the Class J Notes;

(xi) *Eleventh*, to repay, *pari passu* and *pro rata*, all amounts of principal on the Class J Notes (up to the Principal Outstanding Amount of the Junior Notes being equal to Euro 100,000); and

(xii) *Twelfth*, (i) to pay, *pari passu* and *pro rata*, the Premium (if any) on the Junior Notes and (ii) to repay, *pari passu* and *pro rata*, all amount of principal on the Junior Notes.

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

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

(ii) *Second,* to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, negative interest, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Account Banks, the Cash Manager (if any), the Calculation Agent, the Principal Paying Agent, the Back-up Servicer (if any), the Corporate Servicer, the Servicers, the Reporting Entity;

(iv) *Fourth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes;

(v) *Fifth*, to repay *pari passu* and *pro rata*, all amounts of principal due and payable on the Senior Notes;

(vi) *Sixth*, to pay any and all amounts due and payable in or towards satisfaction of any amounts (including any indemnity amount) due and payable by the Issuer pursuant to the Subscription Agreement;

(vii) *Seventh*, to pay, *pari passu* and *pro rata* all amounts of interest due and payable on the Junior Notes;

(viii) *Eighth*, to repay, *pari passu* and *pro rata*, all amounts of principal on the Class J Notes (up to the Principal Outstanding Amount of the Junior Notes being equal to Euro 100,000); and

(ix) *Ninth*, (i) to pay, *pari passu* and *pro rata*, the Premium (if any) on the Junior Notes and (ii) to repay, *pari passu* and *pro rata*, all amount of principal on the Junior Notes.

5. INTEREST

5.1 *Payment Dates and Interest Periods*: The Notes will bear interest on their Principal Amount Outstanding from (and including) the Issue Date. Interest in respect of the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date, in accordance with the applicable Priority of Payments. The first payment of interest on the Notes will be due on the Payment Date falling on 28 October 2020 in respect of the period from (and including) the Issue Date up to (but excluding) such Payment Date.

5.2 *Rate of Interest*: The rate of interest applicable to the Notes (the "**Rate of Interest**") for each Interest Period, including the Initial Interest Period, shall be:

5.2.1 in respect of the Class A1 Notes, the aggregate of three months Euribor (except in respect of the initial Interest Period where an interpolated interest rate based on one month and three months deposits in Euro will be substituted to three months Euribor), plus a margin of 0.80% per annum;

5.2.2 in respect of the Class A2 Notes, the aggregate of three months Euribor (except in respect of the initial Interest Period where an interpolated interest rate based on one month and three months deposits in Euro will be substituted to three months Euribor), plus a margin of 1.50% per annum; and

5.2.3 in respect of the Junior Notes, 3% per annum,

provided that, in each case, if the Rate of Interest is less than zero, it shall be deemed to be zero and with respect to the Class A1 Notes only, if the Rate of Interest is higher than 2.5%, it shall be deemed to be 2.5%.

5.3 *Determination of Rate of Interest and Calculation of Interest Payments and Premium*: On each Interest Determination Date, the Issuer shall determine (or cause the Principal Paying Agent to determine):

(a) the Rate of Interest applicable to the Interest Period beginning after such Interest Determination Date in respect of each Class of Notes; and

(b) the Euro amount (the "**Interest Payment Amount**") payable as interest on each Class of Notes in respect of such Interest Period. The Interest Payment Amount payable on each Class of Notes in respect of any Interest Period shall be calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes on the Payment Date at the commencement of such Interest Period (or, in the case of the first Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up); and

(c) the amount payable as Premium on each Junior Note in respect of the Interest Period beginning after each Interest Determination Date.

5.4 *Publication of the Rate of Interest, the Interest Payment Amount and Premium:* The Issuer shall notify (or cause the Principal Paying Agent to notify) the Rate of Interest, the Interest Payment Amount applicable to each Class of Senior Notes and the Premium applicable to the Junior Notes for each Interest Period and the Payment Date in respect of such Interest Payment Amount and Premium, promptly after determination (and in any event not later than the first day of each relevant Interest Period), to the Servicers, the Cash Manager (if any), the Back-up Servicer, the Representative of the Noteholders, the Transaction Account Bank, the Calculation Agent, the Corporate Servicer, Monte Titoli and, with respect to the Senior Notes, Borsa Italiana shall procure (or cause the Principal Paying Agent to procure) that the same are published in accordance with Condition 14 (*Notices*) on or as soon as possible after the relevant Interest Determination Date.

5.5 *Determination or calculation by the Representative of the Noteholders*: if the Issuer (or the Principal Paying Agent on its behalf) fails to determine the Rate of Interest and/or the Interest Payment Amount and/or Premium in accordance with the foregoing provisions of this Condition 5 (*Interest*), such determinations shall be made by the Representative of the Noteholders.

5.6 *Fallback provisions*:

(a) Notwithstanding anything to the contrary, including Condition 5.2 (*Rate of Interest*) and provisions set out under the definition of Euribor, the following provisions will apply if the Issuer (acting on the advice of the Master 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 Master 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.

(b) Following the occurrence of a Base Rate Modification Event, the Issuer (acting on the advice of the Master Servicer) will inform the Originators 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 5.6 (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 Master Servicer's opinion, be materially prejudicial to the interest of the Noteholders; and (II) for the avoidance of doubt, the Master 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 Originators pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Issuer and the Master 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 Master Servicer has notified such Rating Agencies of the proposed modification and, in the Master 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 Master 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 (ten) 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 5.6 the Rate Determination Agent, the Issuer and/or the Master 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 Master Servicer) considers that a Base Rate Modification Event is continuing, the Master Servicer may or, upon request of any of the Originators, must, initiate the procedure for a Base Rate Modification as set out in this Condition 5.6 (including, for the avoidance of doubt, the re-application of paragraph (c) above).

(g) Any modification pursuant to this Condition 5.6 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 5.6, 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 5.3 shall be without prejudice to the application of any higher interest under applicable mandatory law.

5.7 *Notifications to be final:* All notifications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*), whether by the Reference Banks (or any of them), the Issuer, the Principal Paying Agent or the Representative of the Noteholders shall (in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*)) be binding on all persons and (in such absence as aforesaid) no liability towards the Noteholders

shall attach to the Reference Banks, the Issuer, the Principal Paying Agent or the Representative of the Noteholders in connection therewith.

5.8 *Reference Banks and Principal Paying Agent*: The Issuer shall ensure that, so long as any of the Notes remain outstanding, there will at all times be three Reference Banks and a Principal Paying Agent. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such in its place. The terminated or resigning Principal Paying Agent shall continue to perform its obligations until a successor paying agent approved in writing by the Representative of the Noteholders has undertaken the role of the resigning Principal Paying Agent and has adhered to the Cash Allocation, Management and Payments Agreement, the Intercreditor Agreement and the other Transaction Documents to which the Principal Paying Agent is a party. If a new Principal Paying Agent is appointed, a notice will be published in accordance with Condition 14 (*Notices*).

5.9 *Unpaid Interest with respect to the Notes:* Unpaid interest on the Notes shall accrue no interest.

5.10 *Premium*: A Premium may be payable on the Junior Notes in Euro on each Payment Date following redemption in full of the Senior Notes, in accordance with the applicable Priority of Payments. On or prior to each Calculation Date, the Calculation Agent will calculate the Premium (if any) payable on the Junior Notes.

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 *Notes Final Maturity Date:* Unless previously redeemed in full or cancelled as provided in this Condition 6 (*Redemption, Purchase and Cancellation*), the Issuer will redeem the Notes at their Principal Amount Outstanding on the Final Maturity Date. The Notes, to the extent not redeemed in full on the Final Maturity Date, will be cancelled.

The Issuer may not redeem the Senior Notes in whole or in part prior to that date except as provided below in Condition 6.2 (*Optional Redemption*), 6.3 (*Optional Redemption for taxation reasons*) and 6.4 (*Mandatory redemption*) but without prejudice to Condition 12 (*Actions following the delivery of a Trigger Notice*).

6.2 *Optional Redemption*: Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the applicable Priority of Payments, starting from the Payment Date on which the Outstanding Principal Amount of the Portfolio is less than, or equal to, 10 (ten) per cent. of the Outstanding Principal Amount of the Portfolio as of the Valuation Date, subject to the Issuer:

(a) giving not more than 60 (sixty) days and not less than 30 (thirty) days' notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes;

(b) delivering to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of

any Security Interest of any third party) on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the applicable Priority of Payments; and

(c) having previously notified such redemption to the Rating Agencies.

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

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

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

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

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

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

Following the occurrence of a Tax Event and provided that no Trigger Notice has been served on the Issuer, the Representative of the Noteholders may (or shall, if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to dispose of the Portfolio in accordance with this Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for taxation reasons*) and the Intercreditor Agreement. In case of such disposal, pursuant to the Intercreditor Agreement, the Originators (each in respect of the relevant Individual Portfolio or, with the prior written consent of the other Originator, the whole Portfolio) will be entitled to purchase the Portfolio and to be preferred to any third party potential purchaser, ***provided that*** (i) the conditions under paragraphs (a), (b) and (c) of clause 8.2 of the

Intercreditor Agreement are met, and (ii) no Insolvency Event has occurred in respect of the Originators. Subject to the foregoing, the Originators (each in respect of the relevant Individual Portfolio or the whole Portfolio) shall have the right to exercise such pre-emption right and purchase the Portfolio by serving a written notice on the Issuer and the Representative of the Noteholders within 30 (thirty) days from the receipt of a written communication from the Representative of the Noteholders informing the same of the proposed disposal of the Portfolio. The Representative of the Noteholders shall promptly notify in writing the Originators of the proposed disposal and the relevant sale price. The exercise of the pre-emption right is conditional upon the delivery by the relevant Originator to the Issuer and the Representative of the Noteholders of:

(A) a solvency certificate signed by its legal representative, dated the date on which the Portfolio is sold, stating that such purchaser is solvent; and

(B) a good standing certificate issued by the competent Chamber of Commerce (*certificato di vigenza della Camera di Commercio*), dated not earlier than 5 (five) Business Days before the date on which the Portfolio is sold, stating that no insolvency proceeding is pending against such purchaser, or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated.

6.4 *Mandatory Redemption*: The Notes will be subject to mandatory redemption in full (or in part *pro rata*) starting from (and including) the Payment Date falling in October 2020, in each case if and to the extent that there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

6.5 *Note Principal Payments, Redemption Amounts and Principal Amount Outstanding*: On or prior to each Calculation Date, the Issuer shall determine (or cause the Calculation Agent to determine):

(a) the amount of the Issuer Available Funds;

(b) the principal payment (if any) due on the Notes on the immediately following Payment Date and the Principal Payment Amount (if any) due on each Note; and

(c) the Principal Amount Outstanding of each Note on the immediately following Payment Date (after deducting any principal payment due to be made on such Payment Date in respect of each Note),

and shall cause each determination of Principal Payment Amount (if any, as defined below) and Principal Amount Outstanding in respect of each Note to be notified by the Calculation Agent (through the Payments Report) to the Issuer, the Originators, the Servicer, the Back-up Servicer, the Corporate Servicer, each of the Agents, the Rating Agencies and the Representative of the Noteholders. The Issuer shall cause notice of each determination of Principal Payment Amount (if any) and Principal Amount Outstanding in respect of each Note to be given by the Paying Agent to Monte Titoli and in accordance with Condition 14 (*Notices*).

If the Issuer (or the Calculation Agent on its behalf) fails to determine the amount of the Issuer Available Funds, the principal payment (if any) due on the Notes on the

immediately following Payment Date and the Principal Payment Amount (if any) due on each Note and/or the Principal Amount Outstanding of each Note on the immediately following Payment Date (after deducting any principal payment due to be made on such Payment Date in respect of each Note) in accordance with the foregoing provisions of this Condition 6.5 (*Note Principal Payments, Redemption Amounts and Principal Amount Outstanding*), such determinations shall be made by the Representative of the Noteholders.

All notifications, determinations and calculations given or made for the purposes of this Condition 6.5 (*Note Principal Payments, Redemption Amounts and Principal Amount Outstanding*), whether by the Issuer, the Calculation Agent or the Representative of the Noteholders shall (in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*)) be binding on all persons and (in such absence as aforesaid) no liability towards the Noteholders shall attach to the Issuer, the Calculation Agent or the Representative of the Noteholders in connection therewith.

The principal amount redeemable in respect of each Note of the relevant Class (the "**Principal Payment Amount**") on any Payment Date shall be a pro rata share of the principal payment due in respect of the relevant Class of Notes on such date, in accordance with the applicable Priority of Payments. The Principal Payment Amount is calculated by multiplying the Issuer Available Funds available to make the principal payment in respect of the relevant Class of Notes, in accordance with the applicable Priority of Payments, on such date by a fraction, the numerator of which is the then Principal Amount Outstanding of each Note of the relevant Class and the denominator of which is the then Principal Amount Outstanding of all the Notes, and rounding down the resultant figures to the nearest cent, provided always that no such Principal Payment Amount may exceed the Principal Amount Outstanding of each Note of the relevant Class.

For the avoidance of any doubt, it remains understood that the purpose of the above is to set out a calculation procedure aimed at allocating the principal amount in respect of each Note of the relevant Class.

Furthermore, prior to the delivery of a Trigger Notice, if the Master Servicer fails to deliver the Quarterly Servicer's Report to the Calculation Agent by the relevant Quarterly Servicer's Report Date (or such later date as may be agreed between the Master Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), (i) the Calculation Agent shall prepare the Payments Report on the basis of the provisions of the Transaction Documents and any other information available on the relevant Calculation Date (including, without limitation, the balance standing to the credit of the Accounts), irrespective of its completeness, and (ii) only the amounts to be paid under items from (i) *First* to (vii) *Sixth* (excluding any servicing fees) of the Pre-Trigger Notice Priority of Payments shall be due and payable, to the extent there are sufficient Issuer Available Funds to make such payments (the "**Provisional Payments**"). On the immediately following Calculation Date and subject to the receipt of the relevant Quarterly Servicer's Report from the Master Servicer in a timely manner, the Calculation Agent shall, in determining the amounts due and payable on the immediately following Payment Date, make any necessary adjustment to take into account the difference (if any) between the Provisional Payments made on the immediately preceding Payment Date and the actual amounts that would have been due on that Payment Date.

Following the delivery of a Trigger Notice, if the Master Servicer fails to deliver the Quarterly Servicer's Report to the Calculation Agent by the relevant Quarterly Servicer's Report Date (or such later date as may be agreed between the Master Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner) (i) the Calculation Agent shall prepare the Payments Report on the basis of the provisions of the Transaction Documents and any other information available on the relevant Calculation Date (including, without limitation, the balance standing to the credit of the Accounts), irrespective of its completeness, and (ii) all the amounts to be paid under the Post-Enforcement Priority of Payments shall be due and payable to the extent there are sufficient Issuer Available Funds to make such payments.

