PROSPECTUS DATED 28 MAY 2019

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

MEDIA FINANCE S.R.L.

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

€422,000,000 Class A Asset Backed Floating Rate Notes due April 2062

Issue Price: 100 per cent.

This prospectus (the **Prospectus**) contains information relating to the issue by Media Finance S.r.l., a limited liability company (*società a responsabilità limitata*) with a sole quotaholder incorporated under the laws of the Republic of Italy, with registered office at Via V. Alfieri 1, 31015 Conegliano, Italy, fiscal code and enrolment with the companies' register of Treviso-Belluno no. 03839880261, quota capital of Euro 10,000 fully paid-up, enrolled with the register of the special purpose vehicles held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 7 June 2017 under no. 32905.2 (the **Issuer**), having as its sole corporate object the realisation of securitisation transactions pursuant to Italian Law no. 130 of 30 April 1999 (the **Securitisation Law**) of €422,000,000 Class A Asset Backed Floating Rate Notes due April 2062 (the **Class A Notes** or the **Senior Notes**). At the same time as the issue of the Senior Notes, the Issuer will also issue €88,900,000 Class B Asset Backed Fixed Rate and Variable Return Notes due April 2062 (the **Class B Notes** or the **Junior Notes** and, together with the Senior Notes, the **Notes**).

Application has been made to the *Commission de Surveillance du secteur financier* (**CSSF**), in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (the **Luxembourg Act**), for the approval of this Prospectus for the purposes of Directive 2003/71/EC (as subsequently amended, the **Prospectus Directive**) and relevant implementing measures in Luxembourg. Application has also been made to the Luxembourg Stock Exchange for the Senior Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the regulated market "Bourse de Luxembourg", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. **By approving this Prospectus, the CSSF shall give no undertaking as to the economic or financial opportuneness of the transaction or the quality and solvency of the Issuer. Any information in this Prospectus regarding the Class B Notes is not subject to the CSSF's approval.** The Class B Notes are not being offered pursuant to this Prospectus and no application has been or will be made to list the Class B Notes on any stock exchange.

This Prospectus constitutes a "*prospectus*" for the purpose of article 5.3 of the Prospectus Directive and article 8 of the Luxembourg Act and a "*prospetto informativo*" for the purposes of article 2, paragraph 3, of the Securitisation Law. This Prospectus will be published on the website of the Luxembourg Stock Exchange (being, as at the date of this Prospectus, www.bourse.lu).

Capitalised words and expressions in this Prospectus shall, except otherwise specified or so far as the context otherwise requires, have the meanings set out herein and in the section headed "*Glossary*" set out herein.

The Notes will be issued on 30 May 2019 (the **Issue Date**). The Notes will be issued in bearer form (*al portatore*) and held in dematerialised form (*in forma dematerializzata*) on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with article 83-*bis* of the Financial Laws Consolidated Act, through the authorised institutions listed in article 83-*quarter* of the Financial Laws Consolidated Act. 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 entry in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidated Act; and (ii) Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes.

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited to the Issuer Available Funds available to make such payments in accordance with the applicable Priority of Payments pursuant to Condition 9 (*Non Petition and Limited Recourse*). The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person.

The principal source of payment of interest and of repayment of principal on the Notes, as well as payment of Variable Return (if any) on the Class B Notes, will be the collections and recoveries made in respect of a portfolio of monetary rights and claims arising out of residential mortgage loan agreements entered into between Banca Popolare di Puglia e Basilicata S.c.p.A. (**BPPB** or the **Originator**) and certain obligors (the **Portfolio**). The Portfolio was purchased by the Issuer from the Originator pursuant to the terms of the Transfer Agreement on 14 March 2019.

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

The rate of interest applicable to the Notes will be as follows: (a) in respect of the Senior Notes, a floating rate equal to EURIBOR (as determined in accordance with the Conditions) plus a margin of 0.95 per cent. per annum, provided that (i) if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero), and (ii) the floating rate of interest on the Senior Notes shall not be higher than 4.50 per cent. per annum; and (b) in respect of the Junior Notes, a fixed rate equal to 3.00 per cent. per annum. Interest in respect of the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro (i) prior to the service of a Trigger Notice, on 31 January, 30 April, 31 July and 31 October in each year (or, if such day is not a Business Day, the immediately following Business Day); or (ii) following the service of a Trigger Notice, on any such Business Day as determined by the Representative of the Noteholders on which payments are to be made under the Securitisation (each, a **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 31 October 2019 (the **First Payment Date**) in respect of the period from (and including) the Issue Date up to (but excluding) such date. In addition, a Variable Return may be payable on the Junior Notes in Euro on each Payment Date in accordance with the applicable Priority of Payments. The Variable Return will be equal to any Issuer Available Funds remaining after making all payments due under items from (a) (*First*) to (j) (*Tenth*) (inclusive) of

the Pre-Enforcement Priority of Payments or from (a) (*First*) to (h) (*Eighth*) (inclusive) of the Post-Enforcement Priority of Payments, as the case may be, and may be equal to 0 (zero).

Interest amounts payable in respect of the Senior Notes will be calculated by reference to EURIBOR as specified in the Conditions. As at the date of this Prospectus, EURIBOR is provided and administered by the European Money Markets Institute (**EMMI**). As at the date of this Prospectus, EMMI is not included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to article 36 of Regulation (EU) 2016/1011 (the **Benchmark Regulation**). As far as the Issuer is aware, the transitional provisions in article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

As at the date of this Prospectus, payments of interest and other proceeds under the Notes may be subject to a Decree 239 Deduction. Upon the occurrence of any withholding or deduction for or on account of tax (including any Decree 239 Deduction) from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes on account of such withholding or deduction. For further details, see the section headed "*Taxation*".

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 8 (*Redemption, purchase and cancellation*). Unless previously redeemed in full or cancelled in accordance with the Terms and Conditions, the Notes will be redeemed on the Final Maturity Date. The Notes will start amortise on the First Payment Date, in accordance with the provisions of the Terms and Conditions, in each case if and to the extent that, on such date, there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes in accordance with the applicable Priority of Payments, provided that, prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*), the Class A Notes shall be redeemed only up to the Class A Notes Redemption Amount. The Notes, to the extent not redeemed in full by the Cancellation Date, shall be cancelled on such date.

The Senior Notes are expected, on issue, to be assigned the following ratings (i) "AA3 (sf)" by Moody's Investors Service Inc. (**Moody's**), and (ii) "AA (sf)" by S&P Global Ratings Europe Limited, Italy Branch (**S&P** and, together with Moody's, the **Rating Agencies**). The Class B Notes are not expected to be assigned any credit rating. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation**. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended (the **CRA Regulation**). As of the date of this Prospectus, each of the Rating Agencies is established in the European Union and is registered under the CRA Regulation, as evidenced in the latest update of the list published by the European Security and Markets Authority on its website (being, as at the date of this Prospectus, www.esma.europa.eu).

The Securitisation is intended to qualify as a simple, transparent and standardised securitisation (**STS-securitisation**) within the meaning of article 18 of Regulation (EU) no. 2402 of 12 December 2017 (the **EU Securitisation Regulation**). Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the EU Securitisation Regulation and may, after the Issue Date, be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation. The Originator has used the service of Prime Collateralised Securities (PCS) UK Limited (**PCS**), as a verification agent authorised under article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the EU Securitisation Regulation (the **STS Verification**) and to prepare an assessment of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the **STS Assessments**). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the EU Securitisation Regulation as at the date of this Prospectus or at any point in time in the future**. None of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the EU Securitisation Regulation at any point in time in the future.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the 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 determining appropriate distribution channels.

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. 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 (UE) 2016/97 (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Accordingly, none of the Issuer or the Arranger expects to be required to prepare, and none of them has prepared, or will prepare, a "key information document" in respect of the Notes for the purposes of Regulation (EU) 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the **PRIIPs Regulation**) and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

Under the Subscription Agreements, BPPB, in its capacity as Originator, has undertaken that it will: (i) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards; (ii) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards; (iii) procure that any change to the manner in which such retained interest is held in accordance with paragraph (ii) above will be notified to the Computation Agent to be disclosed in the Investors Report; and (iii) comply with the disclosure obligations imposed on originators under article 7(1)(e)(iii) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law, provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the EU Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation. For further details see the section entitled "*Subscription and Sale*" and "*Compliance with STS requirements*".

The Originator does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section __.20 of the U.S. Risk Retention Rules 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 securitization 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 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.

There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof. For further details, see the section headed "*Subscription and Sale*".

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

Arranger

BANCA IMI S.P.A.

Responsibility statements

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

The Issuer accepts responsibility for the information contained or incorporated by reference 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), such information is in accordance with the facts and does not contain any omission 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 Class A 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.

BPPB accepts, jointly with the Issuer, responsibility for the information contained in this Prospectus in the sections headed "The Portfolio", "Credit and Collection Policies", "BPPB" and "Compliance with STS requirements" and any other information contained in this Prospectus relating to itself, the Receivables, the Mortgage Loan Agreements, the Mortgage Loans, the Mortgages and the Collateral Security. To the best of the knowledge and belief of BPPB (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not contain any omission likely to affect the import of such information.

BNYM, London branch and BNYM, Milan branch are members of the BNYM Group and each of them accepts responsibility for the information contained in this Prospectus in the section headed "The BNYM Group" and any other information contained in this Prospectus relating to itself. To the best of the knowledge of BNYM, London branch and BNYM, Milan branch (which have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not contain any omission likely to affect the import of such information.

Securitisation Services accepts, jointly with the Issuer, responsibility for the information contained in this Prospectus in the section headed "Securitisation Services" and any other information contained in this Prospectus relating to itself. To the best of the knowledge of Securitisation Services (which have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not contain any omission likely to affect the import of such information.

No person other than the Issuer (or in the case of BPPB, BNYM, Milan branch, BNYM, London branch and Securitisation Services solely to the extent described above) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus.

Interest material to the offer

Save as described under the section headed "Subscription and Sale" and in the section headed "Risk factors - Certain material interests", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

Representations about the Notes

No person has been authorised to give any information or to make any representation not contained in this 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 Representative of the Noteholders, the Issuer, the Sole Quotaholder or BPPB (in any capacity) or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall in any circumstances constitute a representation or create an implication that there has not been any change or any event reasonably likely to involve any change in the condition (financial or otherwise) of the Issuer, BPPB 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.

Limited recourse

The Notes constitute direct, secured, limited recourse obligations of the Issuer backed by the Portfolio and the other rights and assets of the Issuer. In particular, the Notes are not obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall be liable in respect of any failure by the Issuer to make payment of any amount due on the Notes. By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any fees, costs and expenses in relation to the Securitisation. The Noteholders will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable Priority of Payments.

Other business relations

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

Selling Restrictions

The distribution of this Prospectus and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law and by the Transaction Documents, in particular as provided for by the Subscription Agreements. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, and this Prospectus may not be used for the purpose of an offer to sell any of

the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

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

The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see the section headed "Subscription and Sale".

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

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

Neither this Prospectus nor any other information supplied in connection with the issue of the Notes should be considered as a recommendation or an invitation or offer by the Issuer, BPPB (in any capacity) or the Arranger that any recipient of this Prospectus, or of any other information supplied in connection with the issue of the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes must make its own independent investigation and appraisal of the financial condition and affairs of the Issuer. To the fullest extent permitted by law, the Arranger does not accept any responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or on its respective behalf, in connection with the Issuer, the Originator, any other party to the Transaction Documents or the issue and offering of the Notes. The Arranger accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which they might otherwise have in respect of this Prospectus or any such statement.

For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see the section headed "Subscription and Sale".

Interpretation

Words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the same meanings as those set out in the section headed "Glossary". These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

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

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

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

Any websites included in this Prospectus are for information purposes only and do not form part of this Prospectus.

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RISK FACTORS

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

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

Prospective Noteholders 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 RELATED TO THE ISSUER

Securitisation Law

As at the date of this Prospectus, limited interpretation of the application of the Securitisation Law has been issued by any Italian governmental or regulatory authority. Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Prospectus.

Issuer's ability to meet its obligations under the Notes

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

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

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 Originator) has undertaken or will undertake any investigation, search or other action to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of such persons undertaken, nor will any of them undertake, any investigation, search or other action to establish the creditworthiness of any of the Debtors. There can be no assurance that the assumptions used in modelling the cash flows of the Receivables and the Portfolio accurately reflect the status of the underlying Mortgage Loans.

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

representation and warranty which materially and adversely affects the value of a Receivable will be the requirement that the Originator indemnifies the Issuer for the damage deriving therefrom, subject to the terms and conditions of the Warranty and Indemnity Agreement. There can be no assurance, however, that the Originator will have the financial resources to honour such obligations. For further details, see the section headed "*Description of the Warranty and Indemnity Agreement*".

Commingling risk

Pursuant to article 3, paragraph 2-*bis*, of the Securitisation Law, no actions by persons other than the noteholders can be brought on the accounts opened in the name of the issuer with the servicer or an account bank, where the amounts paid by the debtors and any other sums paid or pertaining to the issuer in accordance with the transaction documents are credited. In case of any proceedings pursuant to Title IV of the Consolidated Banking Act, or any bankruptcy proceedings (*procedura concorsuale*), the sums credited to the issuer's 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 issuer, 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 issuer. 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 Issuer, 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 issuer, 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 Noteholders should note that, in order to mitigate any possible risk of commingling, the Servicer has undertaken to transfer any Collections received or recovered by it into the Collection Account on a daily basis pursuant to the Servicing Agreement.

Finally, pursuant to the Servicing Agreement, following the occurrence of a Servicer Termination Event, the Servicer (failing which, the Issuer, the Representative of the Noteholders, the Back-Up Servicer or any Substitute Servicer), at cost of the Issuer, shall, within 15 (fifteen) Business from the receipt of a notice of termination of the appointment of the Servicer and in any event no later than 30 (thirty) days following the occurrence of an Insolvency Event in respect of the Servicer, notify the Debtors to make any future payment in respect of the Receivables directly into the Collection Account.

Liquidity and credit risk

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

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

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

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

Credit risk on BPPB and the other parties to the Transaction Documents

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

It is not certain that a substitute servicer could be found to service the Portfolio in the event that the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. In order to mitigate such risk, pursuant to the Back-Up Servicing Agreement the Issuer has appointed the Back-up Servicer to replace BPPB upon termination of its appointment as Servicer under the Servicing Agreement. For further details, see the section headed "*Description of the Back-Up Servicing Agreement*".

In the event that BPPB as Servicer is replaced with the Back-Up Servicer (or, in case of failure by the latter to step in the role of the Servicer, with a Substitute Servicer), it is not certain whether the Back-Up Servicer (or the Substitute Servicer, as the case may be) would service the Portfolio on the same terms as those provided for in the Servicing Agreement. The ability of the Back-Up Servicer or any Substitute Servicer to fully perform the required services will depend, *inter alia*, on the information, software and records available to it at the time of its appointment.

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

Claims of unsecured creditors of the Issuer

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

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

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

To the extent that the Issuer incurs any Expenses, the Issuer has established the Expense Account, into which the Retention Amount shall be credited on the Issue Date and refilled on each Payment Date in accordance with the applicable Priority of Payments and out of which the amounts standing to the credit of the Expense Account will be used to pay, during each Interest Period, the Expenses falling due in the relevant Interest Period and, after the Payment Date on which the Notes will be redeemed in full or cancelled, any known Expenses not yet paid and any Expenses falling due after such Payment Date.

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.

Previous Securitisations and Further Securitisations

The Issuer's principal assets are the Portfolio and the Fourth Previous Portfolio purchased by the Issuer from BPPB in the context of the Fourth Previous Securitisation. By operation of the Securitisation Law (a) the Fourth Previous Portfolio is segregated in favour of the holders of the Fourth Previous Notes, and (b) the Portfolio is segregated in favour of the Noteholders.

The Issuer has also carried out the First Previous Securitisation, the Second Previous Securitisation and the Third Previous Securitisation. None of the First Previous Notes, the Second Previous Notes and the Third Previous Notes are outstanding as at the date of this Prospectus.