6.6 *Notice of Redemption*: Any notice of redemption must be given in accordance with Condition 14 (*Notices*) and shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Senior Notes in accordance with this Condition 6 (*Redemption, Purchase and Cancellation*).

6.7 *No purchase by Issuer:* The Issuer is not permitted to purchase any of the Notes.

7. NON PETITION AND LIMITED RECOURSE

7.1 *Non Petition*

Only the Representative of the Noteholders may pursue the remedies available under general law or under the Transaction Documents to obtain payment of the obligations of the Issuer arising under the Notes and the Transaction Documents and no Noteholder or Other Issuer Creditor shall be entitled to proceed directly against the Issuer to obtain payment of such obligation. In particular:

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

(b) no Noteholder 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 against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(c) until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any other securitisation entered into from time to time by the Issuer 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 the Most Senior Class of Noteholders following the occurrence of a Trigger Event and only if the representative 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; and

(d) 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 that would result in any Priority of Payments not being complied with.

7.2 *Limited recourse obligations of Issuer*

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

(a) 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;

(b) sums payable to such Noteholder or Other Issuer Creditor in respect of the Issuer's obligations to such Noteholder or Other Issuer Creditor, shall be limited to the lower of (a) the aggregate amount of all sums due and payable to such Noteholder or Other Issuer Creditor, (b) the Issuer Available Funds net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder or Other Issuer Creditor, ***provided that*** the Parties agree that if the Issuer Available Funds are insufficient to pay any amount due and payable to the Noteholders and the Other Issuer Creditors, the shortfall then occurring will not be due and payable until a subsequent Payment Date on which the Issuer Available Funds may be used for such purpose in accordance with the relevant Priority of Payments, provided however that any such shortfall will not accrue interest unless otherwise provided in the Transaction Documents; and

(c) if the Master Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further proceeds in respect of the Portfolio 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 14 (*Notices*) that there is no reasonable likelihood of there being any further proceeds in respect of the Portfolio which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders and 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.

8. PAYMENTS

8.1 *Payments through Monte Titoli:* Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Principal Paying Agent on behalf of the Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear or Clearstream to the accounts with Euroclear or Clearstream of the beneficial owners of

those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

8.2 *Payments subject to fiscal laws:* Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

8.3 *Payments on business days:* The Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

8.4 *Change of Principal Paying Agent:* The Issuer may or, as the case may be, shall, pursuant to the terms of the Cash Allocation, Management and Payments Agreement, terminate the appointment of the Principal Paying Agent. The Issuer will cause at least 90 (ninety) calendar days' prior notice of any replacement of the Principal Paying Agent to be given to the Noteholders in accordance with Condition 14 (*Notices*).

9. TAXATION

9.1 *Payments free from Tax:* All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by any competent taxing authority unless the Issuer, the Representative of the Noteholders or the Principal Paying Agent or any paying agent, as the case may be, is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Principal Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

9.2 *No payment of additional amounts:* None of the Issuer, the Representative of the Noteholders, the Principal Paying Agent or any paying agent appointed under Condition 8.4 (*Change of Principal Paying Agent*) will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.

9.3 *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

10. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

11. TRIGGER EVENTS

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

(a) *Non-payment:*

(i) the Issuer defaults in the payment of the amount of interest due and payable on the Most Senior Class of Notes and such default is not remedied within a period of 7 (seven) Business Days from the due date thereof;

(ii) the Issuer defaults in the redemption of any Class of Notes (including the payment of any interest accrued thereon) within 14 calendar days following the Final Maturity Date;

(b) *Breach of other obligations:*

observance of any of its obligations under or in respect of the Notes (other than any obligation to pay principal or interest in respect of the Notes) or any of the Transaction Documents to which it is a party (in any respect in which is material for the interests of the Senior Noteholders) 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

(c) *Misrepresentations:*

any of the representations and warranties given by the Issuer under any of the Transaction Documents is untrue, incorrect or erroneous when made or repeated, in any respect which is material for the interests of the Senior Noteholders and such breach remains unremedied for 30 (thirty) Business Days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where such breach is not capable of remedy, in which case no notice requiring remedy will be given); or

(d) *Insolvency of the Issuer:*

an Insolvency Event occurs in respect of the Issuer; or

(e) *Unlawfulness:*

it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party,

then the Representative of the Noteholders:

(i) in the circumstances set out under paragraph (a) or (d) above shall; or

(ii) in the circumstances set out under paragraph (b), (c) or (e), may or, if so directed by an Extraordinary Resolution of the Most Senior Class of Notes then outstanding, shall

serve a written notice on the Issuer (with copy to the Originators, the Servicers, the Calculation Agent, the Corporate Servicer, the Noteholders and the Rating Agencies) (the "**Trigger Notice**") stating that a Trigger Event has occurred and declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following which all payments of principal, interest, Premium (where applicable) and other amounts due in respect of the Notes shall be made according to the Post Trigger Notice Priority of Payments and on such dates as the Representative of the Noteholders may determine.

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

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

12. ACTIONS FOLLOWING THE DELIVERY OF A TRIGGER NOTICE

12.1 *Proceedings:* At any time following the delivery of a Trigger Notice, the Issuer shall comply with all directions of the Representative of the Noteholders (save that the Representative of the Noteholders acts directly) in relation to the management and administration of the Receivables pursuant to the Intercreditor Agreement, including, without limitation, any direction to sell or otherwise dispose of the Portfolio (if the Representative of the Noteholders is so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) according to the provisions of the Intercreditor Agreement.

12.2 *Determination to be final:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 11 (*Trigger Events*) or this Condition 12 (*Actions following the delivery of a Trigger Notice*) by the Representative of the Noteholders shall (in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*)) be binding on all persons and (in such absence as aforesaid) no liability towards the Noteholders shall attach to the Representative of the Noteholders in connection therewith.

12.3 *Individual proceedings:* No Noteholder shall be entitled to proceed directly against the Issuer unless the Representative of the Noteholders has become bound and fails to do so in a timely manner and such failure is continuing.

13. THE REPRESENTATIVE OF THE NOTEHOLDERS

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

13.2 *Appointment of the Representative of the Noteholders:* Pursuant to the Rules of the Organisation of the Noteholders, for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders who has been appointed at the time of the issue of the Notes by the Senior Notes Initial Subscriber and the Junior Notes Initial Subscribers, in accordance with the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

14. NOTICES

14.1 *Notice through Monte Titoli:* Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli and, as long as the Class A1 Notes or the Class A2 Notes are admitted to trading on the professional segment "ExtraMOT PRO" of the multilateral trading facility "ExtraMOT", if given in accordance with the rules of such multilateral trading facility. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required above.

14.2 *Other method of giving notice:* The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and, with respect to the Senior Notes, to the rules of the stock exchange on which the Senior Notes are then listed and ***provided that*** notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require and, with respect to the Senior Notes, in accordance with the rules of the stock exchange.

15. GOVERNING LAW AND JURISDICTION

15.1 *Governing Law and Jurisdiction of the Notes:* The Notes and any non-contractual obligation arising out of or in connection with them are governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the Notes shall be subject to the exclusive jurisdiction of the court of Milan.

15.2 *Governing Law and Jurisdiction of the Transaction Documents:* Each of the Transaction Documents, and any non-contractual obligation arising out of or in connection therewith, is governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the interpretation or the execution of each of the Transaction Documents, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the court of Milan.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES
RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I
GENERAL PROVISIONS

1. GENERAL

1.1 The Organisation of the Noteholders is created concurrently with the issue of and subscription for the Euro 173,891,000 Class A1 Residential Mortgage Backed Floating Rate Notes due January 2065 (the "**Class A1 Notes**"), the Euro 11,179,000 Class A2 Residential Mortgage Backed Floating Rate Notes due January 2065 (the "**Class A2 Notes**" and, together with the Class A1 Notes, collectively the "**Class A Notes**" or the "**Senior Notes**") and the Euro 69,034,000 Class J Residential Mortgage Backed Fixed Notes due January 2065 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Class A Notes, the "**Notes**") issued by Lanterna Mortgage S.r.l., and is governed by the Rules of the Organisation of the Noteholders set out herein (the "**Rules**").

1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

2.1.1 In these Rules the terms set out below have the following meanings:

"**Basic Terms Modification**" means any proposal:

(a) to change any date fixed for the payment of principal and interest in respect of the Notes of any Class;

(b) to reduce or cancel the amount of principal and interest (or Premium, if applicable) due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(c) to change the quorum required at any Meeting or the majority required to pass any Ordinary Resolution or Extraordinary Resolution;

(d) to change the currency in which payments due in respect of any Class of Notes are payable;

(e) to alter the priority of payments of interest or principal (or Premium, if applicable) in respect of any of the Notes;

(f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other

obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(g) to resolve on the matter set out in Condition 7.1 (*Non Petition*) of the Conditions; or

(h) to change this definition;

"**Blocked Notes**" means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the relevant Monte Titoli Account Holder for the purpose of voting at a Meeting;

"**Block Voting Instruction**" means, in relation to a Meeting, a document prepared by the Tabulation Agent (where appointed) or otherwise by the Principal Paying Agent summarising the results of the Voting Instructions received by or on behalf of the Noteholders and, in particular:

(a) where applicable, certifying that the Notes relating to the relevant Voting Instructions are held to the order of the Principal Paying Agent or under its control or have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of:

(i) the conclusion of the Meeting; and

(ii) the surrender to the Tabulation Agent (where appointed) or otherwise to the Principal Paying Agent which issued the same not less than 48 hours before the time fixed for the Meeting (or, if the meeting has been adjourned, the time fixed for its resumption) of confirmation that the Notes are Blocked Notes and notification of the release thereof by the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying to have received appropriate evidence of the ownership of the Notes being the subject of the relevant Voting Instructions as at the relevant Record Date;

(c) certifying that the Holder of the relevant Notes or Blocked Notes, as the case may be, or a duly authorised person on its behalf has notified the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(d) listing the aggregate principal amount of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution;

"**Chairman**" means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules;

"**Condition**" means the terms and conditions of the Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto and any reference to a particular numbered Condition shall be construed in relation to the Notes accordingly.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast;

"**Holder**" in respect of a Note means the ultimate owner of such Note;

"**Meeting**" means a meeting of Noteholders of any Class or Classes, whether originally convened or resumed following an adjournment;

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (as *intermediari aderenti*) in accordance with article 79-quarter of Legislative Decree no. 58 of 24 February 1998 and includes any depository banks appointed by the Relevant Clearing System;

"**Monte Titoli Mandate Agreement**" means the agreement entered between the Issuer and Monte Titoli.

"**Ordinary Resolution**" means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast;

"**Proxy**" means any person appointed to vote at a Meeting other than any person whose appointment has been revoked and in relation to whom the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent, or in the case of a proxy appointed under a Voting Certificate, the Issuer has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting;

"**Record Date**" means the date falling 7 Business Days prior to the Meeting;

"**Resolutions**" means Ordinary Resolutions and Extraordinary Resolutions collectively;

"**Specified Office**" means (i) with respect to the Principal Paying Agents (a) the office specified against its name in clause 20.1 (*Details for notices*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Principal Paying Agent may specify in accordance with clause 5.3(d) (*Documents available for inspection*) of the Cash Allocation, Management and Payment Agreement and (ii) with respect to any additional or other Principal Paying Agent appointed pursuant to the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Principal Paying Agent and in each such case, such other address as the Principal Paying Agent

may specify in accordance with the provisions of the Cash Allocation, Management and Payment Agreement;

"**Tabulation Agent**" means the agent appointed by the Issuer to take care of the organisation of the Meeting and any administrative activities relating thereto;

"**Transaction Party**" means any person who is a party to a Transaction Document;

"**Trigger Event**" means any of the events described in Condition 11 (*Trigger Events*);

"**Trigger Notice**" means a notice described as such in Condition 11 (*Trigger Events*);

"**Voter**" in relation to a Meeting, the Holder named in a Voting Certificate or a Proxy;

"**Voting Certificate**" means, in relation to any Meeting a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time containing, inter alia, evidence of the ownership of the Notes being the subject of the relevant Voting Certificate as at the relevant Record Date;

"**Voting Instruction**" means, in respect to a Resolution, the voting instruction that must be delivered to the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent by each Noteholder wishing to vote without participating directly at the relevant Meeting, whether directly or through the relevant Monte Titoli Account Holder or custodian, stating that the vote(s) attributable to the Notes that are the subject of such voting instruction should be cast in a particular way in relation to the relevant Resolution (either in favour or against such Resolution);

"**Written Resolution**" means a resolution in writing signed by or on behalf of the 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 the Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders;

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Principal Paying Agent has its Specified Office;

"**48 hours**" means 2 consecutive periods of 24 hours.

2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Conditions.

2.2 **Interpretation**

2.2.1 Any reference herein to an "**Article**" shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

2.2.2 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.

2.2.3 Any reference to any person defined as a "**Transaction Party**" in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

3. PURPOSE OF THE ORGANISATION

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II
MEETINGS OF THE NOTEHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

4.1 Issue

4.1.1 A Noteholder wishing to participate in person at a Meeting may obtain a Voting Certificate in respect of such Meeting.

4.1.2 A Noteholder wishing to vote but not wishing to participate in person at a Meeting shall deliver a Voting Instruction to the Tabulation Agent (where appointed) or otherwise to the Principal Paying Agent and appoint a Proxy to participate at the Meeting on its behalf.

4.1.3 Upon receipt of all Voting Instructions by the Tabulation Agent (where appointed) or otherwise by the Principal Paying Agent (on the basis of the information received by the Tabulation Agent (where appointed)) will issue a Block Voting Instruction summarising the Noteholders' instructions in accordance to which the designed Proxy will vote at the Meeting.

4.2 Blocking of the Notes

The Notes in respect of which a Voting Instruction has been delivered or a Voting Certificate is being requested may, or may not, at the Issuer discretion, be blocked with a clearing system, the relevant Monte Titoli Account Holder. The relevant Notes, if blocked, will be Blocked Notes with effect from the date on which the Voting Instruction is submitted or the Voting Certificate is requested (as the case may be) until the earlier of: (i) the conclusion of the Meeting and (ii) the surrender to the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent, not less than 48 hours before the time fixed for the Meeting, of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent to the Issuer and Representative of the Noteholders.