The Issuer may carry out Further Securitisations in addition to the Securitisation and the Fourth Previous Securitisation as described in this Prospectus, provided that the Issuer confirms in writing to the Representative of the Noteholders - or the Representative of the Noteholders is otherwise satisfied - that the conditions set out in the Terms and Conditions (Condition 5.2 ((*Covenants - Further Securitisations*)) are met.

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

holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

RISK FACTORS RELATED TO THE NOTES

Suitability

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

Investment in the 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 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 economic risk of an investment in the Notes; and (iv) recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

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

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

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

Source of payments to Noteholders

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

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

Limited recourse nature of the Notes

The Notes will be limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Notes only if and to the extent that the Issuer has sufficient Issuer

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

Yield and prepayment considerations - estimated weighted average life of the Senior Notes

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

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

In addition, the yield to maturity, the amortisation plan and the weighted average life of the Senior Notes may be adversely affected by a number of factors including, without limitation, a higher or lower rate of delinquency and default on the Mortgage Loans, the exercise by the Originator of its right to repurchase individual Receivables or the outstanding Portfolio pursuant to the Intercreditor Agreement, the renegotiation by the Servicer of any of the terms and conditions of the Mortgage Loan Agreements in accordance with the provisions of the Servicing Agreement and/or the early redemption of the Notes pursuant to Condition 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*).

The level of delinquency and default on payment of the relevant Instalments or request for renegotiation under the Mortgage Loans cannot be predicted and is influenced by a wide variety of economic, market industry, social and other factors, including prevailing loan market interest rates and margin offered by the banking system, the availability of alternative financing, local and regional economic conditions as well as special legislation that may affect refinancing terms.

The impact of the above on the yield at maturity and the weighted average life of the Notes cannot be predicted. Based, *inter alia*, on assumed rates of prepayment, the estimated average life of the Senior Notes is set out in the section headed "*Estimated Weighted Average Life of the Senior Notes*". However, the actual characteristics and performance of the Mortgage Loans may differ from such assumptions and any difference will affect the percentages of the Principal Amount Outstanding of the Senior Notes over time and the weighted average life of the Senior Notes. For further details, see the section headed "*Estimated Weighted Average Life of the Senior Notes*".

Ranking and subordination

Both prior and following the service of a Trigger Notice, in respect of the obligations of the Issuer to pay interest and repay principal on the Notes:

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

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

repayment of principal, subordinated to payment of interest and repayment of principal on the Class A Note and payment of interest on the Class B Notes.

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

Limited enforcement rights

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

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

The Representative of the Noteholders and potential conflicts of interest

Pursuant to the Terms and Conditions Conditions and the Intercreditor Agreement, the Representative of the Noteholders shall, as regards the exercise and performance of all of its powers, authorities, duties and discretion (except where expressly provided otherwise), have regard to the interests of both the Noteholders and the Other Issuer Creditors provided that if, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of (i) different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only; and (ii) the Noteholders and the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders.

Noteholders' directions following the service of a Trigger Notice

Following the delivery of a Trigger Notice and in accordance with the Terms and Conditions, the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Portfolio in accordance with the provisions of the Intercreditor Agreement.

In addition, at any time after a Trigger Notice has been served, the Representative of the Noteholders may (with the prior consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure repayment of the Senior Notes and payment of accrued but unpaid interest thereon in accordance with the Post-Enforcement Priority of Payments. The directions of the Senior Noteholders in such circumstances may be adverse to the interests of the Junior Noteholders.

Resolutions of the Noteholders

Resolutions properly adopted in accordance with the Rules of the Organisation of the Noteholders are binding on all Noteholders. Therefore certain rights of each Noteholder against the Issuer under the Conditions may be limited pursuant to any such Resolution.

In particular, pursuant to the Rules of the Organisation of the Noteholders:

(a) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of all other Class of Notes (if any);

(b) any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the Most Senior Class of Noteholders shall be binding on the other Classes of Notes irrespective of the effect thereof on their interests;

(c) no Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of a Class of Notes which is not the Most Senior Class of Notes shall be effective unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution, as the case may be, of the Most Senior Class of Noteholders.

Prospective Noteholders should note that these provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the Meeting.

Limited secondary market

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

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

Limited liquidity in the secondary market may continue to have an adverse effect on the market value of the asset backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

Limited nature of credit ratings assigned to the Senior Notes

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

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

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

A rating is not a recommendation to purchase, hold or sell the Senior Notes. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor or the Tax-exempt nature or

taxability of payments made in respect of any security.

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

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

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

In particular, prospective investors should note that the Basel Committee on Banking Supervision (**BCBS**) has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as **Basel III**), including certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio (**LCR**) and the Net Stable Funding Ratio (**NSFR**)). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

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

Prospective investors in the Notes who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with the applicable provisions and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.It should be noted that the European authorities have adopted and finalised two new regulations related to securitisation (being Regulation (EU) 2017/2402 and Regulation (EU) 2017/2401) which apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the new requirements and the previous requirements including with respect to the certain matters to be verified under the due diligence requirements, as well as with respect to the application approach under the retention requirements and the originator entities eligible to retain the required interest. Further differences arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance will be made through new technical standards. However, securitisations established prior to the application date of 1 January 2019 that do not involve the issuance of securities (or otherwise involve the creation of a new securitisation position) from that date should remain subject to the current requirements and should not be subject to the new risk retention and due diligence requirements in general. In general, the new regulations (including the retention and due diligence requirements) apply to securitisations the securities of which are issued on or after the application date of 1 January 2019, including securitisations established prior to the date where further securities are issued on or after 1 January 2019. Accordingly, the new requirements apply in respect of the Notes.

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

The EU Securitisation Regulation

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

The EU Securitisation Regulation applies to the fullest extent to the Notes. The Securitisation is intended to qualify as a STS-securitisation within the meaning of article 18 of the EU Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the EU Securitisation Regulation and may, after the Issue Date, be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation. The Originator has used the service of PCS, as a verification agent authorised under article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the EU Securitisation Regulation (the **STS Verification**) and to prepare

an assessment of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the **STS Assessments**). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus.

It is important to note that the involvement of PCS as an authorised verification agent is not mandatory and the responsibility for compliance with the EU Securitisation Regulation remains with the relevant institutional investors, originators and issuers, as applicable in each case. The STS Assessments will not absolve such entities from making their own assessment and assessments with respect to the EU Securitisation Regulation and the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation, and the STS Assessments cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. Furthermore, the STS Assessments are not an opinion on the creditworthiness of the Notes nor on the level of risk associated with an investment in the Notes. It is not an indication of the suitability of the Notes for any investor and/or a recommendation to buy, sell or hold Notes. Institutional investors that are subject to the due diligence requirements of the EU Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Assessments, the STS notification or other disclosed information.

No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the EU Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. None of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the EU Securitisation Regulation at any point in time in the future.

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

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

Various parties to the Securitisation 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 with regard to the risk retention requirements under article 6 of the EU Securitisation Regulation, transparency obligations imposed under article 7 of the EU Securitisation Regulation and the homogeneity criteria set out in article 20(8) of the EU Securitisation Regulation. The Regulatory Technical Standards relating to such requirements are not in final form or have not been adopted yet. Therefore, the final scope of application of such Regulatory Technical Standards and the compliance of the Securitisation with the same is not assured. Non-compliance with final Regulatory Technical Standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard.