4.3 Expiry of validity

A Voting Certificate or Block Voting Instruction shall be valid, in case the relevant Notes are blocked, until the release of the Blocked Notes to which it relates or otherwise (unless earlier revoked) until the conclusion of the relevant Meeting.

4.4 Deemed Holder

Noteholders who, as at the Record Date, own beneficial interests (as shown in the records of the relevant clearing system, or the relevant Monte Titoli Account Holders) shall be deemed to be the Holder of the Notes for all purposes in connection with the Meeting.

4.5 Mutually exclusive

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Notes.

4.6 References to blocking and release

References to the blocking or release of Notes, where applicable, shall be construed in accordance with the usual practices (including blocking the relevant account) of any Relevant Clearing System.

5. VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid for the purpose of the relevant Meeting only if it is deposited at the Specified Offices of the Principal Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time fixed for the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid. If the Representative of the Noteholders or the Tabulation Agent (where appointed) so requires, a notarised (or otherwise acceptable) copy of each Block Voting Instruction and satisfactory evidence of the identity of each Proxy shall be produced at the Meeting but the Representative of the Noteholders or the Tabulation Agent (as the case may be) shall not be obliged to investigate the validity of a Block Voting Instruction or a Voting Certificate or the identity of any Proxy.

6. CONVENING A MEETING

6.1 Convening a Meeting

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes.

6.2 Meetings convened by Issuer or the Representative of the Noteholders

Whenever any of the Issuer or the Representative of the Noteholders is about to convene a Meeting, it shall immediately give notice in writing to that effect to, respectively, the Representative of the Noteholders and the Issuer (as the case may be) specifying the proposed day, time and place of the Meeting and the items to be included in the agenda, ***provided that*** each Meeting may be held also by linking various venues in different locations by audio/video conferencing facilities, subject to the following conditions:

6.2.1 that the Chairman of the Meeting is able to be certain as to the identity of those taking part, control how the Meeting proceeds, and determine and announce the results of voting; and

6.2.2 that those taking part are able to participate in discussions and voting on the items on the agenda simultaneously, as well as to view, receive, and transmit documents.

6.3 **Time and place of Meetings**

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

7. **NOTICE**

7.1 **Notice of meeting**

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day (falling not later than 60 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 to the relevant Noteholders and the Principal Paying Agent, with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

7.2 **Content of notice**

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that (i) Voting Certificates for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time, (ii) the procedure to deliver a Voting Instruction and to appoint a Proxy and (iii) that Notes may or may not at the Issuer's discretion be blocked in an account with a clearing system starting from the delivery of the relevant Voting Instruction or request of the relevant Voting Certificate, as the case may be.

7.3 **Validity notwithstanding lack of notice**

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Notes constituting the Principal Amount Outstanding of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting, and the Issuer and the Representative of the Noteholders are present at the Meeting.

8. **CHAIRMAN OF THE MEETING**

8.1 **Appointment of Chairman**

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 **Duties of 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.

8.3 **Assistance to Chairman**

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.

9. **QUORUM**

9.1 The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes will be two or more persons holding or representing at least 50.00 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or these Classes or, at any adjourned Meeting at least one person being or representing Noteholders of that Class or these Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes.

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be two or more persons holding or representing at least 75.00 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be approved separately by each Class of Noteholders), will be two or more persons holding or representing at least 75.00 per cent of the Principal Amount Outstanding of the Notes then outstanding, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class whatever the Principal Amount Outstanding of the Notes so held or represented in such Class,

provided that, if in respect of any Class of Notes the Principal Paying Agent has received evidence that all the Notes of that Class are held by a single Holder and the Voting Certificates and/or Block Voting Instructions so confirm, then a single Voter appointed in relation thereto or being the Holder of the Notes thereby represented shall be deemed to be two Voters for the purpose of forming a quorum.

10. ADJOURNMENT FOR WANT OF QUORUM

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.1.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to paragraphs (a) and (b) below, be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place (which in any case shall be in a EU Member State) as the Chairman determines with the approval of the Representative of the Noteholders ***provided that***:

(a) no Meeting may be adjourned more than once for want of a quorum; and

(b) the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. ADJOURNED MEETING

Except as provided in Article 10 (*Adjournment for want of a quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place (which in any case shall be in a EU Member State). No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. NOTICE FOLLOWING ADJOURNMENT

12.1 Notice required

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 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

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 Notice not required

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of a quorum*).

13. PARTICIPATION

The following categories of persons may attend and speak at a Meeting:

13.1.1 Voters;

13.1.2 the directors and the auditors of the Issuer;

13.1.3 representatives of the Issuer and the Representative of the Noteholders;

13.1.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.1.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.1.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

14. VOTING BY SHOW OF HANDS

14.1.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.1.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. VOTING BY POLL

15.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Amount Outstanding of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

15.2 The Chairman and a poll

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

16. VOTES

16.1 Voting

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll every Vote who is so present shall have one vote in respect of each €1,000 of Principal Amount Outstanding of the Notes represented by the Voting Certificate or in respect of which it holds a Proxy or such other amount as the Representative of the Noteholders may in its absolute discretion stipulate (or, in the case of meetings of holders of Notes denominated in another currency, such amount in such other currency as the Representative of the Noteholders in its absolute discretion may stipulate) in the Principal Amount Outstanding of the Notes it holds or represents.

16.2 Voting Instruction

Unless the terms of any Voting Instruction states otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 Voting tie

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

17. VOTING BY PROXY

17.1 Validity

Any vote by a Proxy in accordance with the relevant Voting Instruction shall be valid even if such Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 Adjournment

Unless revoked, the appointment of a Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such meeting when it is resumed.

18. ORDINARY RESOLUTIONS

18.1 Powers exercisable by Ordinary Resolution

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of the Rules or the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 **Ordinary Resolution of a single Class**

No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking with or senior to such Class (to the extent that there are Notes outstanding ranking with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

19. EXTRAORDINARY RESOLUTIONS

19.1 A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

19.1.1 approve any Basic Terms Modification;

19.1.2 approve any modification, abrogation, variation or compromise of the provisions of these Rules, of the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

19.1.3 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;

19.1.4 authorise the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 11;

19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Conditions must be granted by an Extraordinary Resolution;

19.1.7 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

19.1.8 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes;

19.1.9 appoint any persons as a committee to represent the interests of the Noteholders and to confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution; or

19.1.10 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

19.2 **Basic Terms Modification**

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes then outstanding.

19.3 **Extraordinary Resolution of a single Class**

No Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking senior to with such Class would be materially prejudiced by the absence of such sanction and, for the purposes of this Article 19.3 (*Extraordinary Resolution of a single Class*), the Senior Notes rank senior to the Junior Notes.

20. EFFECT OF RESOLUTIONS

20.1 **Binding Nature**

Subject to Article 18.2 (*Ordinary Resolution of a single Class*), Article 19.2 (*Basic Terms Modification*) and Article 19.3 (*Extraordinary Resolution of a single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and 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 and all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 **Notice of Voting Results**

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Servicer on behalf of the Issuer).

23. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

24. JOINT MEETINGS

Subject to the provisions of the Rules and the Conditions, joint Meetings of the Senior Noteholders and the Junior Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. INDIVIDUAL ACTIONS AND REMEDIES

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 7 (*Non Petition and Limited Recourse*) and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights

under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;

26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

27. FURTHER REGULATIONS

Subject to all other provisions contained in the Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its absolute discretion may decide.

TITLE III
THE REPRESENTATIVE OF THE NOTEHOLDERS

28. APPOINTMENT, REMOVAL AND REMUNERATION

28.1 Appointment

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the holders of the Most Senior Class of Notes in accordance with the provisions of this Article 28, except for the appointment of the first Representative of the Noteholders which will be Zenith Service S.p.A..

28.2 Identity of Representative of the Noteholders

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Banking Law; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The Directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian Civil Code cannot be appointed as Representative of the Noteholders and, if appointed as such, they shall be automatically removed.

28.3 Duration of appointment

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

28.5 Remuneration

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed in the

Subscription Agreement. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign in accordance with the provisions of the Italian civil code. The resignation of the Representative of the Noteholders shall not become effective until:

29.1.1 a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*); and

29.1.2 such new Representative of the Noteholders has accepted its appointment and confirmed its agreement to be bound by all the provisions of the Rules and the other Transaction Documents to which the resigning Representative of the Noteholders is a party in such capacity,

provided that if Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of the Representative of the Noteholders*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 Representative of the Noteholders is legal representative

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

30.2 Meetings and Resolutions

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 Delegation

The Representative of the Noteholders may in the exercise of the rights powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to this Article 30.3 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 **Judicial Proceedings**

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings, including Insolvency Proceedings.

30.5 **Consents given by Representative of Noteholders**

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

30.6 **Discretions**

Save as expressly otherwise provided herein, the Representative of the Noteholders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, 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*).

30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific Limitations*).

30.8 **Trigger Events**

The Representative of the Noteholders may certify whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Other Issuer Creditors and any other party to the Transaction Documents.

30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Other Issuer Creditors and any other party to the Transaction.

31. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

31.2 **Specific limitations**

Without limiting the generality of Article 31.1 (*Limited obligations*), the Representative of the Noteholders:

31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event, or such other event, condition or act has occurred;

31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

31.2.3 except as expressly required in the Rules or any Transaction Document, 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;

31.2.4 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction

Document, or of any other document or any obligation or right 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:

(a) the nature, status, creditworthiness or solvency of the Issuer;

(b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Portfolio;

(c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and

(e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Principal Paying Agent or any other person in respect of the Portfolio;

31.2.5 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;

31.2.6 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

31.2.7 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 the Rules or any Transaction Document;

31.2.8 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

31.2.9 shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

31.2.10 shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;

31.2.11 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;

31.2.12 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolio or any Transaction Document;

31.2.13 shall not be under any obligation to insure the Portfolio or any part thereof;

31.2.14 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a certificate of material prejudice pursuant to Condition 11 (*Trigger Events*) on the basis of an opinion formed by it in good faith;

31.2.15 save as expressly provided in the Transaction Documents, shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other 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 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;

31.2.16 save as expressly provided in the Transaction Documents, shall not be responsible for monitoring any financial performance of the Issuer;

31.2.17 to the extent required by any applicable law, if the Representative of the Noteholders is or will be otherwise required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Representative of the Noteholders is or will be charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Representative of the Noteholders, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under the Conditions (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Representative of the Noteholders in connection with the Conditions (other than the remuneration herein specified) or otherwise, then the Representative of the Noteholders shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Representative of the Noteholders to tax from the funds held by the Representative of the Noteholders;

31.2.18 shall be exempted from providing or submitting any report to the Noteholders or any other person under article 1713 of the Italian Civil Code or any other applicable law;

31.2.19 shall not be under the obligation to refrain from or be liable for acquiring, holding or disposing, whether or not acting for itself, any Note or other security (or any interest therein) of the Issuer or any other person; and

31.2.20 shall not be under the obligation to refrain from or be liable for entering into or being interested in any contract or transaction with any such person and for acting on, or as depositary or agent for, any committee or body of holders of any securities of any such person in each case with the same rights as it would have had if the Representative of the Noteholders were not acting as Representative of the Noteholders and need not account for any profit.

31.3 **Specific Permissions**

31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of the Other Issuer Creditors but if, in the sole 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 interest of the Noteholders.

31.3.3 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.

31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it

has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.4 Notes held by Issuer

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

31.5 Illegality

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

32. RELIANCE ON INFORMATION

32.1 Advice

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert, whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, 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.

32.2 Transmission of Advice

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

32.3 Certificates of Issuer

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Transaction shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

32.4 **Resolution or direction of Noteholders**

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

32.5 **Certificates of Monte Titoli Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

32.6 **Clearing Systems**

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

32.7 **Certificates of Parties to Transaction Document**

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.7.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.7.2 as any matter or fact prima facie within the knowledge of such party; or

32.7.3 as to such party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Transaction shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

32.8 **Auditors**

The Representative of the Noteholders shall not be responsible for reviewing or investigating any auditors' report or certificate and may rely on the contents of any such report or certificate.

33. MODIFICATIONS

33.1 **Modification**

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

33.1.2 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the sole opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding;

33.1.3 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) which is necessary or expedient in order to comply with the EU Securitisation Regulation, in each case as supplemented and implemented by the relevant regulatory technical standards and delegated regulations;

33.1.4 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) which, at the option and upon request of Banca Carige, is

necessary or expedient in order to ensure that the Transaction complies with the STS Criteria and deliver a STS notification in accordance with the EU Securitisation Regulation (it being understood, for the avoidance of doubt, that none of the Issuer, Banca Carige, the Arranger or any other party assumes any undertaking to deliver such a notification or makes any representation that the Transaction complies or will in the future comply with any STS Criteria);

33.1.5 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of the Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 3, paragraph (xiv) (*Further Securitisations*) and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes.

33.2 Binding Notice

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

33.3 Modifications requested by the Noteholders

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of the Notes but only if it is indemnified and/or secured to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing.

34. WAIVER

34.1 Waiver of Breach

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

(a) authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

(b) determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

34.2 Binding Nature

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 Restriction on powers

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25.00 per cent in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of the Notes has, by Extraordinary Resolution, so authorised its exercise.

34.4 Notice of waiver

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Transaction Documents.

35. INDEMNITY

Pursuant to the Subscription Agreement, the Issuer has covenanted and undertaken upon demand, and subject to and in accordance with the relevant Priority of Payments, to indemnify the Representative of the Noteholders against and to reimburse, pay or discharge (on a full indemnity basis), to the extent not already reimbursed, paid or discharged by the Other Issuer Creditors (other than the Arranger) and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to:

35.1.1 the negotiation, preparation and execution of these Rules, the Conditions and the Transaction Documents and the completion of the transactions and perfection of the security contemplated therein;

35.1.2 the preservation, exercise or purported exercise of any of its rights, powers, authorities and discretions or the performance of its duties under and otherwise in relation to these Rules, the Conditions and the Transaction Documents;

35.1.3 any breach by the Issuer of its obligations under these Rules, the Conditions or the Transaction Documents;

35.1.4 any other action taken in connection with the enforcement of the obligations of the Issuer under these Rules, the Conditions or the Transaction Documents or the recovery from the Issuer of the amounts payable by the Issuer in respect of Issuer's obligations under the Notes or the Transaction Documents or any of them; and

35.1.5 any payment in respect of the Issuer's obligations under the Notes or the Transaction Documents or any of them (whether by the Issuer or any other person) which is subsequently impeached or declared void for any reason whatsoever,

in each case, with the addition of applicable VAT or similar tax charged or chargeable in respect thereof and including, but not limited to, legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*). The provisions of this Article 35 (*Indemnity*) shall continue in full force and effect notwithstanding any discharge or the completion of the arrangements set out herein. The indemnity under this Article 35 (*Indemnity*) constitutes a separate and independent obligation of the Issuer and shall give a separate and independent cause of action. The provisions of this Condition 35 shall continue in full force and effect notwithstanding any discharge or the completion of the arrangements se out herein. The indemnity under this Condition 35 constitutes a separate and independent obligation of the Issuer and shall give a separate and independent cause of action.

36. 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 its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV
THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE

37. POWERS

It is hereby acknowledged that, upon service of a Trigger Notice or, prior to the service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian Civil Code, to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V
GOVERNING LAW AND JURISDICTION

38. GOVERNING LAW

The Rules and any non- contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of the Republic of Italy.

39. JURISDICTION

The Courts of Milan shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the validity, effectiveness, interpretation, enforceability and/or rescission of the Rules and any disputes related to any non-contractual obligations arising out of or in connection with the Rules.

SELECTED ASPECTS OF ITALIAN LAW

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies to securitisation transactions involving a "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 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 claims and all costs and expenses associated with the securitisation transaction.

It should be noted that Law Decree No. 145 of 23 December 2013 ("*Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015*"), converted with amendments into Law No. 9 of 21 February 2014 ("**Law 9/2014**"), Italian Law Decree no. 91 of 24 June 2014 ("*Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normative europea*") converted with amendments into Law No. 116 of 11 August 2014, ("**Law 116/2014**") and the Law Decree No. 50 of 24 April 2017 ("*Disposizioni urgenti in materia finanziaria, iniziative a favore degli enti territoriali, ulteriori interventi per le zone colpite da eventi sismici e misure per lo sviluppo*"), converted with amendments into Law no. 96 of 21 June 2017 ("**Law 96/2017**") introduced certain amendments to the Securitisation Law to the purpose of improving the Securitisation Law by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of the Securitisation Law. In particular, the following main changes have been introduced by such laws in respect of the Securitisation Law:

(1) the assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned receivables and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law ("*data certa*") on which the relevant purchase price (even if partial) has been paid;

(2) payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to Article 65 of the Bankruptcy Law;

(3) the assignment of receivables owed by public entities made under the Securitisation Law will now be subject only to the formalities contemplated by the Securitisation Law (*i.e.,* the publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled) and no other formalities shall apply; and

(4) where the Notes issued by the special purpose vehicle are subscribed by qualified investors, the underwriter can also be a sole investor.

(5) the servicer, the sub-servicer or the depositary bank, with which the accounts for the deposit of the collections received from the assigned debtors of securitisation transactions have been opened, becomes subject to insolvency proceedings, the amounts credited on such accounts will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan;

(6) securitisation companies established under the Securitisation Law are allowed to grant direct financings to entities which are not individuals or so called micro-companies, subject to certain conditions;

(7) certain consequential changes are made to the Securitisation Law to reflect such new possibility;

(8) the segregation principle set out in the second paragraph of article 3 of the Securitisation Law, as better described under the paragraph set out below (*Ring-fencing of the assets*), is widened to include any right arising in favour of the securitisation company in the context of the relevant securitisation transaction, the relevant collections and the financial assets acquired with such collections.

Ring-fencing of the assets

Under the terms of article 3 of the Securitisation Law (as amended, as set out above), (i) the assets and moneys relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and (ii) any claim of the Issuer which has arisen in the context of the Transaction, their collections and the financial assets purchased using those funds will, by operation of law, be segregated for all purposes from all other deposits and moneys of the relevant depository. Prior to and on a winding-up of such a company the receivables, moneys and deposits listed above 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 receivables. In addition, the receivables, moneys and deposits 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. However, under Italian law, any creditor of the Issuer would be able to commence insolvency or winding up proceedings against the company in respect of any unpaid debt.

In addition to the above, it should be noted that, pursuant to the amendments introduced to the Securitisation Law by Law 9/2014 and Law 116/2014, it has been provided for that, *inter alia*:

(i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of Law 130 with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Banking Law, or any other

insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and

(ii) in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan. 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 under the Securitisation Law will be governed by article 58 paragraphs 2, 3 and 4 of the Banking Law. 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 Originators, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice in the Official Gazette and, in the case of the debtors, registration in the companies register where the Issuer is enrolled, so avoiding the need for notification to be served on each assigned debtor.

Furthermore the Bank of Italy could require further formalities.

As of the date of the publication of the notice in the Official Gazette, the assignment becomes enforceable against:

(a) any creditors of the Originators who have not prior to the date of publication of the notice commenced enforcement proceedings in respect of the relevant debts;

(b) the liquidator or other bankruptcy official of the Originators; and

(c) other permitted assignees of the Originators who have not perfected their assignment prior to the date of publication.

As of the later of (i) the date of the publication of the notice in the Official Gazette or (ii) the date of registration of the notice in the companies register, the assignment becomes enforceable against:

(a) the assigned debtors; and

(b) the liquidator or other bankruptcy official of such debtors (so that any payments made by a debtor whose debt has been assigned to the purchasing company may not be subject to any claw-back action pursuant to article 67 of the Bankruptcy Law).

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned debts will automatically be transferred to and perfected with the same priority in favour of the Issuer, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette, no legal action may be brought in respect of the debt assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the noteholders in relation to the notes issued for the purpose of financing the acquisition of the relevant debts and to meet the costs of the transaction.

Notice of the assignment of the Receivables comprised in the Portfolio pursuant to the Receivables Transfer Agreement was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda*, no. 86 of 23 July 2020 and filed with the companies' register of Genoa on 24 July 2020.

The Issuer

The Issuer is subject to the provisions contained in Chapter V of the Banking Law which requires that companies intending to carry out financial activity in the Republic of Italy must be registered on the general register of special purpose vehicles held by the Bank of Italy, pursuant to its regulation dated 7 June 2017.

Enforcement proceedings

The Italian civil code provides that Mortgages may be "voluntary" (*ipoteche volontarie*), where granted by a borrower or a third party guarantor by way of a deed, or "judicial" (*ipoteche giudiziarie*), where registered in the appropriate land registry (*Conservatoria dei Registri Immobiliari*) following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

In accordance with the Italian code of civil procedure, as amended and supplemented by Legislative Decree number 35 of 14 March 2005, converted into Law number 80 of 14 May 2005, a mortgage lender (whose debt is secured by a mortgage whether "voluntary" or "judicial") may commence enforcement proceedings by seeking a court order or injunction for payment in the form of a *titolo esecutivo* from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed (*atto pubblico*) or a notarised private deed (*scrittura privata autenticata*), a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain a *titolo esecutivo* from the court. An *atto di precetto* is notified to the debtor together with either the *titolo esecutivo* or the loan agreement, as the case may be. The property will be attached by a court order to be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*).

The enforcement proceeding shall begin not earlier than 10 days, but not later than 90 days, from the date on which notice of the *atto di precetto* is served. The mortgage lender who intends to request the attachment of the mortgaged property shall (i) search the land registry to ascertain the identity of the current owner of the property and then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender,

and (ii) deposit at the competent court, within 120 days of filing, any relevant documentation, as required by law. The court may, at the request of the mortgage lender and after hearing the debtor, appoint a custodian to manage the mortgaged property in the interests of the mortgage lender. If the debtor does not occupy the mortgaged property, the court shall appoint a third party as custodian.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral certificates, which usually take some time to obtain. According to law number 302 of 3 August 1998 a mortgage lender can substitute such cadastral certificates with certificates obtained from public notaries; the latter are allowed to conduct various activities which were before exclusively within the powers of the courts.

Within 30 days of deposit of the required documentation, the court shall set a hearing in order to examine any challenge filed by the debtor and to plan the sale of the mortgaged property. The Italian code of civil procedure, as recently amended, provides that the court shall make every effort to sell the mortgaged property by acquiring sealed bids (*vendita senza incanto*) rather than proceeding by an auction (*vendita con incanto*). Should the bidding procedure not be successful, the mortgaged property shall be sold with an auction.

If the court proceeds with the auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property and, on the basis of the expert's valuation, the court shall determine the minimum bid price for the property at the auction. If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction.

The sale proceeds, after the deduction of the expenses of the enforcement proceedings and any expenses for the cancellation of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the enforcement proceedings).

Pursuant to article 2855 of the Italian civil code the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the enforcement proceedings are taken and in the two preceding calendar years and (ii) the interest accrued at the legal rate until the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of enforcement proceedings, from the court order or injunction of payment to the final sharing out, is between six and seven years. In the medium-sized central and northern Italian cities it can be significantly less whereas in major cities or in Southern Italy the duration of the procedure can significantly exceed the average. In such a sense, Law number 302 of 3 August 1998 was issued for the purpose of shortening the duration of enforcement proceedings by an average of two or three years, by allowing notaries to conduct certain stages of the enforcement procedures in place of the courts.

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 borrower's movable property which is located on third party premises. Other recent legislative provisions relating to Loans

Recently various law decrees (subsequently converted into law) containing provision applicable to Loans have been issued. In this respect please refer to section "*Risk Factors - Risks relating to Covid-19*".

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Senior 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 Senior Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Senior Notes. This overview is based upon the laws and/or practice in force as at the date of this Prospectus. Italian tax laws and interpretations may be subject to frequent changes which could be made on a retroactive basis.

Tax treatment of Notes issued by the Issuer

Article 6, paragraph 1, of the Securitisation Law and Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree 239**"), as subsequently amended, provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") from notes issued by a company incorporated pursuant to the Securitisation Law.

Italian Resident Noteholders

Pursuant to Decree 239, where the Italian resident holder of Notes, who is the beneficial owner of such Notes, is:

(a) an individual not engaged in an entrepreneurial activity to which the Notes are connected;

(b) a partnership (other than a *società in nome collettivo or società in accomandita semplice* or similar partnership), or a *de facto* partnership not carrying out commercial activities or professional association;

(c) private or public institutions (other than companies), trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or

(d) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes).

If the Noteholders described above under (a), (b) and (c) have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and they have opted for the application of the so called "*regime del risparmio gestito*" (the "**Asset Management Regime**") according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended ("**Decree No. 461**"), they are subject to a 26 per cent. annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

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 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 in article 1, paragraph 100 – 114, of Law No. 232 of 11 December 2016, as subsequently amended ("**Law No. 232**") and in article 1, paragraph 211-215, of Law No. 145 of 30 December 2018 ("**Law No. 145**"), as implemented by the Ministerial Decree of 30 April 2019, or, for long-term individual savings accounts (*piani individuali di risparmio a lungo termine*) established as of 1 January 2020, the requirements set forth in article 13-bis of Law Decree No. 124 of 26 October 2019 as converted into law with amendments by Law No. 157 of 19 December 2019 ("**Decree No. 124**"), all as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 2019 as converted into law with amendments by Law No. 77 of 17 July 20120 ("**Decree No. 34/2020**").

If the Noteholders described above under (a) and (c) are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Pursuant to Decree 239, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called "**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stock brokers and other qualified entities identified by a decree of the Ministry of Finance ("**Intermediaries**" and each an "**Intermediary**"). An Intermediary must (a) be resident in Italy or be a permanent establishments in Italy of a non-Italian resident Intermediary, and (b) intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Notes and the relevant coupons are not deposited with an authorised Italian Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the Senior Noteholder or, absent that by the Issuer.

Payments of Interest in respect of Notes are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are:

(i) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected;

(ii) Italian resident partnerships carrying out commercial activities *('società in nome collettivo' or 'società in accomandita semplice'*);

(iii) Italian resident open-ended or closed-ended collective investment funds (together the "**Funds**" and each a "**Fund**"), *società di investimento a capitale variabile* ("**SICAV**"), *società d'investimento a capitale fisso* ("**SICAF**"), Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December, 2005 ("**Decree No. 252**"), Italian resident real estate investment funds subject to the regime provided for by law

Decree No. 351 of 25 September 2001 ("**Decree No. 351**"), as subsequently amended, and real estate SICAF; and

(iv) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial Intermediary and have opted for the Asset Management Regime.

Such categories are qualified as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, gross recipients indicated above under (i) to (iv) must: (a) be the beneficial owners of payments of Interest on the Notes and (b) deposit the Notes in due time, together with the coupons relating to such Senior Notes, directly or indirectly with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary). Where the Notes and the relevant coupons are not deposited with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

Gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due. Interest accrued on the Notes shall be included in the corporate taxable income (and in certain circumstances, depending on the "*status*" of the Noteholder, also in the net value of production for purposes of regional tax on productive activities – "**IRAP**") of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

If the investor is resident in Italy and is a Fund, a SICAV or a SICAF and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the Fund, the SICAV or the SICAF. The Fund, SICAV or SICAF will not be subject to taxation on such result, but a withholding tax of 26 per cent. may apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Where a Noteholder is an Italian resident real estate investment fund, to which the provisions of the Decree No. 351 apply, or a real estate SICAF, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or a real estate SICAF. The income of the real estate fund or of the real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Where a Noteholder is an Italian resident pension funds subject to the regime provided by article 17 of Decree No. 252 and the Notes are deposited with an Italian resident intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). Subject to certain conditions (including a minimum holding period requirement) and limitations, Interest relating to the Notes may be

excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by article 1 (100 - 114) of Law No 232 and in article 1, paragraph 211-215 of Law No. 145, as implemented by the Ministerial Decree of 30 April 2019, or, for long-term individual savings accounts (*piani individuali di risparmio a lungo termine*) established as of 1 January 2020, the requirements set forth in article 13-bis of Decree No. 124, all as lastly amended and supplemented by Article 136 of Decree No. 34/2020as.

Non-Italian resident Noteholders

According to Decree 239, payments of Interest in respect of the Notes will not be subject to the *imposta sostitutiva* at the rate of 26 per cent. if made to beneficial owners who are non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected ***provided that***:

(a) such beneficial owners are resident for tax purposes in a state or territory which allows an adequate exchange of information with the Italian tax authorities and listed in the Ministerial Decree dated 4 September 1996 as amended from time to time (the "**White List**"). According to Article 11, paragraph 4, let. c) of Decree no. 239, the White List will be updated every six months period. In absence of the issuance of the new White List, reference has to be made to the Italian Ministerial Decree dated 4 September 1996 as amended from time to time; and

(b) all the requirements and procedures set forth in Decree 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

Decree 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

(a) be the beneficial owners of payments of Interest on the Notes;

(b) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with a resident bank or SIM, or a permanent establishment in Italy of a non-Italian resident bank or SIM, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and

(c) file with the relevant depository a statement (*autocertificazione*) in due time stating, *inter alia*, that he or she is resident, for tax purposes, in one of the above-mentioned White List states. Such statement (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented), is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was

previously submitted to the same depository. The statement (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non Italian resident holder of the Notes to comply in due time with the procedures set forth in Decree 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interests payments to such non Italian resident holder of the Notes.