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

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

(a) that institutional investor has verified that:

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

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

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

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

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

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

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

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

Disclosure requirements under CRA Regulation and EU Securitisation Regulation

The CRA Regulation provides for certain additional disclosure requirements for structured finance instruments within the meaning of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014 (**SFIs**). Such disclosure will need to be made via a website to be set up by ESMA. The Commission Delegated Regulation no. 2015/3 of 30 September 2014, which contains regulatory technical standards adopted by the European Commission to implement provisions of the CRA Regulation, came into force on 26 January 2015. These regulatory technical standards apply from 1 January 2017. In relation to an SFI

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

The Notes are issued after 1 January 2019. Consequently, the disclosure requirements of article 7 of the EU Securitisation Regulation apply in respect of the Notes. Such disclosure requirements replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning SFI's as a result of the repealing of article 8b of the CRA Regulation as set forth in article 40 of the EU Securitisation Regulation. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document headed "Opinion regarding amendments to ESMA's draft regulatory technical standards on disclosure requirements under the 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. The transitional provision of article 43(8) of the EU Securitisation Regulation applies and, consequently, disclosures in respect of the Notes must be made in accordance with the requirements of Annexes I to VIII of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014. In a joint statement of the European Supervisory Authorities published on 30 November 2018, the European Supervisory Authorities confirmed that with the repealing of article 8b of the CRA Regulation effective since 1 January 2019 and until the ESMA reporting templates to be used to meet the reporting requirements under article 7 Securitisation Regulation will be available, the national competent authority will be required to make a case-by-case assessment when examining the compliance with the disclosure requirements of the EU Securitisation Regulation, taking into account the type and extent of information being disclosed by the reporting entity. As at the date of this Prospectus, no national competent authority has been designated in some European countries, including Italy. 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.

Class A Notes as eligible collateral for ECB liquidity and/or open market transactions

After the Issue Date an application may be made to a central bank in the Euro-Zone to record the Class A Notes as eligible collateral, within the meaning of the guidelines issued by the European Central Bank in September 2011 ("*The Implementation of Monetary Policy in the Euro Area*"), as subsequently amended and integrated from time to time (the **ECB Guidelines**), for liquidity and/or open market transactions carried out with such central bank. In this respect, it should be noted that in accordance with the ECB Guidelines and the central banks of the Euro-Zone policies, neither the European Central Bank nor such central banks will confirm the eligibility of the Class A Notes for the above purpose prior to their issuance 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 liquidity and/or open market transactions rests with the relevant central bank.

None of the Issuer, the Originator, 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 Senior Notes at any time.

Changes or uncertainty in respect of Euribor may affect the value or payment of interest under the Class A Notes

Interest rates and indices which are deemed to be "benchmarks" (including EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Class A Notes. The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on the Class A Notes, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Class A Notes.

The Terms and Conditions provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Adviser in consultation with the Issuer or failing that, by the Issuer, and that such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the Terms and Conditions and the other Transaction Documents are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of the Noteholders, as provided by Condition 7.4 (*Fallback Provisions*).

Any such consequences could have an adverse effect on the value of and return on the Class A 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 Class A Notes or could

have a material adverse effect on the value or liquidity of, and the amount payable under, the Class A Notes. Investors should consider these matters with their own independent advisers when making their investment decision with respect to the Class A Notes.

Selling restrictions

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

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the Portfolio and of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

To the fullest extent permitted by law, the Arranger does not accept any responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or on its behalf, in connection with the Issuer or BPPB or the issue and offering of the Notes. The Arranger accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Prospectus or any such statement.

The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction, except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see the section headed "*Subscription and Sale*".

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and subject to certain exceptions, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). The Notes are in bearer and dematerialised form and are subject to U.S. tax law requirements. The Notes are being offered for sale outside the United States in accordance with Regulation S under the Securities Act (see the section headed "*Subscription and Sale*").

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the 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 determining appropriate distribution channels.

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. 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 (UE) 2016/97 (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Accordingly, none of the Issuer or the Arranger expects to be required to prepare, and none of them has prepared, or will prepare, a "key information document" in respect of the

Notes for the purposes of Regulation (EU) no. 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the **PRIIPs Regulation**) and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

U.S. Risk Retention requirements

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "securitizer" 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 securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. Final rules implementing the statute (the **U.S. Risk Retention Rules**) came into effect on 24 December 2016 with respect to non-RMBS securitisations. The U.S. Risk Retention Rules provide that the securitizer of an asset backed securitisation is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Originator does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section __.20 of the U.S. Risk Retention Rules 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 securitization 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 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 Originator has advised the Issuer that it has not acquired, and it does not intend to acquire more than 25 per cent. of the assets from an affiliate or branch of the Originator or the Issuer that is organised or located in the United States.

The Notes provide that they may not be purchased by Risk Retention U.S. Persons except with the express written consent of the Originator in the form of a U.S. Risk Retention Waiver and where such purchase falls within the exemption provided for in Section _.20 of the U.S. Risk Retention Rules. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" under Regulation S. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

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

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

(c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(e) any agency or branch of a foreign entity located in the United States;

(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) any partnership, corporation, limited liability company, or other organisation or entity if:

(i) organised or incorporated under the laws of any foreign jurisdiction; and

(ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.

Consequently, the Notes may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Originator and where such purchase falls within the exemption provided for in Section _.20 of the U.S. Risk Retention Rules. Each holder of a Note or a beneficial interest acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Originator and the Arranger that it (1) either (i) is not a Risk Retention U.S. Person or (ii) it has obtained a U.S. Risk Retention Waiver, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

The Originator has advised the Issuer that it will not provide a U.S. Risk Retention Waiver to any investor if such investor's purchase would result in more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) (as determined by fair value under US GAAP) of all Classes of Notes to be sold or transferred to Risk Retention U.S. Persons on the Issue Date.

Failure on the part of the Originator to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Originator which may adversely affect the Notes and the ability of the Originator to perform its obligations under the Transaction Documents. Furthermore, a failure by the Originator to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

Bank Recovery and Resolution Directive

The directive providing for the establishment of a framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the **BRRD**) entered into force on 2 July 2014.

The BRRD is designed to provide authorities with a credible 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.

The BRRD 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, which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution, which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control);

(iii) asset separation, which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in, which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to equity.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

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

The BRRD provides that it shall be applied by Member States from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016. The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees no. 180/2015 and 181/2015 (together, the **BRRD Decrees**), both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015. Legislative Decree no. 180/2015 is a stand-alone law which implements the provisions of BRRD relating to resolution actions, while Legislative Decree no. 181/2015 amends the existing Consolidated Banking Act and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. The BRRD Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the general bail-in tool applied 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 will apply from 1 January 2019.

It should be noted that the powers set out in the BRRD may impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. As the BRRD has only recently been implemented in Italy and other Member States, there is material uncertainty as to the effects of any application of it in practice.

Volcker Rule

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

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

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

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

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule. If investment by "banking entities" in the Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes. None of the Issuer, the Arranger or any other party to the Transaction Documents makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

RISK FACTORS RELATED TO THE UNDERLYING ASSETS

Right to future Receivables

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

Mortgage Loans' performance

The Portfolio is exclusively comprised of residential mortgage loans which were performing as at the relevant Valuation Date (for further details, see the section headed "*The Portfolio*"). There can be no guarantee that the Debtors will not default under such Mortgage 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:

(a) proceedings in certain courts involved in the enforcement of the Mortgage Loans and Mortgages may take longer than the national average;

(b) obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years;

(c) further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and whether or not the relevant Debtor raises a defence or counterclaim to the proceedings; and

(d) it takes an average of eight to ten 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.

Law no. 302 of 3 August 1998 and Law no. 80 of May 2005 allowed notaries and certain lawyers and accountants to conduct certain stages of the foreclosure procedures in place of the courts.

Mutui fondiari

The Portfolio comprises Mortgage Loans qualifying as *mutui fondiari*, as defined in article 38 of the Consolidated Banking Act. A *mutuo fondiario* is a particular type of *mutuo ipotecario* (any loan which is secured by a mortgage is automatically a *mutuo ipotecario* loan). The *mutui fondiari* are regulated by the Consolidated Banking Act and present certain advantages for the lender. To qualify as a *mutuo fondiario*, a loan must be: given by a bank, for a term exceeding 18 months, secured by a first-lien mortgage and for an amount which does not exceed 80 per cent. of the value of the mortgaged property or of the works to be done on the mortgaged assets. However, the 80 per cent. limit may be increased to 100 per cent. if specific additional security interests and guarantees, identified by the Bank of Italy, are provided (such as guarantees given by other banks or insurance companies or pledges granted over Italian State securities). In such circumstance, the ratio between the amount lent and the aggregate value of the security and guarantee created is not higher than 80 per cent.

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

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

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

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

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

For further details see the section headed "*Selected Aspects of Italian Law*", on the paragraphs headed "*Foreclosure proceedings*" and "*Mutui fondiari foreclosure proceedings*".

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

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

Prepayment fees and subrogation under Law Decree of 31 January 2007 No. 7 (ie Decreto Bersani).

Italian Law Decree No. 7 of 31 January 2007 (**Decree 7**), converted into law No. 40 of 2 April 2007, has introduced certain provisions affecting mortgage loans granted to individuals for the purpose of purchasing or restructuring real estate assets for residential use *(uso abitativo)*, as is the case for the securitised Mortgage Loans. Such provisions deal also with (a) prepayment fees due by borrowers upon early repayment of the loan and (b) prepayment of the loan by way of voluntary subrogation of the debtor *(surrogazione per volontà del debitore).* For further details, see the section headed "*Selected Aspects of Italian Law – Prepayment fees and subrogation under Law Decree of 31 January 2007 No. 7 (i.e. Decreto Bersani)*".

Pursuant to Italian Legislative Decree No. 141 of 13 August 2010 and Italian Legislative Decree no. 218 of 14 December 2010, the provisions of Decree 7 concerning prepayment of the loans and voluntary subrogation of the debtor have been repealed and are now regulated by articles 120-*ter* and 120-*quater* of the Consolidated Banking Act.

In relation to the prepayment fees due by the borrowers upon the early or partial repayment of the mortgage loan, articles 120-*ter* and 161 of the Consolidated Banking Act provide a different regime for (a) mortgage loan agreements entered into after 2 February 2007 (i.e. the date on which Decree 7 entered into force) and (b) mortgage loan agreements entered into before such date. The Portfolio comprises Mortgage Loans Agreements entered into both prior to and after 2 February 2007.

Prospective investors should note that, as a result of the provisions mentioned above, (a) the level of prepayments of the Mortgage Loans may increase, (b) in relation to Mortgage Loan Agreements entered into after 2 February 2007, no prepayment fee will be due and payable and (c) in relation to Mortgage Loan Agreements entered into before 2 February 2007, any prepayment fee provided contractually due and payable which is greater than the maximum amount determined in accordance with article 161, paragraph 7-*ter* of the Consolidated Banking Act, could be reduced to such maximum amount.

Prospective investors should note that no prepayment fee was taken into account for the purpose of determining the cash flows of the Securitisation or to make any estimate related thereto and to the Senior Notes.

Settlement of the crisis (*sovraindebitamento*) under Law 3/2012

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

The collection of Receivables may be adversely affected under Law 3/2012 in consideration of the fact that payments owed to the Originator in respect of the relevant Receivables by a Debtor who has entered into a Settlement Agreement may be subject to a one-year *moratorium*. Furthermore, the Court may issue an order

preventing creditors for a period of up to 120 days from commencing or continuing foreclosure proceedings (*azioni esecutive*) and seizures (*sequestri conservativi*) and creating pre-emption rights on the assets of a Debtor. Such preventive effects may also be produced in case of approval (*omologazione*) of the Settlement Agreement by the Court for a maximum period of one year starting from the date of the approval.

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

For further details regarding the relevant features of the Settlement Agreement and the Settlement Procedure, see the section headed "*Selected Aspects of Italian Law - Settlement of the crisis (sovraindebitamento) under Law 3/2012*" of this Prospectus.

Renegotiations and suspensions of payments

Since 2007 several legislative and category association initiatives have been enacted with the view to giving certain benefits to mortgage debtors in financial difficulties, including, without limitation, the right to renegotiate the terms of the relevant mortgage loans and/or suspend payments thereunder.

The Portfolio includes Receivables in respect of which, as at 31 January 2019, no suspension of payments has been granted to the relevant Debtor pursuant to:

(i) article 2, paragraph 475-480 of Law 24 December 2007, no. 244 (*Legge Finanziaria 2008*) as amended by Law 28 January 2012, n. 92 (*Disposizioni in materia di riforma del mercato del lavoro in una prospettiva di crescita*) and Ministerial Decree 21 January 2010, no. 132 (*Regolamento recante norme di attuazione del Fondo di solidarietà per i mutui per l'acquisto della prima casa*), as amended by Law Decree no. 37 of 22 February 2013, no. 37 (*Regolamento recante modifiche al decreto 21 giugno 2010, n. 132 concernente norme di attuazione del Fondo di solidarietà per i mutui per l'acquisto della prima casa*);

(ii) the convention entered into on 31 March 2015 between ABI (*Associazione Bancaria Italiana*) and the Associazioni dei Consumatori, as extended on 21 November 2017; or

(iii) a specific written agreement entered into between the relevant Debtor and the Originator.

However, prospective investors should note that further legislative and category association initiatives may be enacted in the future. Pursuant to the Servicing Agreement, the Servicer is allowed to amend the terms and conditions of the Mortgage Loan Agreements if and to the extent required by provisions of laws or regulations (including, without limitation, any ABI conventions) applicable to the Receivables, provided that the Servicer shall promptly inform in writing the Issuer and the Representative of the Noteholders (as well as, through the relevant Quarterly Servicer's Report, the Rating Agencies). Any such amendment may affect the Portfolio and ultimately the return for the investors in the Notes.

RISK FACTORS RELATED TO TAX MATTERS

Tax treatment of the Issuer

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree no. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 15 December 2015 as amended from time to time (*Istruzioni per la redazione dei bilanci e dei rendiconti degli Intermediari finanziari, degli Istituti di pagamento, degli Istituti di Moneta Elettronica, delle SGR e delle SIM*) the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Receivables will be treated as off-balance sheet assets, liabilities, costs and revenues. Based on the general rules applicable to the calculation of net taxable income of a company, such taxable income should be calculated on the basis of the accounting, i.e. on-balance sheet, earnings, subject to such adjustments as specifically provided for by applicable income tax

rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio and the securitisation transaction. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular no. 8/E issued by *Agenzia delle Entrate per la Lombardia* on 6 February 2003, recently confirmed by Ruling no. 77/E of 4 August 2010) on the grounds that the net proceeds generated by the Receivables may not be considered as legally available to the Issuer - insofar as any and all amounts deriving from the underlying assets of each of the securitisations are specifically destined to satisfy the obligations of such Issuer to the holders of the notes issued in the context of each such securitisation, to the other creditors of the Issuer and certain third party creditors in respect of each such securitisation in compliance with applicable law.

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

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

Registration tax

If the Issuer were to obtain a judgment from an Italian court in respect of a breach of any transaction document or were to enforce a foreign judgment in Italy in respect of any such breach, a registration tax at a fixed amount of Euro 200 or at a rate of up to three per cent. of the amount awarded pursuant to any such judgment may be payable.

In addition, each transaction document may be subject to registration tax at a fixed amount of €200 or at a rate of up to three per cent. of the amount indicated in each transaction document where a case of use (*caso d'uso*) or an explicit reference (*enunciazione*) will occur.

For the purposes of the Italian registration tax, a "case of use" occurs when a document is: (i) deposited with a judiciary office for administrative purposes only (e.g. the mere production of a document in court does not represent a "case of use"); or (ii) deposited with a government agency or local authority, unless such deposit is mandatory by law or regulation or is required in order for the relevant government agency or local authority to comply with its own obligations. In addition, reference in a document which is submitted for registration to another document (*enunciazione*) would entail the registration of such second document provided that all the parties to the document to which reference is made are also parties to the document submitted for registration.

In such a case, the Italian tax authorities may ask for the cross-referenced transaction documents to be filed with the competent Italian registration tax office and, consequently, the application of registration tax to such transaction documents according to the ordinary rules. The rule applies at Italian tax authorities' request and only to the extent that the document filed with the registration tax office and the transaction document which has been mentioned therein are entered into by the same parties.

The same rule also applies in case of cross-references into a judicial decision of a transaction document which has not been subject to registration tax in Italy.

In cases where the transaction documents filed with the registration tax office as a consequence of a caso d'uso or enunciazione regulate supplies falling within the scope of VAT (even if VAT-exempt), registration tax would be levied at the fixed rate of Euro 200.