Non-Italian resident holders of the Notes who are subject to substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant holder of the Notes.

Capital Gains

Italian resident Noteholders

Pursuant to Decree No. 461, a 26 per cent. capital gains tax (referred to as "*imposta sostitutiva*") is applicable to capital gains realised by:

(a) an Italian resident individual not engaged in entrepreneurial activities to which the Notes are connected;

(b) an Italian resident partnership not carrying out commercial activities;

(c) an Italian private or public institution not carrying out mainly or exclusively commercial activities;

on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called "*regime della dichiarazione*" (the "**Tax Declaration Regime**"), which is the standard regime for taxation of capital gains, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward and set off against capital gains realized in any of the fourth succeeding tax years.

Alternatively to the Tax Declaration Regime, holders of the Notes who are:

(a) Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected;

(b) Italian resident partnerships not carrying out commercial activities;

(c) Italian private or public institutions not carrying out mainly or exclusively commercial activities,

may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes under the so called "*regime del risparmio amministrato*" (the "**Administrative Savings Regime**"). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the Administrative Savings Regime being made in writing in due time by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes.

Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth.

Special rules apply if the Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorised intermediary. The capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 26 per cent. *imposta sostitutiva* on capital gains but will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the Asset Management Regime the realised capital gain is not required to be included in the annual income tax return of the Noteholder.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, 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 Article 1, paragraph 100 – 114, of Law No. 232 and in article 1, paragraph 211-215 of Law No. 145, as implemented by the Ministerial Decree of 30 April 2019, or, for long-term individual savings accounts (*piani individuali di risparmio a lungo termine*) established as of 1 January 2020, the requirements set forth in article 13-bis of Decree No. 124, all as lastly amended and supplemented by Article 136 of Decree No. 34/2020.

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

In the case of Notes held by Funds, SICAVs and SICAFs, capital gains on Notes contribute to determinate the increase in value of the managed assets of the Funds, SICAVs or SICAFs accrued at the end of each tax year. The Funds, SICAVs or SICAFs will not be subject to taxation on such increase, but the Collective Investment Fund Tax may apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where a Noteholder is an Italian resident real estate investment fund, to which the provisions of the Decree No. 351 apply, or a real estate SICAF, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or real estate SICAF. The income of the real estate fund or of the real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain conditions (including a minimum holding period requirement) and limitations, capital gains realised upon sale, transfer for consideration or redemption of the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100 - 114) of Law No. 232 and in article 1, paragraph 211-215 of Law No. 145, as implemented by the Ministerial Decree of 30 April 2019, or, for long-term individual savings accounts (*piani individuali di risparmio a lungo termine*) established as of 1 January 2020, the requirements set forth in article 13-bis of Decree No. 124, all as lastly amended and supplemented by Article 136 of Decree No. 34/2020.

The 26 per cent. *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Decree No. 917, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Notes are not listed on a regulated market in Italy or abroad:

(a) pursuant to the provisions of Decree No. 461 non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes: (a) in a state or territory listed in the White List as defined above, and (b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the

requirement indicated above. The same exemption applies where the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; and

(b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they promptly file with the Italian authorised financial intermediary a self-declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments by Law No. 286 of 24 November 2006 as subsequently amended, the transfers of Notes as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

(a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding Euro 1,000,000 (per beneficiary);

(b) 6 per cent. if the transfer if made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding Euro 100,000 (per beneficiary);

(c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and

(d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding Euro 1,500,000.

The transfer of financial instruments as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term saving account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law No. 232 as amended and supplemented from time to time.

If the donee sells the Notes for consideration from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

Transfer tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of Euro 200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Tax Monitoring Obligations

Italian resident individuals, non commercial entities, non commercial partnerships and similar institutions are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted into law by Law Decree No. 227 of 4 August, 1990, as amended from time to time, for tax monitoring purposes, the amount of Notes held abroad during each tax year. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a Euro 15,000 threshold throughout the year.

Stamp duty

Pursuant to Article 13, paragraph 2-*ter,* of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any financial product and instrument (including the Notes), which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed Euro 14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the face value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of the financial assets (including banking bonds, *obbligazioni* and capital adequacy financial instruments) held.

The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth tax on financial assets deposited abroad

According to Article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals, non-profit entities and certain partnerships (*società semplice* or similar partnerships in accordance with article 5 of Decree No. 917) holding financial assets – including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent and it cannot exceed Euro 14,000 for taxpayers which are not

individuals. This tax is calculated on the market value at the end of the relevant year or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad by Italian resident individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement.

THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement entered into on or about the Issue Date between the Issuer, the Arranger, the Representative of the Noteholders, the Reporting Entity the Junior Notes Initial Subscribers and the Senior Notes Initial Subscribers, the Issuer has agreed to issue the Senior Notes and the Junior Notes and each of the Senior Notes Initial Subscribers and the Junior Notes Initial Subscribers has agreed to subscribe for, respectively, the Senior Notes and the Junior Notes, subject to the terms and conditions set out thereunder, at the Issue Price being 100 per cent. of their Principal Amount Outstanding as of the Issue Date.

The Subscription Agreement is subject to a number of conditions precedent and may be terminated in certain circumstances.

The Subscription Agreement and any non-contractual obligations arising out of or connected with it shall be governed by and construed in accordance with the Italian law.

Any dispute or claim arising out of or in connection with the Subscription Agreement or its subject matter or formation (including non-contractual disputes or claims) shall be subject to the exclusive jurisdiction of the courts of Milan.

SELLING RESTRICTIONS

1.1 Product governance rules

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is eligible counterparties and professional clients only, each as defined in directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturers' target market assessment) and (with respect to the Originators only) determining appropriate distribution channels.

1.2 Republic of Italy

Each of the Issuer, the Senior Notes Initial Subscribers and the Junior Notes Initial Subscribers has represented, warranted and undertaken as follows:

No offer to public

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other 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 Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations; and

(ii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

1.3 **United Kingdom**

Each of the Issuer, the Senior Notes Initial Subscribers and the Junior Notes Initial Subscribers has represented, warranted and undertaken under the Subscription Agreement that:

(i) financial promotion: any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of such Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) general compliance: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

1.4 **European Union - Prohibition of Sales to EEA and UK Retail Investors**

Each of the Issuer, the Senior Notes Initial Subscribers and the Junior Notes Initial Subscribers has represented, warranted and undertaken 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 or in the United Kingdom.

For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive 2016/97/EU (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 Regulation (EU) 2017/1129 (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 for the Notes.

In relation to each Member State of the European Economic Area and the United Kingdom where the Prospectus Regulation applies (each, a "**Relevant State**"), there has not been and there will not be an offer of the Notes to the public in that Relevant State other than on the basis of an approved prospectus in conformity with the Prospectus Regulation or:

(a) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation; or

(c) *Other exempt offers:* at any time in any other circumstances falling within article 1(4) of the Prospectus Regulation.

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer to publish a prospectus pursuant to article 3 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

1.5 **United States**

Each purchaser of Notes during the initial syndication of the Notes (which term for the purposes of this section will be deemed to include any interests in the Notes, including any book-entry interests) will be deemed to have represented and agreed that it:

(a) either (i) is not a Risk Retention U.S. Person or (ii) has obtained the prior written consent of the Originators for its purchase of Notes;

(b) is acquiring such Notes or a beneficial interest therein for its own account and not with a view to distribute such Notes; and

(c) is not acquiring such Notes or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

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

(b) Any partnership, corporation, limited liability company, or other organization or entity organized or incorporated under the laws of any State or of the United States[1];

(c) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(e) Any agency or branch of a foreign entity located in the United States;

(f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and

(h) Any partnership, corporation, limited liability company, or other organization or entity if:

    (i) Organized or incorporated under the laws of any foreign jurisdiction; and

    (ii) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.

The material difference between such definitions is that (1) a "U.S. person" under Regulation S includes any partnership or corporation that is organized or incorporated under the laws of any foreign jurisdiction formed by one or more "U.S. persons" (as defined in Regulation S) principally for the purpose of investing in securities that are otherwise offered within the United States pursuant to an applicable exemption under the Securities Act unless it is organized or incorporated and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts, while (2) any organization or entity described in (1) is treated as a "U.S. person" under the U.S. Risk Retention Rules, regardless of whether it is so organized and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

In addition, each of the Issuer, the Arranger, the Senior Notes Initial Subscriber (only with respect to the Senior Notes) and the Junior Notes Initial Subscribers (only with

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

respect to the Junior Notes), severally and not jointly, has acknowledged, represented and agreed that:

(a) the Notes 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 except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act;

(b) the Senior Notes may be offered, sold or otherwise transferred only to an institution that is a non-"U.S. Person", as defined in Rule 902(k) of Regulation S who is purchasing the Notes in an "offshore transaction" as defined in Rule 902(h) of the Regulation S in accordance with Rule 903 or 904 of Regulation S;

(c) (i) in the case of the Issuer and the Arranger, they have not offered, sold or delivered the Notes, and will not offer, sell or deliver the Notes, (A) as part of their distribution at any time or (B) otherwise until forty (40) days after the later of the commencement of the offering of the Notes and the Issue Date (the "**Distribution Compliance Period**"), (x) except in accordance with Regulation S under the Securities Act and (y) within the United States or to, or for the account or benefit of, U.S. Persons as defined in Regulation S and (ii) in the case of the Initial Notes Subscribers, they will not offer, sell or deliver the Notes, during the Distribution Compliance Period, (x) except in accordance with Regulation S under the Securities Act and (y) within the United States or to, or for the account or benefit of, U.S. Persons as defined in Regulation S;

(d) it or any of its affiliates or any other person acting on its or their behalf has not engaged or will not engage in any directed selling efforts with respect to the Notes, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S;

(e) at or prior to the confirmation of sale of any Notes, it will have sent to each distributor, dealer or other person to which it sells the Notes during the Distribution Compliance Period a confirmation or notice to substantially the following effect

"*The Notes covered hereby have not been registered under U.S. Securities Act, of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after the later of the commencement of the offering of the Notes and the date of original issuance of the Notes, except in either case in accordance with Regulation S or Regulation D under the Securities Act. Terms used above have the meanings given to them in Regulation S.*"

(f) they have not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Notes, except with its affiliates or with the prior written consent of the Issuer.

1.6 General Restrictions

Each of the Issuer, the Senior Notes Initial Subscribers and the Junior Notes Initial Subscribers shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, there will not be, directly or indirectly, offer, sell or deliver any Notes or distribution or publication of any prospectus, form of application, prospectus (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

General Information

Listing and admission to trading

As of the date of this Prospectus, the Notes are not listed on any regulated market or multilateral trading facility or equivalent in any jurisdiction. The Issuer has filed with Borsa Italiana S.p.A. a request for the Senior Notes to be admitted to trading on the professional segment ("**ExtraMOT PRO**") of the multilateral trading facility "ExtraMOT". The Issuer reserves the right to make an application for the Senior Notes to be listed on any other stock exchange and/or admitted to trading on any other regulated market or multilateral trading facility after the Issue Date.

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

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 11 May 2020.

Clearing of the Notes

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

Class	*ISIN code*	*FISN code*	*CFI Code*
Class A1 Notes	IT0005417990	LANTERNA MOR/TS ABS 20600128 SEN	DGVNAB
Class A2 Notes	IT0005418006	LANTERNA MOR/TS ABS 20600128 SEN	DGVNAB
Class J Notes	IT0005418014	LANTERNA MOR/TS ABS 20600128 JUN	DGVQAB

No material adverse change

There has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 31 December 2019 that is material.

Legal and arbitration proceedings

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since the date of its incorporation, significant effects on the financial position or profitability of the Issuer.

Documents available for inspection

Copies of the following documents will be available in electronic format for inspection during normal business hours at the registered office of each of the Issuer, the Representative of the Noteholders and the Principal Paying Agent and on the Temporary Website, in accordance with the Conditions:

(a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;

(b) the Receivables Transfer Agreement;

(c) the Servicing Agreement;

(d) the Back-up Servicing Agreement;

(e) the Warranty and Indemnity Agreement;

(f) the Corporate Services Agreement;

(g) the Cash Allocation, Management and Payments Agreement;

(h) the Mandate Agreement;

(i) the Intercreditor Agreement;

(j) the Quotaholders' Agreement;

(k) the Subscription Agreement; and

(l) this Prospectus.

As soon as the Data Repository is appointed, the documents listed above will be made available also on such Data Repository. Provided that after 12 months from the Issue Date such documents can be made available only on the Data Repository (if appointed).

In addition, the Principal Paying Agent shall provide by e-mail, such documents as may from time to time be required by the Representative of the Noteholders and/or Borsa Italiana S.p.A. or any Noteholder, in accordance with the Conditions.

The documents listed under paragraphs (b) to (l) (included) above constitute all the underlying documents that are essential for understanding the Transaction and include, but not limited to, each of the documents referred to in point (b) of article 7, paragraph 1, of the EU Securitisation Regulation.

Financial statements and other documents available

Since 12 January 2016 (being the date of its incorporation), the Issuer has not commenced operations (other than the activities related to the Previous Securitisation (now unwound) and the purchasing of the Portfolio, authorising the issue of the Notes and the entering into the documents referred to in this Prospectus 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, upon publication, copies of the audited financial statements in respect of each financial year, this Prospectus and the Investor Reports (starting with the first Investor Report which will be issued on or prior to 25 November 2020) will be also made available in electronic form via the Banca Carige's internet website currently located at www.gruppocarige.it (for the avoidance of doubt, such website does not constitute part of this Prospectus).

Fees and expenses

The estimated total expenses related to the admission of the Senior Notes to trading on the professional segment "ExtraMOT PRO" of the multilateral trading facility "ExtraMOT", amount approximately to Euro 5,000 and will be payable by Banca Carige.

Legal Entity Identifier

The Issuer's Legal Entity Identifier (LEI) code is F1T87K3OQ20V1UORLH26.

GLOSSARY

These and other terms used in this Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

"**ABI**" means the Italian Banking Association.

"**Account Bank In Relation To Banca Carige Accounts**" means Banca Carige S.p.A. or any other person acting as account bank pursuant to the Cash Allocation, Management and Payments Agreement from time to time.

"**Account Bank Report Date**" means the date falling on the 10th (tenth) Business Day of each month.

"**Account Banks**" means the Transaction Account Bank and the Account Bank In Relation To Banca Carige Accounts.