Withholding tax under the Notes

Payments of interest under the Notes may in certain circumstances be subject to withholding for or on account of tax. For example, according to Decree No. 239, any non-Italian residential beneficial owner of an interest payment relating to the Notes who is (a) either not resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information or (b), even if resident in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, does not timely comply with the requirements set forth in Decree No. 239 and the relevant application rules in order to benefit from the exemption from substitute tax will receive amounts of interest payable on the Notes net of Italian withholding tax or substitute tax.As at the date of this Prospectus such substitute tax is levied at the rate of 26 per cent., or such lower rate as may be applicable under the relevant double taxation treaty. For further details, see the section headed "*Taxation*".

In the event that substitute tax is imposed in respect of payments to the Noteholders of amounts due pursuant to the Notes, the Issuer will not be obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of substitute tax.

GENERAL RISK FACTORS

Claw-back of the sales of the Receivables

Assignments of receivables made under the Securitisation Law are subject to claw-back (*revocatoria fallimentare*) (i) pursuant to article 67, paragraph 1, of the Italian Bankruptcy Law, if the adjudication of bankruptcy of the relevant seller is made within 6 (six) months from the purchase of the relevant portfolio of receivables, provided that the purchase price of the receivables exceeds the value of the receivables for more than 25 (twenty-five) per cent. and the issuer is not able to demonstrate that it was not aware of the insolvency of the seller, or (ii) pursuant to article 67, paragraph 2, of the Italian Bankruptcy Law, if the adjudication of bankruptcy of the relevant seller is made within 3 (three) months from the purchase of the relevant portfolio of receivables, provided that the purchase price of the receivables does not exceed the value of the receivables for more than 25 (twenty-five) per cent. and the insolvency receiver of the seller is able to demonstrate that the Issuer was aware of the insolvency of the seller.

Pursuant to the Transfer Agreement, the Originator has provided the Issuer in respect of the Portfolio with (i) a solvency certificate signed by a director of the Originator; and (ii) a good standing certificate issued by the competent companies' register (*certificato di iscrizione nella sezione ordinaria della Camera di Commercio, Industria, Artigianato ed Agricoltura*) stating that the Originator is not subject to any insolvency proceeding. Furthermore, under the Warranty and Indemnity Agreement, the Originator has represented that it was solvent as at the date thereof and such representation shall be deemed to be repeated on the Issue Date.

In addition, in case of repurchase by the Originator of individual Receivables or disposal of the Portfolio following the service of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), the payment of the relevant purchase price may be subject to claw back pursuant to article 67, paragraph 1 or 2, of the Italian civil code. However, pursuant to the Intercreditor Agreement, the relevant purchaser shall provide the Issuer and the Representative of the Noteholders with (i) a certificate signed by its legal representative stating that such purchaser is solvent; (ii) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the competent companies' register and dated not more than 10 (ten) days before the date on which the Portfolio will be disposed (or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated); (iii) a certificate issued by the competent Court and dated not more than 10 (ten) days before the date on which the Portfolio will be disposed, stating that no applications for commencement of insolvency proceedings against such purchaser has been made in the last 5 (five) years, as far as such kind of certificate is issued by the bankruptcy division of the relevant Court according to its internal regulations (or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated); and (iv) any other evidence of its solvency satisfactory to the Representative of the Noteholders.

Claw-back of other payments made to the Issuer

According to article 4, paragraph 3, of the Securitisation Law, payments made by a Debtor to the Issuer are not subject to any claw-back (*revocatoria fallimentare*) according to article 67 of the Italian Bankruptcy Law, nor to any declaration of ineffectiveness (*declaratoria di inefficacia*) pursuant to article 65 of the Italian Bankruptcy Law.

Save for what described above, all other payments made to the Issuer by any party to the Transaction Documents in the 1 (one) year or 6 (six) month suspect period, as applicable, prior to the date on which such party has been declared bankrupt or has been admitted to compulsory liquidation, may be subject to claw-back (*revocatoria fallimentare*) according to article 67 of the Italian Bankruptcy Law (or any equivalent rules under the applicable jurisdiction of incorporation of such party). In case of application of article 67, paragraph 1, of the Italian Bankruptcy Law, the relevant payment will be set aside and clawed back if the Issuer does not give evidence that it did not have knowledge of the state of insolvency of the relevant party when the payments were made, whereas, in case of application of article 67, paragraph 2, of the Italian Bankruptcy Law, the relevant payment will be set aside and clawed back if the receiver gives evidence that the Issuer had knowledge of the state of insolvency of the relevant party. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court in its discretion may consider all relevant circumstances.

Interest rate risk

The Receivables include interest payments calculated at interest rates and times which are different from the interest rates and times applicable to the interest due in respect of the Senior Notes.

The Issuer expects to meet its floating rate payment obligations under the Senior Notes primarily from the payments deriving from the Collections. However, the interest component in respect of such payments may have no correlation to the EURIBOR rate from time to time applicable in respect of the Senior Notes.

The interest rate risk in respect of the Senior Notes would consist in the basis risk (i.e. the risk represented by the mismatch between the fixing of the coupon payable on the Notes and the fixing applied on the floating rate and the capped floating rate Mortgage Loans). In addition, pursuant to the Servicing Agreement, the Servicer may change the interest rate applicable to the Mortgage Loans from fixed to floating or from floating to fixed within the limits set out therunder.

In order to mitigate the interest rate risk in respect of the Senior Notes, the rate of interest payable on the Senior Notes is subject to a cap at 4.50 per cent. per annum.

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

Certain risks relating to the Real Estate Assets

Due Diligence

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

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

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

General real estate risk

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

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

The value of the Real Estate Assets may be affected by changes in general and regional economic conditions such as an oversupply of space, a reduction in demand for residential real estate in an area, competition from other available space or increased operating costs. The value of the Real Estate Assets may also be affected by such factors as political developments, government regulations and changes in planning, zoning or tax laws, interest rate levels, inflation, the 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 Mortgage Loans.

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

Insurance coverage

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

Compulsory purchase

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

Servicing of the Portfolio

The Portfolio has been serviced by the Servicer starting from the Transfer Date pursuant to the Servicing Agreement. Previously, the Portfolio was serviced by BPPB as owner of the Portfolio. The net cash flows deriving from the Portfolio may be affected by decisions made, actions taken and collection procedures

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

Rights of set-off and other rights of the Debtors

Under general principles of Italian law, the borrowers are entitled to exercise rights of set-off (*compensazione*) in respect of amounts due under any mortgage loan against any amounts payable by the originator to the relevant borrower.

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

Pursuant to article 4, paragraph 2, of the Securitisation Law, from the date of publication of the notice of transfer of the receivables in the Official Gazette, the debtors will not be entitled to set-off any claim arisen after such date with the amounts due to the special purpose vehicle in relation to the receivables.

The transfer of the Receivables from the Originator to the Issuer has been (i) registered on the companies' register of Treviso-Belluno on 18 March 2019 and (ii) published in the Official Gazette no. 34 Part II of 21 March 2019.

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

Italian usury law

Italian law no. 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 Decree having been issued on 25 March 2019 and being applicable for the quarterly period from 1 April 2019 to 30 June 2019). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (a) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (b) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

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

The Italian Government has intervened in this situation with Law Decree No. 394 of 29 December 2000 (the **Usury Law Decree**), converted into Law no. 24 by the Italian Parliament on 28 February 2001, which provides, inter alia, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached. The Usury Law Decree has

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

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

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

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

The Originator has represented that the interest rates applicable to the Mortgage Loans are in compliance with the then applicable Usury Rate.

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 6 (six) months only (i) under an agreement entered into after the date on which it has become due and payable 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 judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) no. 2374/99, no. 2593/2003, no. 21095/2004 as confirmed by judgment no. 24418/2010 of the same Court) 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 Mortgage Loan Agreements.

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 Consolidated Banking Act, 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 Consolidated Banking Act 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 Consolidated Banking Act, 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.

The Originator has represented in the Warranty and Indemnity Agreement that the Receivables comprised in the Portfolio comply with applicable Italian laws on compounding of interest (*anatocismo*).