"**Account Banks Report**" means each of the Banca Carige Report and the Transaction Account Bank Report.

"**Accounts**" means the Collection Account, the Expenses Account, the Payments Account, the General Reserve Account, the Investment Account (if any) and the Quota Capital Account and any other account opened from time to time in the name of the Issuer under the Transaction.

"**Additional Servicer**" means BML as additional servicer under the Servicing Agreement or any other person acting as additional servicer from time to time under the Transaction.

"**Administrative Savings Regime**" has the meaning ascribed to such term at page 159 of this Prospectus.

"**Agents**" means, collectively, the Account Banks, the Principal Paying Agent, the Cash Manager (if any) and the Calculation Agent.

"**Arranger**" means NatWest Markets Plc.

"**Asset Management Regime**" has the meaning ascribed to such term at page 154 of this Prospectus.

"**Asset Management Tax**" has the meaning ascribed to such term at page 154 of this Prospectus.

"**Assigned Debtor**" means any physical person who has entered into a Loan (as obligor or co-obligor) and any transferee, successor or assignee of the same who is obliged to pay the relevant Receivables.

"**Back-up Servicer**" means Zenith Service S.p.A. or any other person acting as back-up servicer from time to time under the Transaction.

"**Back-up Servicing Agreement**" means the back-up servicing agreement entered into on or about the Issue Date between the Issuer, the Servicer and the Back-up Servicer, as amended, supplemented and/or replaced from time to time.

"**Banca Carige**" or "**Carige**" means Banca Carige S.p.A.

"**Banca Carige Accounts**" means, collectively, the Expenses Account and the Quota Capital Account.

"**Banca Carige Group**" means the Banca Carige group registered with the Bank of Italy pursuant to article 64 of the Banking Law.

"**Banca Carige Portfolio**" means, collectively, the Receivables transferred by Banca Carige to the Issuer pursuant to the Receivables Transfer Agreement.

"**Banca Carige Report**" means the report prepared by Banca Carige pursuant to clause 4.4(b) of the Cash Allocation, Management and Payments Agreement.

"**Bank of Italy Supervisory Regulations**" means, as the case may be, the "*Istruzioni di Vigilanza per le banche*" (Circular no. 229 of 21 April 1999) and/or the "*Nuove disposizioni di vigilanza prudenziale per le banche*" (Circular no. 263 of 27 December 2006), as amended.

"**Banking Law**" means the Legislative Decree No. 385 of 1 September 1993, as amended from time to time.

"**Bankruptcy Law**" means the Royal Decree No. 267 of 16 March 1942, as amended from time to time (including pursuant to the Italian Crisis and Insolvency Code).

"**Banks Recovery and Resolution Directive**" or "**BRRD**" has the meaning ascribed to such term at page 31 of this Prospectus.

"**Basic Terms Modification**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Benchmark Regulation**" has the meaning ascribed to such term at page 2 of this Prospectus.

"**Benchmarks**" has the meaning ascribed to such term at page 2 of this Prospectus.

"**BML**" means Banca del Monte di Lucca S.p.A.

"**BML Portfolio**" means, collectively, the Receivables transferred by BML to the Issuer pursuant to the Receivables Transfer Agreement.

"**BNYM, Milan Branch**" means The Bank of New York Mellon S.A./N.V. – Milan Branch.

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

"**BRRD Implementing Decrees**" has the meaning ascribed to such term at page 31 of this Prospectus.

"**BRRD2**" has the meaning ascribed to such term at page 32 of this Prospectus.

"**Business Day**" means any day on which banks are generally open for business in London and Milan and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) or any successor thereto is open.

"**Calculation Agent**" means The Bank of New York Mellon, London Branch or any other person acting as calculation agent from time to time under the Transaction.

"**Calculation Date**" means the date which falls 5 (five) Business Days prior to each Payment Date, or if such day is not a Business Day, the immediately preceding Business Day.

"**Capital Requirements Regulation**" or "**CRR**" means Regulation (EU) no. 575/2013, as amended from time to time (including through the CRR Amendment Regulation).

"**Cash Allocation, Management and Payments Agreement**" means the agreement entered into on or about the Issue Date between the Issuer, the Servicers, the Corporate Servicer, the Calculation Agent, the Account Banks, the Principal Paying Agent and the Representative of the Noteholders, as amended, supplemented and/or replaced from time to time.

"**Cash Manager**" means the entity which may be appointed after the Issue Date in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, for the purposes of making Eligible Investments.

"**Circular 272**"means circular (*circolare*) No. 272 of 30 July 2008 (*Matrice dei Conti*) issued by the Bank of Italy, as subsequently amended, supplemented and novated.

"**Class**" means a class of Notes.

"**Class A Initial Subscribers**" means Banca Carige and BML as initial subscribers of the Class A1 Notes and Class A2 Notes.

"**Class A Notes**" means, collectively, the Class A1 Notes and the Class A2 Notes.

"**Class A1 Noteholders**" means the holders of Class A1 Notes.

"**Class A1 Notes**" means the Euro 173,891,000 Class A1 Residential Mortgage Backed Floating Rate due January 2065 (ISIN: IT0005417990)

"**Class A2 Noteholders**" means the holders of Class A2 Notes.

"**Class A2 Notes**" means the Euro 11,179,000 Class A2 Residential Mortgage Backed Floating Rate Notes due January 2065 (ISIN: IT0005418006).

"**Class J Initial Subscribers**" means Banca Carige and BML as initial subscribers of the Class J Notes.

"**Class J Noteholders**" means the holders of Class J Notes.

"**Class J Notes**" means the Junior Notes.

"**Clearstream**" means Clearstream Banking.

"**Collection Account**" means the Euro denominated account with No. 4222229780 IBAN code IT28S0335101600004222229780 established in the name of the Issuer with the Transaction Account Bank.

"**Collection Period**" means each quarterly period commencing on, respectively, the first day of July (included), October (included), January (included) and April (included) and ending on, respectively, the last day of September (included), December (included), March (included) and June (included) of each year, until the full reimbursement of the Notes. The first Collection Period will commence on the Valuation Date (included) and will end on 30 September 2020 (included).

"**Collection Policy**" means any procedure relating to the administration, collection and recovery of the receivables and management of the Proceedings, as set out under schedule 1 (*Procedure di Riscossione*) of the Servicing Agreement, as subsequently amended.

"**Collections**" means all the amounts collected or recovered from time to time by the Servicers in respect of the Receivables, including, without limitation, any amount collected or recovered as principal, interest, expenses, payment of damages, insurance indemnities under the Insurance Policies or any sum deriving from the enforcement of a Mortgage, a Guarantee or a State Guarantee, as a result of the activity of each of the Servicer pursuant to the Servicing Agreement during the preceding Collection Period.

"**Collective Investment Fund Tax**" has the meaning ascribed to such term at page 156 of this Prospectus.

"**Conditions**" means each condition of the Notes comprised in the Terms and Conditions.

"**CONSOB**" means the Commissione Nazionale per le Società e la Borsa.

"**Consolidated Financial Act**" means the Italian Legislative Decree no. 58 of 24 February 1998, as amended.

"**Corporate Servicer**" means Banca Carige or any other person acting as corporate servicer from time to time under the Transaction.

"**Corporate Services Agreement**" means the corporate services agreement entered into on 16 July 2020 by the Corporate Servicer and the Issuer in relation to the provision of certain corporate and administrative services, as amended, supplemented and/or replaced from time to time.

"**CRA Regulation**" means Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended from time to time.

"**Criteria**" means the criteria listed in schedule 1 of the Receivables Transfer Agreement, on the basis of which the Receivables comprised in the relevant Portfolio have been selected as at the Valuation Date (or any other date specified in the relevant Criteria).

"**Data Repository**" means the securitisation repository/ies authorized by ESMA and enrolled in the register held by it pursuant to article 10 of the EU Securitisation Regulation appointed in respect of the Transaction, as from time to time replaced.

"**DBRS**" means (i) for the purpose of identifying which DBRS entity which has assigned the credit rating to the Senior Notes, DBRS Ratings Limited or DBRS Ratings GmbH, and in each case, any successor to this rating activity, and (ii) in any other case, any entity that is part of DBRS, which is either registered or not under the CRA Regulation, as it appears from the last

available list published by European Securities and Markets Authority (ESMA) on the ESMA website, or any other applicable regulation.

"**DBRS Equivalent Rating**" means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means:

(a) if a Fitch public long term rating, a Moody's public long term rating and a S&P public long term rating (each, a "**Public Long Term Rating**") are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded);

(b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under

credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

(c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

"**Debtors**" means any person who has entered into a Loan (as obligor or co-obligor) and any transferee, successor or assignee of the same who is obliged to pay the relevant Receivables.

"**Decree 170**" means the Legislative Decree no. 170 of 21 May 2004, as amended and supplemented from time to time.

"**Decree 239**" means the Italian Legislative Decree no. 239 of 1 April 1996 and any related regulations, as amended.

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree 239.

"**Decree No. 180**" has the meaning ascribed to such term at page 31 of this Prospectus.

"**Decree No. 181**" has the meaning ascribed to such term at page 31 of this Prospectus.

"**Decree No. 252**" has the meaning ascribed to such term at page 155 of this Prospectus.

"**Decree No. 351**" has the meaning ascribed to such term at page 156 of this Prospectus.

"**Decree No. 461**" has the meaning ascribed to such term at page 154 of this Prospectus.

"**Defaulted Receivables**" means any Receivables qualified as "sofferenze" in accordance with the Collection Procedures and Circular 272.

"**Delinquent Receivables**" means any Receivables qualified as "Inadempienze Probabili" and/or unlikely to pay in accordance with the Collection Procedures and Circular 272.

"**Designated Person**" means any (i) governments of Sanctioned Countries, (ii) located, domiciled, resident or incorporated in a Sanctioned Country, (iii) subject to any sanctions or named on any sanctions lists administered by one of the aforementioned bodies, or (iv) owned or controlled by persons, entities or other parties referred to in (i) to (iii).

"**EBA**" means the European Banking Authority.

"**EBA Guidelines on STS Criteria**" means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the EU Securitisation Regulation.

"**Eligible Institution**" means a depository institution organised under the laws of any State which is a member of the European Union whose rating (or whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee granted by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America, provided that such guarantee complies with the Rating Agencies' criteria applicable from time to time and does not negatively affect the rating of the Senior Notes, whose rating) is at least as follows:

(a) by S&P, at least "A-" in respect of long-term public rating; and

(b) by DBRS, at least:

(i) "BBB (high)", in respect of the greater of (a) the rating one notch below the institution's long-term COR and (b) the institution's long-term senior unsecured debt rating; or

(ii) if the long-term COR is not currently maintained for the institution, at least "BBB (high)", in respect of the institution's long-term senior unsecured debt rating; or

(iii) if there is no such public rating, at least "BBB (high)" in respect of the greater of (a) the rating one notch below the institution's private long-term COR supplied by DBRS and (b) the private long-term senior unsecured debt rating of the institution supplied by DBRS; or

(iv) if neither the private long-term COR nor the private long-term senior unsecured debt rating of the institution is available, the DBRS Minimum Rating of a least "BBB (high)".

"**Eligible Investments**" means:

(a) any dematerialised (i) euro-denominated senior (unsubordinated) debt securities, (ii) other debt instruments, (iii) account or deposit held with an Eligible Institution incorporated and having its registered office and centre of main interest in Italy (an "**Italian Eligible Institution**") (and, in case such account or deposit is not held with an Italian Eligible Institution, it will be subject to the Issuer having created thereon a valid, binding and enforceable security and obtained a legal opinion in this respect), (iv) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments ***provided that***: (y) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer; and (z) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer, or (v) commercial paper issued by, or fully and unconditionally guaranteed on an unsubordinated, irrevocable and first demand basis (provided that such guarantee complies with the Rating Agencies' criteria applicable from time to time and does not negatively affect the rating of the Senior Notes) by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings, further provided that any of such instrument have a fixed principal amount due at its maturity and cannot

include any embedded options (i.e., it is not callable, puttable, or convertible), unless full payment of principal is paid in cash upon the exercise of the option:

(i) with respect to S&P:

(A) to the extent such Eligible Investment has a maturity not exceeding 60 days, a short term public rating of at least "A-1";

(B) to the extent such Eligible Investment has a maturity exceeding 60 days but not exceeding 365 days, a long term public rating of at least "AA-" or a short term public rating of at least "A1+";

(ii) with respect to DBRS, (1) with regard to investments having a maturity of less than 30 days, a short-term public or private rating at least equal to "R-1 (low)" or a long-term public or private rating at least equal to "BBB" (high), or in the absence of a public or private rating by DBRS, a DBRS Minimum Rating at least equal to "BBB (high)" in respect of long-term debt; or (2) with regard to investments having a maturity between 30 days and 90 days, a short-term public or private rating at least equal to "R-1 (middle)" or a long-term public or private rating at least equal to "AA (low)", or in the absence of a public or private rating by DBRS, a DBRS Minimum Rating of "AA (low)" or (3) such other rating as may from time to time comply with DBRS' criteria;

(b) any other investment that, upon prior written notice to S&P and DBRS, does not adversely affect the current ratings of the Class A Notes,

provided that, in all cases (a) such investments (i) are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the Eligible Investment Maturity Date and that in any case does not exceed three months; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; and (b) in the event of downgrade below the rating allowed under this definition, the securities shall be sold, if it could be achieved without a loss, or otherwise shall be allowed to mature; and further provided that, in each case, (1) such investments qualify as "*attività finanziarie*" pursuant to and for the purpose of the Decree 170; and (2) no such investment shall be made, in whole or in part, actually or potentially, in credit linked notes, swaps, other derivatives instruments, synthetic securities or tranches of other asset-backed securities, or any other instrument that does not comply with the criteria set out in the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on monetary policy instruments and procedures of the Eurosystem, as amended from time to time.

"**Eligible Investment Liquidation Date**" means, with reference to each Eligible Investment, the earlier of (i) the maturity date of such Eligible Investment, and (ii) the day falling 7 (seven) Business Days prior to each Payment Date.

"**Enforcement Proceedings**" means any judicial proceedings or other procedure (including any "*procedimento di cognizione*") aimed at collecting the Receivables, also through the enforcement of a Guarantee, a State Guarantee or a Mortgage, or related to them, to the Loans.

"**ESMA**" means the European Securities and Markets Authority.

"**EU Insolvency Regulation**" means the EU Council Regulation No. 2015/848 on insolvency proceedings (recast).

"**EU Securitisation Regulation**" means Regulation (EU) 2402/2017 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, as amended and supplemented from time to time.