Statute of Limitations

Certain rights of the Issuer under the Transaction Documents may become barred under statutes of limitation by operation of law. In particular, there is a possibility that the one year statute of limitation period set out in article 1495 of the Italian civil code could be held to apply to some or all of the representations and warranties given by the Originator in the Warranty and Indemnity Agreement, on the ground that such provisions may not be derogated from by the parties to a sale contract ("*contratto di compravendita*") (such as the Transfer Agreement to which the Warranty and Indemnity Agreement is related).

However, the Originator and the Issuer have acknowledged and agreed that the representations and warranties given by the Originator thereunder were given as a separate and independent guarantee (which is in addition to those provided for by law) and, accordingly, the provisions of articles 1495 and following of the Italian civil code are not applicable in respect thereto.

Preferred claims

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

Risks connected with the political and economic decisions of EU and Eurozone countries and the United Kingdom leaving the European Union (Brexit)

A severe or extended downturn in the Republic of Italy's economy could adversely affect the results of operations and the financial condition of the 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.

The Issuer is affected by disruptions and volatility in the global financial markets. During the period between 2011 and 2012, the debt crisis in the Euro-zone intensified and three countries (Greece, Ireland and Portugal) requested the financial aid of the European Union and the International Monetary Fund.

In particular, prospective investors should note that, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the **article 50 withdrawal agreement**). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of European Union law, and provide for continuing access to the European Union single market, until the end of 2020 and possibly longer.

The article 50 withdrawal agreement has not yet been ratified by the UK or the European Union. The parties have agreed to an extended time line which allows for ratification to take place any time prior to 31 October 2019 (unless the elections to the European Parliament do not take place in the United Kingdom, in which case the extension should cease on 31 May 2019). To the extent ratification does take place ahead of 31 October 2019, the UK would leave on the first date of the month following ratification. However, it remains uncertain whether the article 50 withdrawal agreement, or any alternative agreement, will be finalised and ratified by the UK and EU ahead of the deadline. If that deadline of 31 October 2019 is not met, unless the negotiation period is further extended or the Article 50 notification revoked, the Treaty on the European Union and the Treaty on the Functioning of the EU will cease to apply to the UK and the UK will lose access to the EU single market. Whilst continuing to discuss the article 50 withdrawal agreement and political declaration, the UK Government has commenced preparations for a "hard" Brexit (or "no-deal" Brexit) to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018 to ensure that there is a functioning statute book after any exit without a transitional period.Regardless of the time scale and the term of the United Kingdom's exit from the European Union, 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 exit of the United Kingdom from the European Union; the possible exit of Scotland, Wales or Northern Ireland from the United Kingdom; 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 asset prices, operating results and capital and/or financial position of BPPB.

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 BPPB.

Change of law

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

Projections, forecasts and estimates

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

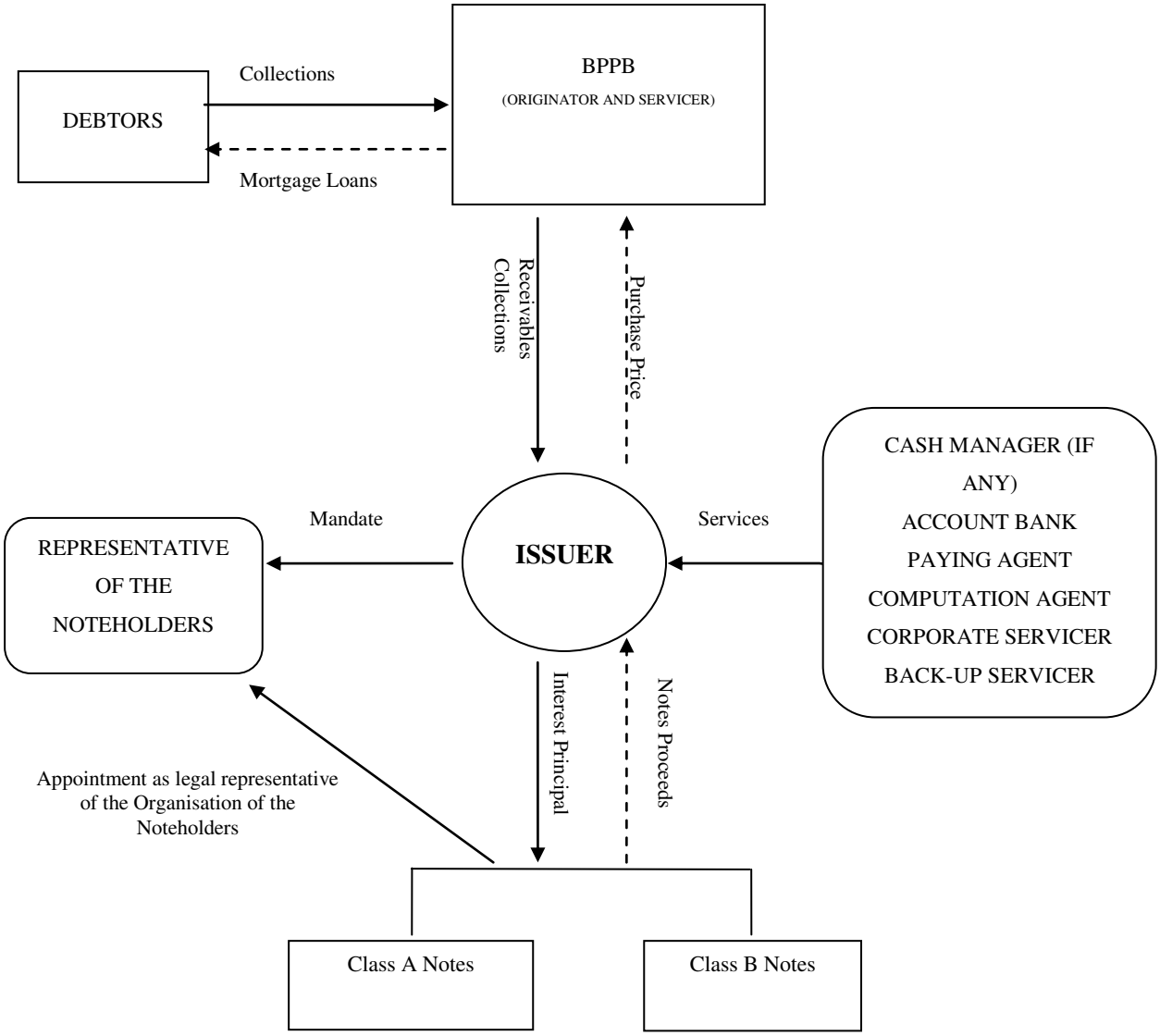
Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as 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.

TRANSACTION OVERVIEW

The following information is an overview of certain aspects of the transaction, the parties thereto, the assets underlying the Notes and the related documents and does not purport to be complete. Therefore, it should be read in conjunction with and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Transaction Documents. Prospective investors should base their decisions on this Prospectus as a whole.

Capitalised terms used but not defined in the overview below shall bear the meanings given to them in the section headed "Glossary".

1. TRANSACTION DIAGRAM



2. THE PRINCIPAL PARTIES

Issuer	**Media Finance S.r.l.**, a company incorporated under the laws of the Republic of Italy, Fiscal Code and enrolment with the companies' register of Treviso-Belluno under no. 03839880261, quota capital Euro 10,000 (fully paid up) enrolled under no. 32905.2 with the register of securitisation vehicles (*elenco delle società veicolo*) held by Bank of Italy pursuant to its regulation (*provvedimento della Banca d'Italia*) of 7 June 2017, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, and having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law. The Issuer has been established as a special purpose vehicle for the purposes of issuing asset backed securities in the context of one or more securitisation transactions, subject to Condition 5.2 (*Further Securitisations*). For further details, see the section headed "*The Issuer*".
Originator	**Banca Popolare di Puglia e Basilicata S.C.p.A.**, a bank incorporated under the laws of the Republic of Italy, having its registered office at Via Ottavio Serena 13, 70022 Altamura (BA), Italy, share capital equal to Euro 152,862,588 (fully paid up), fiscal code and enrolment with the companies' register of Bari no. 00604840777, registered under no. 05293.6 with the roll of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act (**BPPB**). For further details, see the section headed "*BPPB*".
Servicer	**BPPB**. The Servicer will act as such pursuant to the Servicing Agreement. For further details, see the section headed "*BPPB*".
Computation 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**). The Computation Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement. For further details, see the section headed "*The BNYM Group*".
Account Bank	**The Bank of New York Mellon SA/NV, Milan branch**, a