"**EU Securitisation Rules**" means, collectively, (i) the EU Securitisation Regulation, (ii) the Regulatory Technical Standards, (iii) the EBA Guidelines on STS Criteria, (iv) the CRR Amendment Regulation, (v) the Solvency II Amendment Regulation, (vi) the LCR Amendment Regulation, and (vii) any other rule or official interpretation implementing and/or supplementing the same.

"**Euribor**" or "**EURIBOR**" means at or about 11:00 a.m. (Brussels time) on the Interest Determination Date:

(a) the Euro Interbank Offered Rate for three months Euro deposit (except in respect of the first Interest Period, where an interpolated interest rate based on interest rates for one month and three months deposits in Euro will be substituted for Euribor) which appears on the display page designated EURIBOR 01 on Thomson Reuters; or

(b) in the case of (a), Euribor shall be determined by reference to such other page as may replace the relevant Thomson Reuters page on that service for the purpose of displaying such information; or

(c) in the case of (a), Euribor shall be determined, if the Thomson Reuters service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (c) above being the "**Screen Rate**" or, in the case of the first Interest Period, the "**Additional Screen Rate**"); and

if the Screen Rate (or, in the case of the first Interest Period, the Additional 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 four decimal places with the mid-point rounded up) of the rates notified to the Principal Paying Agent 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. (Brussels time) on the Interest Determination Date; or

(ii) if only two of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or

(iii) if only one or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for

the immediately preceding period to which sub-paragraph (a) above shall have applied; and

if such rate is also unavailable at such time for Euro deposits, then the rate for the relevant Interest Period shall be calculated pursuant to Condition 5.6 (*Fallback Provisions*).

"**Euro**" or "**euro**" 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.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

"**Expenses**" means any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Transaction and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of the then outstanding securitisation transaction carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws.

"**Expenses Account**" means the Euro denominated account with No. 7710680 IBAN code IT91W6175014000000007710680 established in the name of the Issuer with the Account Bank In Relation To Banca Carige Accounts.

"**ExtraMOT PRO**" means the professional segment of the multilateral trading facility "ExtraMOT", which is a multilateral system for the purposes of MIFID II, managed by Borsa Italiana.

"**Extraordinary Resolution**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**FATCA**" means the Foreign Account Tax Compliance Act in Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986.

"**Final Maturity Date**" means the Payment Date falling in January 2065.

"**First Home Fund**" (*Fondo Prima Casa*) means the first home-guarantee fund established by the Italian Ministry for the Economy and Finance pursuant to article 1, paragraph 48, let. c) of Italian law no. 147 of 27 December 2013, managed by Consap S.p.A.

"**FSMA**" has the meaning ascribed to such term at page 165 of this Prospectus.

"**Further Securitisation**" has the meaning ascribed to such term in paragraph (xiv) of Condition 3 (*Covenants*).

"**General Bail-In Tool**" has the meaning ascribed to such term at page 31 of this Prospectus.

"**General Reserve Account**" means the Euro denominated account with No. 4222269780 IBAN code IT42W0335101600004222269780 established in the name of the Issuer with the Transaction Account Bank.

"**General Reserve Initial Amount**" means Euro 4,626,750.

"**General Reserve Target Amount**" means (A) on each Payment Date before the Payment Date falling in July 2030, an amount equal to 2.5% of the Principal Amount Outstanding of the Senior Notes on the Issue Date and (B) starting from the Payment Date falling in July 2030 and on each Payment Date thereafter, prior to the Payment Date in which the Senior Notes are fully reimbursed, an amount equal to *the higher of* (i) 2.5% of the Principal Amount Outstanding of the Senior Notes on the immediately preceding Payment Date after making payments due under the Pre-Trigger Notice Priority of Payments on that date, *and* (ii) 1% of the Principal Amount Outstanding of the Senior Notes as of the Issue Date, and (C) on or after the Payment Date in which the Senior Notes are fully reimbursed, or following the service of a Trigger Notice, an amount equal to 0.

"**Group**" means the Banca Carige Group.

"**Guarantee**" means any guarantee or security other than any Mortgage granted by anyone and referred to the Receivables, including, *inter alia*, any mandate to collect the indemnities paid under the Insurance Policies, *fideiussioni omnibus* pursuant to the terms and within the limits of the Collection Policies, pledges and guarantees granted by underwriting syndicates, but excluding any *fideiussione* and/or *polizza fideiussoria* granted by Amissima S.p.A. (formerly Carige Assicurazioni S.p.A.).

"**Guarantor**" means any entity or person, either than a Debtor, who have granted a Guarantee with regard to a Receivable.

"**Holder**" means, in respect of a Note, the beneficial owner of such Note.

"**IGAs**" has the meaning ascribed to such term at page 38 of this Prospectus.

"**Illiquid Collection**" means any payment towards the Receivables made through any means of payment (e.g. payments made by negotiable instruments such as promissory notes and bills of exchange) which does not determine the direct credit on the bank or postal accounts of the relevant Servicer and which does not comprise, without limitation, payments made through R.I.D. or debit onto the relevant Debtor's current account.

"**Individual Portfolio**" means each of the Banca Carige Portfolio and the BML Portfolio.

"**Individual Purchase Price**" means the purchase price of each Receivable, as determined pursuant to the Receivables Transfer Agreement.

"**Initial Subscribers**" means the Class A Initial Subscribers and the Class J Initial Subscribers as subscribers of, respectively, the Senior Notes and the Junior Notes pursuant to the Subscription Agreement.

"**Inside Information and Significant Event Report**" means the inside information and significant event report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Insolvency Event**" means in respect of any company or corporation, any of the following events:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*accordo di ristrutturazione del debito*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a pignoramento or similar procedure having a similar effect, unless, in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success, ***provided that***, with respect to Banca Carige, no Insolvency Event shall be deemed occurred if it becomes subject to "*amministrazione straordinaria*" for reasons related to the management of Banca Carige (for the sake of clarity, this exception shall not apply if Banca Carige becomes subject to "*amministrazione straordinaria*" for other reasons; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings is not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under article 2484 of the Italian Civil Code occurs with respect to such company or corporation.

"**Insolvency Proceedings**" means any bankruptcy and other insolvency proceedings or analogous proceedings under the laws of the Republic of Italy (in particular under the Bankruptcy Law, the Italian Crisis and Insolvency Code and the Banking Law), including, without limitation, "*liquidazione coatta amministrativa*", "*amministrazione* straordinaria", "*concordato preventivo*", "*concordato fallimentare*" and "*amministrazione straordinaria delle grandi imprese in stato di insolvenza*", ***provided that***, with respect to Banca Carige,

"*amministrazione straordinaria*" shall not be deemed as an Insolvency Proceeding if it is due to reasons related to the management of Banca Carige (for the sake of clarity, this exception shall not apply if Banca Carige becomes subject to "*amministrazione straordinaria*" for other reasons).

"**Instalment**" means, with respect to each Loan Agreement, each instalment due from time to time from the relevant Debtor and which consists of an Interest Component and a Principal Component, except for the relevant pre-amortising period.

"**Insurance Companies**" means the companies which have issued the Insurance Policies.

"**Insurance Policy**" means each insurance policy entered into by the relevant Debtor and/or the relevant Originator in relation to a Loan Agreement (***provided that*** the *fideiussioni* and the *polizze fideiussorie* granted by Amissima S.p.A. (formerly Carige Assicurazioni S.p.A.) shall not qualify as insurance policies for the purposes hereof).

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders (acting on behalf of the Noteholders) and the Other Issuer Creditors, as amended, supplemented and/or replaced from time to time.

"**Interest**" has the meaning ascribed to such term at page 154 of this Prospectus.

"**Interest Component**" means, with respect to each Instalment, the component of such Instalment different from the Principal Component.

"**Interest Determination Date**" means, in relation to the Notes, (i) with respect to the first Interest Period, the date falling 2 (two) Business Days prior to the Issue Date, and (ii) with respect to each subsequent Interest Period, the date falling 2 (two) Business Days prior to the Payment Date at the beginning of such Interest Period.

"**Interest Payment Amount**" has the meaning ascribed to it in Condition 5.3 (*Interest - Determination of Rate of Interest and Calculation of Interest Payments*).

"**Interest Period**" means each period commencing on (and including) a Payment Date and ending on (but excluding) the immediately following Payment Date, provided that the first Interest Period will commence on the Issue Date (included) and will end on the Payment Date falling in October 2020 (excluded).

"**Intermediary**" has the meaning ascribed to such term at page 155 of this Prospectus.

"**Investment Account**" means the Euro denominated account which may be established in the name of the Issuer after the Issue Date in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Investment Account Bank**" means the bank being an Eligible Institution with which the Investment Account may be opened after the Issue Date in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Investment Company Act**" has the meaning ascribed to such term at page 3 of this Prospectus.

"**Investor Report**" means the investor report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Investor Report Date**" means the 25th calendar day of February, March, August and November of each year or, if such day is not a Business Day, the immediately following Business Day.

"**IRAP**" has the meaning ascribed to such term at page 156 of this Prospectus.

"**Issue Date**" means 31 July 2020.

"**Issue Price**" means 100.00% of the principal amount of the Notes upon issue.

"**Issuer**" means Lanterna Mortgage S.r.l.

"**Issuer Available Funds**" means, with reference to each Payment Date, the aggregate of:

(i) all Collections (including, without limitation, any sum deriving from the enforcement of a Mortgage, a Guarantee or a State Guarantee) received by the Issuer during the immediately preceding Collection Period in respect of the Portfolio;

(ii) any other amount credited or transferred into the Collection Account during the immediately preceding Collection Period in respect of the Portfolio (including, for the avoidance of doubt, any proceeds deriving from the repurchase of individual Receivables comprised in the Portfolio and any indemnity paid by the Originators in respect of the Portfolio pursuant to the Warranty and Indemnity Agreement);

(iii) all amounts of interest accrued and paid on the Collection Account, Payments Account and General Reserve Account during the immediately preceding Collection Period (net of any applicable withholding or expenses);

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

(v) the proceeds deriving from the disposal (if any) of the Portfolio or any Individual Receivables;

(vi) all amounts received by the Issuer from the Originators pursuant to the Receivables Transfer Agreement during the immediately preceding Collection Period;

(vii) any amount equal to the interest components and other profits arising from any Eligible Investments received, following liquidation thereof from the immediately preceding Eligible Investment Liquidation Date (excluded) up to the Eligible Investment Liquidation Date falling prior to the relevant Payment Date; and

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period,

provided that, prior to the delivery of a Trigger Notice, if the Master Servicer fails to deliver the Quarterly Servicer's Report to the Calculation Agent on or prior to the relevant Quarterly Servicer's Report Date (or such later date as may be agreed between the Master Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), the Issuer Available Funds in respect of the relevant Payment Date will comprise only the amounts necessary to make payments under items from (i) (*First*) to (vi) (*Sixth*) (excluding any servicing fees) of the Pre-Trigger Notice Priority of Payments.

"**Issuer's Rights**" means the Issuer's rights under the Transaction Document.

"**Italian Civil Code**" means the Italian civil code, enacted by Royal Decree No. 262 of 16 March 1942, as subsequently amended and supplemented.

"**Italian Crisis and Insolvency Code**" means (when and to the extent applicable) the Legislative Decree No, 14, 12 January 2019, as amended, supplemented and implemented from time to time.

"**Joint Regulation**" means the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018 and published on the Official Gazette No. 201 of 30 August 2018.

"**Junior Noteholders**" means the Holders of the Junior Notes.

"**Junior Notes**" means the Euro 69,034,000 Class J Residential Mortgage Backed Fixed Rate Notes due January 2065 (ISIN: IT0005418014).

"**Junior Notes Initial Subscribers**" means the Class J Initial Subscribers.

"**Junior Notes Subscribers**" means the subscribers of the Junior Notes.

"**Law 116/2014**" has the meaning ascribed to such term at page 148 of this Prospectus.

"**Law 130**" means Law 30 April 1999, no. 130 as from time to time amended and supplemented.

"**Law 9/2014**" has the meaning ascribed to such term at page 148 of this Prospectus.

"**Law 96/2017**" has the meaning ascribed to such term at page 148 of this Prospectus.

"**Law No. 232**" has the meaning ascribed to such term at page 155 of this Prospectus.

"**Law No. 302**" has the meaning ascribed to such term at page 24 of this Prospectus.

"**LCR Amendment Regulation**" means Commission Delegated Regulation (EU) No. 1620 of 13 July 2018 amending the LCR Regulation.

"**Loan**" means each mortgage loan out of which the Receivables arise.

"**Loan Agreement**" means each agreement under which the relevant Originator has granted a Loan and out of which the Receivables arise, as well as any deed, agreement or document supplementing or amending the same or otherwise related to the same (including, without limitation, any deed of assumption (*accollo*)).

"**Loan by Loan Report**" means the report setting out certain information in relation to the Loan Agreements, which shall be prepared and delivered by the Master Servicer pursuant to the Servicing Agreement.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as amended, supplemented and/or replaced from time to time.

"**Master Servicer**" means Banca Carige in its capacity as master servicer under the Servicing Agreement or any other person acting as servicer from time to time under the Transaction.

"**Meeting**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**MiFID II**" has the meaning ascribed to such term at page 164 of this Prospectus.

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli, including any depository banks appointed by Euroclear and Clearstream.

"**Mortgages**" means the mortgages created on the Real Estate Assets as security for the payment of the Receivables.

"**Mortgagor**" means the Assigned Debtor or any third party who is the owner of a Real Estate Asset on which a Mortgage has been created as security for the payment of the Receivables.

"**Most Senior Class of Noteholders**" means the Holders of the Most Senior Class of Notes.

"**Most Senior Class of Notes**" means the Class A1 Notes or, upon redemption in full or cancellation of the Class A1 Notes, the Class A2 Notes or, upon redemption in full or cancellation of the Class A2 Notes, the Class J Notes.

"**Noteholder**" means, as the case may be, a Senior Noteholder or a Junior Noteholder, and "**Noteholders**" means, collectively, the same.

"**Notes**" means, collectively, the Senior Notes and the Junior Notes.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Ordinary Resolution**" has the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Organisation of the Noteholders**" means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

"**Originators**" means, collectively, Banca Carige and BML.

"**Other Issuer Creditors**" means the Originators, the Servicers, the Back-up Servicer, the Corporate Servicer, the Transaction Account Bank, the Calculation Agent, the Cash Manager (if any), the Principal Paying Agent, the Representative of the Noteholders, the Arranger, the

Initial Subscribers and any other party which may from time to time accede to the Intercreditor Agreement.

"**Outstanding Balance**" means, on any given date and in relation to any Receivable, (i) the aggregate of the Outstanding Principal Amount, (ii) the Interest Components due but unpaid as at that day and (iii) any other amount due but unpaid with respect thereto.

"**Outstanding Principal Amount**" means, on any given date and in relation to any Receivable, the sum of (i) all Principal Components due following that date, and (ii) all Principal Components due but unpaid as at that date.

"**Payment Date**" means (i) prior to the delivery of a Trigger Notice, the 28th day of January, April, July and October of each year or, if such day is not a Business Day, the immediately following Business Day provided that the first Payment Date will be on 28 October 2020, or (ii) following the delivery of a Trigger Notice, any Business Day specified as such in the Trigger Notice.

"**Payments Account**" means the Euro denominated account with No. 4222309780 IBAN code IT24S0335101600004222309780, established in the name of the Issuer with the Transaction Account Bank.

"**Payments Report**" means the payments report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**PCS**" means Prime Collateralised Securities (PCS) EU SAS.

"**Pension Fund Tax**" has the meaning ascribed to such term at page 156 of this Prospectus.

"**Pool Audit Reports**" means the reports prepared by an appropriate and independent party pursuant to article 22, paragraph 2, of the EU Securitisation Regulation and the relevant EBA Guidelines on STS Criteria, in order to verify:

(a) that the data disclosed in this Prospectus in respect of the Receivables is accurate;

(b) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems, in respect of each selected position of the sample portfolio; and

(c) that the data of the Receivables included in the Portfolio contained in the loan-by-loan data tape prepared by Banca Carige are compliant with the Criteria that are able to be tested prior to the Issue Date.

"**Portfolio**" means, collectively, the Individual Portfolios.

"**Post Trigger Notice Enforcement Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied following the delivery of a Trigger Notice in accordance with the Conditions.

"**Pre-Trigger Notice Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice in accordance with the Conditions.

"**Premium**" means an amount equal to the Issuer Available Funds available after making all payments due under items from (i) First to *Eleventh* (both included) of the Pre-Trigger Notice Priority of Payments or under items from (i) First to *Eighth* (both included) of the Post Trigger Notice Priority of Payments (as applicable), less Euro 100,000.

"**Previous Securitisation**" means the securitisation transaction carried out by the Issuer in April 2016 through the issuance of the Euro 158,400,000 Class A1 Asset Backed Floating Rate Notes due 28 January 2041, the Euro 158,400,00 Class A2 Asset Backed Floating Rate Notes due 28 January 2041 and the Euro 117,900,000 Class Z Asset Backed Variable Return Notes due 28 January 2041, which has been terminated and unwound pursuant to, and in accordance with, an amendment and termination agreement entered into on 7 February 2019 by the parties to such securitisation transaction, including without limitation the Issuer (formerly Lanterna Consumer S.r.l.).

"**PRIIPs Regulation**" has the meaning ascribed to such term at page 2 of this Prospectus.

"**Principal Amount Outstanding**" means, on any date and with respect to any Note, the principal amount thereof upon issue less the aggregate amount of all principal payments that have been made in respect of that Note prior to such date.

"**Principal Component**" means the principal component of each Instalment.

"**Principal Paying Agent**" means BNYM, Milan Branch or any other person acting as principal paying agent from time to time under the Transaction.

"**Principal Payment Amount**" means the principal amount redeemable in respect of each Note of the relevant Class.

"**Priority of Payments**" means, as the case may be, the Pre-Trigger Notice Priority of Payments or the Post Trigger Notice Priority of Payments.

"**Proceedings**" means the Insolvency Proceedings and the Enforcement Proceedings;

"**Prospectus**" means this Prospectus, as prepared by the Issuer pursuant to article 2, paragraph 2 of the Law 130 relating to the issuance of the Notes.

"**Prospectus Regulation**" means the Regulation (EU) 2017/1129, as amended.

"**Provisional Payments**" has the meaning ascribed to it in Condition 6.5 (*Redemption, purchase and cancellation - Notes Principal Payments, Redemption Amounts and Principal Amount Outstanding*).

"**Purchase Price**" means the purchase price of each Portfolio, being equal to the sum of all the Individual Purchase Prices of the Receivables comprised in such Portfolio.

"**Quarterly Servicer's Report**" means the report prepared by the Master Servicer in relation to the activities carried out by the Servicers pursuant to clause 4.19 (*Rendiconti del Servicer*) of the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means the 15th (fifteenth) day of January, April, July and October of each calendar year, or in the event such day is not a Business Day, the Business Date immediately following.

"**Quota Capital Account**" means the Euro denominated account with No. 7252880 IBAN code IT71G0617501400000007252880 established in the name of the Issuer with Banca Carige.

"**Quotaholders**" means Banca Carige and Special Purpose Entity Management S.r.l.as quotaholders of the Issuer.

"**Quotaholders' Agreement**" means the quotaholders' agreement entered into on or about the Issue Date between the Quotaholders and the Issuer, as amended, and/or supplemented from time to time.

"**Rate of Interest**" has the meaning ascribed to it in Condition 5.2 (*Interest - Rate of Interest*).

"**Rating Agencies**" means, collectively, DBRS and S&P.

"**Real Estate Assets**" means the real estate properties which have been mortgaged in order to secure the payment of the Receivables.

"**Receivables**" means any and all pecuniary rights and claims which, as at the Valuation Date (or the other date set out in the Criteria) comply with the Criteria, including without limitation:

(a) any and all rights and claims in respect of repayment of principal of the Loans as at the Valuation Date (including the principal amount of due and unpaid Instalments (*Rate scadute e non ancora pagate*) and excluding the principal amount of the instalments due after the Valuation Date and already collected by the Originators prior to the Valuation Date);

(b) any and all rights and claims in respect of the payment of interest (including the default interest) (i) accrued but not collected as at the Valuation Date and (ii) accruing on the Loans from (but excluding) the Valuation Date;

(c) any and all rights and claims (i) accrued but not collected up to the Valuation Date and (ii) accruing from the Valuation Date, in respect of all ancillary claims and the reimbursement of any other sum due to the Originators in relation to, or in connection with, the Loans, the Guarantees, the State Guarantees and the Insurance Policies, including (without limitation) reimbursement of expenses of legal or judiciary or other nature incurred in relation to the recovery of the Receivables,

together with the Mortgages, the Guarantees, the State Guarantees, the privileges and priority rights (*diritti di prelazione*) assisting the aforesaid rights and claims and other ancillary claims related thereto (including without limitation *fideiussioni omnibus*) to the extent that any amount deriving from their enforcement shall be in favour of the Issuer in accordance with the allocation criteria set out in the Collections Policies, as well as (to the fullest extent permitted by law) any other right, claim and action (including any legal proceeding for the recovery of suffered damages), substantial and procedural action and defence inherent or otherwise ancillary to the aforesaid rights and claims and their exercise in accordance with the provisions of the Loan Agreement and any other applicable law, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*), jointly with any other right of the Originators in relation to the respective Insurance Policies; such Receivables constitute a portfolio of receivables in pool (*identificabili in blocco*) under and for the purposes of Securitisation Law.

"**Receivables in Arrears**" means the Receivables qualified as "*esposizioni scadute e/o confinanti*" and/or past due in accordance with the Collection Procedures and Circular 272.

"**Receivables *in Bonis***" means the Receivables qualified as "*in bonis*" in accordance with the Collection Procedures and Circular 272.

"**Receivables Transfer Agreement**" means the transfer agreement entered into on 16 July 2020 between the Originators and the Issuer pursuant to which the Originators transferred the Receivables to the Issuer.

"**Records**" means the records maintained (or whose maintenance has been procured) by each of the Agents in respect of its duties under the Receivables.

"**Reference Banks**" means three (3) major banks in the Euro-Zone inter-bank market selected by the Issuer with the approval of the Representative of the Noteholders in accordance with Condition 5.8 (*Interest - Reference Banks and paying agent*). The initial Reference Banks shall be Intesa Sanpaolo S.p.A., Barclays Bank Plc and UniCredit S.p.A.

"**Regulatory Technical Standards**" means:

(a) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation; or

(b) the transitional regulatory technical standards applicable pursuant to article 43 of the EU Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (a) above.

"**Reporting Entity**" means Banca Carige in its capacity as reporting entity pursuant to and for the purposes of article 7, paragraph 2, of the EU Securitisation Regulation.

"**Representative of the Noteholders**" means Zenith Service S.p.A. or any other person acting as representative of the Noteholders from time to time under the Transaction.

"**Retention Amount**" means an amount equal to Euro 60,000.

"**Risk Retention U.S. Persons**" has the meaning ascribed to such term at page 3 of this Prospectus.

"**Rules of the Organisation of the Noteholders**" means the rules of the Organisation of the Noteholders attached as exhibit 1 to the Terms and Conditions.

"**S&P**" means Standard and Poor's Ratings Services or any successor to its rating business.

"**Sanctioned Country**" means any country or territory that is the subject or the target of Sanctions (currently, Cuba, Iran, North Korea, Sudan, the Crimea region and Syria) (each, a "**Sanctioned Country**").

"**Sanctions**" means any economic, financial or trade sanctions or restrictive measures enacted, imposed, administered or enforced from time to time by the Sanction Authorities.

"**Sanctions Authorities**" means (i) the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), the U.S. Department of State, (ii) the U.S. Department of Commerce,

(iii) the United Nations Security Council, (iv) the European Union, (v) HM Treasury of the United Kingdom (or any other person which takes over the administration of this list) under the Consolidated List of Financial Sanctions Targets in the UK displayed on https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets (or any replacement webpage which displays that list), (vi) the State Secretariat for Economic Affairs of Switzerland; (vii) the Swiss Directorate of International Law, or (viii) any other sanctions authority with which the Issuer is bound to comply in accordance with any applicable law.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securitisation Law**" means the Italian Law no. 130 of 30 April 1999, as amended.

"**Security Interest**" means any mortgage, charge pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

"**Senior Noteholders**" means the holders of the Senior Notes.

"**Senior Notes**" means Class A Notes.

"**Senior Notes Initial Subscribers**" means the Class A Initial Subscribers.

"**Servicers**" means each of the Master Servicer and the Additional Servicer.

"**Servicing Agreement**" means the servicing agreement entered into on 16 July 2020 between the Issuer and the Servicers, as amended, supplemented and/replaced from time to time.

"**SGRs**" has the meaning ascribed to such term at page 155 of this Prospectus.

"**SICAF**" has the meaning ascribed to such term at page 155 of this Prospectus.

"**SICAV**" has the meaning ascribed to such term at page 155 of this Prospectus.

"**Solvency II Amendment Regulation**" means the Commission Delegated Regulation (EU) No. 1221 of 1 June 2018 amending Delegated Regulation (EU) 2015/35 of 10 October 2014 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings.

"**SSPE**" has the meaning ascribed to such term at page 33 of this Prospectus.

"**State Guarantee**" means any guarantee granted through the First Home Fund (*Fondo Prima Casa*) under the Italian Interministerial Decree of 31 July 2014 in relation to the Receivables.

"**STS Criteria**" means the criteria of simplicity, transparency and standardisation as adopted by EBA pursuant to the EU Securitisation Regulation under the guidelines published by it on 12 December 2018 and named "Guidelines on the STS criteria for non-ABCP securitisation".

"**STS Notification**" has the meaning ascribed to such term at page 128 of this Prospectus.

"**STS Verification**" has the meaning ascribed to such term at page 144 of this Prospectus.

"**Subscription Agreement**" means the subscription agreement relating to the Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Junior Notes Initial Subscribers and the Senior Notes Initial Subscribers, as amended, supplemented and/replaced from time to time.

"**Successor Servicer**" means the servicer that has been appointed pursuant to the Back-up Servicing Agreement as a successor of a Servicer.

"**Supervisory Regulations of the Bank of Italy**" means the supervisory instructions for the Banks issued by the Bank of Italy.

"**Suspension**" has the meaning ascribed to such term at page 41 of this Prospectus.

"**TARGET 2 Day**" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007, as amended, is open for the settlement of payments in Euro

"**Tax**" means any present or future taxes, duties, assessments or governmental charges (including any interest and penalties applied thereof) of whatever nature imposed, levied, collected, withheld or assessed by any competent taxing authority.

"**Tax Declaration Regime**" has the meaning ascribed to such term at page 158 of this Prospectus.

"**Tax Deduction**" means any deduction or withholding on account of Tax, including a Decree 239 Deduction.

"**Tax Event**" has the meaning ascribed to it in Condition 6.3 (*Optional redemption for taxation reasons*).

"**Temporary Website**" means the website complying with the requirements set out under article 7(2) of the EU Securitisation Regulation on which the information set out under article 7(1) of the EU Securitisation Regulation are uploaded with reference to the Transaction (being as at the date of the Prospectus, https://eurodw.eu/, for the avoidance of doubt, such website does not constitute part of the Prospectus), as from time to time replaced.

"**Terms and Conditions**" means the terms and conditions of the Notes.

"**Transaction**" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes.

"**Transaction Account Bank**" means BNYM, Milan Branch or any other person, acting as transaction account bank pursuant to the Cash Allocation, Management and Payments Agreement from time to time.

"**Transaction Account Bank Report**" means the report prepared by the Transaction Account Bank pursuant to article 4.4(a) of the Cash Allocation, Management and Payments Agreement.

"**Transaction Documents**" means the Receivables Transfer Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Corporate Services Agreement, the Warranty and Indemnity Agreement, the Cash Allocation, Management and Payments

Agreement, the Mandate Agreement, the Intercreditor Agreement, the Quotaholders' Agreement, the Subscription Agreement and the Prospectus.

"**Transfer Date**" means, in respect of each Individual Portfolio, 16 July 2020.

"**Transparency Directive**" has the meaning ascribed to such term at page 48 of this Prospectus.

"**Trigger Event**" means any of the events described in Condition 11 (*Trigger Events*).

"**Trigger Notice**" means the notice described in Condition 11 (*Trigger Events*).

"**Usury Law**" means Italian Law no. 108 of 7 March 1996, as amended, and the relevant implementing regulations.

"**Usury Law Decree**" has the meaning ascribed to such term at page 29 of this Prospectus.

"**Usury Rates**" has the meaning ascribed to such term at page 28 of this Prospectus.

"**Valuation Date**" means the date falling 12 July 2020 at 23.59 (Italian time).

"**VAT**" means the value added tax (*imposta sul valore aggiunto*) as defined in Italian Presidential Decree no. 633 of 26 October 1972, as amended.

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into 16 July 2020 between the Originators and the Issuer, as amended, supplemented and/or replaced from time to time.

"**White List**" has the meaning ascribed to such term at page 157 of this Prospectus.

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