	bank incorporated under the laws of Belgium, having its registered office at 46 Rue Montoyer, Montoyerstraat 46 - B-1000 Brussels, Belgium, acting through its Milan branch at Via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies' register of Milan no. 09827740961, enrolled as a "*filiale di banca estera*" under no. 8070 and with ABI code 3351.4 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act (**BNYM, Milan branch**). The Account Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement. For further details, see the section headed "*The BNYM Group*".
Paying Agent	**BNYM, Milan branch**. The Paying Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement. For further details, see the section headed "*The BNYM Group*".
Representative of the Noteholders	**Securitisation Services S.p.A.**, a joint stock company with a sole shareholder (*società per azioni con socio unico*) incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment with the companies' register of Treviso-Belluno under no. 03546510268, VAT Group "*Gruppo IVA FININT S.p.A.*" - VAT number 04977190265, with a share capital of Euro 2,000,000.00 (fully paid-up), company registered under no. 50 in the register of the Financial Intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the banking group known as "*Gruppo Banca Finanziaria Internazionale*", registered with the register of the banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act, subject to the activity of direction and coordination (*soggetta all'attività di direzione e coordinamento*) of Banca Finanziaria Internazionale S.p.A. pursuant to articles 2497 and following of the Italian civil code (**Securitisation Services**). The Representative of the Noteholders will act as such pursuant to the Subscription Agreements, the Terms and Conditions, the Rules of the Organisation of the Noteholders, the Intercreditor Agreement and the other relevant Transaction Documents. For further details, see the section headed "*Securitisation Services*".
Corporate Servicer	**Securitisation Services**.

	The Corporate Servicer will act as such pursuant to the Corporate Services Agreement. For further details, see the section headed "*Securitisation Services*".
Back-Up Servicer	**Securitisation Services**. The Back-Up Servicer will act as such pursuant to the Back-Up Servicing Agreement. For further details, see the section headed "*Securitisation Services*".
Sole Quotaholder	**SVM Securitisation Vehicles Management S.r.l.**, a limited liability company with a sole quotaholder (*società a responsabilità limitata con socio unico*), incorporated under the laws of the Republic of Italy, fiscal code, VAT code and enrolment with the companies' register of Treviso-Belluno under no. 03546650262, quota capital Euro 30,000 fully paid-up, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy. For further details, see the section headed "*The Issuer*".
Listing Agent	**The Bank of New York Mellon SA/NV, Luxembourg branch**,Vertigo Building - Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.
Arranger	**Banca IMI S.p.A.**, a bank incorporated under the laws of the Republic of Italy, with registered office at Largo Mattioli, 3, 20121 Milan, share capital of euro 962,464,000.00 fully paid up, fiscal code and enrolment with the companies' register of Milan no. 04377700150, enrolled under no. 5570 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, subject to the activity of direction and coordination (*attività di direzione e coordinamento*) pursuant to article 2497 of the Italian civil code of its sole shareholder Intesa Sanpaolo S.p.A..
Reporting Entity	**BPPB**. The Reporting Entity will act as such pursuant to the Intercreditor Agreement.
Senior Notes Underwriter	**BPPB**. The Senior Notes Underwriter will act as such pursuant to the Senior Notes Subscription Agreement.
Junior Notes Underwriter	**BPPB**. The Junior Notes Underwriter will act as such pursuant to the Junior Notes Subscription Agreement.

As at the date of this Prospectus, there are no relationships of direct or indirect control or ownership among the parties listed above, except for the relationships between (i) the Issuer and the Sole Quotaholder as described in the section headed "*The Issuer*", and (ii) the Account Bank, the Paying Agent, the Computation Agent and the Listing Agent as described in the section headed "*The BNYM Group*".

3. THE PRINCIPAL FEATURES OF THE NOTES

The Notes	The Notes will be issued by the Issuer on the Issue Date in the following classes: (a) Euro 422,000,000 Class A Asset Backed Floating Rate Notes due April 2062; and (b) Euro 88,900,000 Class B Asset Backed Fixed Rate and Variable Return Notes due April 2062.
Issue Date	The Notes will be issued on 30 May 2019.
Issue Price	The Notes will be issued at 100 per cent. of their principal amount upon issue.
Interest on the Senior Notes	The Senior Notes will bear interest on their Principal Amount Outstanding from (and including) the Issue Date until final redemption or cancellation as provided for in Condition 8 (*Redemption, Purchase and Cancellation*). The rate of interest applicable to the Senior Notes will be a floating rate equal to EURIBOR (as determined in accordance with the Conditions) plus a margin of 0.95 per cent. per annum, provided that (i) if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero), and (ii) the floating rate of interest on the Senior Notes shall not be higher than 4.50 per cent. per annum. Interest in respect of the Senior Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest on the Senior Notes will be due on the Payment Date falling in October 2019 in respect of the period from (and including) the Issue Date up to (but excluding) such date.
Interest and Variable Return on the Junior Notes	The rate of interest applicable to the Junior Notes will be a fixed rate equal to 3.00 per cent. per annum. Interest in respect of the Junior 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 Junior Notes will be due on the Payment Date falling in October 2019 in respect of the period from (and including) the Issue Date up to (but excluding) such date.

In addition, a Variable Return may be payable on the Junior Notes in Euro on each Payment Date in accordance with the applicable Priority of Payments. The Variable Return will be equal to any Issuer Available Funds remaining after making all payments due under items from (a) (*First*) to (j) (*Tenth*) (inclusive) of the Pre-Enforcement Priority of Payments or from (a) (*First*) to (h) (*Eighth*) (inclusive) of the Post-Enforcement Priority of Payments, as the case may be, and may be equal to 0 (zero).

Save for the rate of interest applicable to the Junior Notes and the Variable Return payable on the Junior Notes, the Junior Notes Conditions are substantially the same as the Senior Notes Conditions.

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 will be issued in bearer form (*al portatore*) and held in dematerialised form (*in forma dematerializzata*) on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with article 83-*bis* of the Financial Laws Consolidated Act, through the authorised institutions listed in article 83-*quarter* of the Financial Laws Consolidated Act. 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 entry in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidated Act; and (ii) Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes.

Status

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited to the Issuer Available Funds available to make such payments in accordance with the applicable Priority of Payments and Condition 9 (*Non Petition and Limited Recourse*).

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person.

Ranking and Subordination

Both prior and following the service of a Trigger Notice, in respect of the obligations of the Issuer to pay interest and repay principal on the Notes:

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

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

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

Withholding on the Notes

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

For further details, see the section headed "*Taxation*".

Final Redemption

The Notes are due to be repaid in full at their Principal Amount Outstanding (together with interest accrued but unpaid thereon) on the Payment Date falling in April 2062 (the **Final Maturity Date**).

The Issuer may not redeem the Notes in whole or in part prior to that date except as provided in Condition 8.2 (*Mandatory Redemption*), Condition 8.3 (*Optional Redemption*) and Condition 8.4 (*Redemption for Taxation*), but without prejudice to Condition 13 (*Trigger Events*).

Cancellation

The Notes will be cancelled on the earlier of:

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

(b) the Final Maturity Date; and

(c) the date on which the Representative of the Noteholders has given notice in accordance with Condition 16 (*Notices*) that it has determined, in its sole opinion, on the basis of the information received from the Servicer, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio (whether arising from judicial enforcement

proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents,

(the applicable date of cancellation, the **Cancellation Date**).

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 provisions of the Terms and Conditions, in each case if and to the extent that, on such date, there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes in accordance with the applicable Priority of Payments, provided that, prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*), the Class A Notes shall be redeemed only up to the Class A Notes Redemption Amount.

Optional Redemption

Unless previously redeemed in full and provided that no Trigger Notice has been served, the Issuer may at its option, having given not less than 30 (thirty) days' prior written notice to the Representative of the Noteholders (with copy to the Servicer, the Computation Agent and the Rating Agencies) and to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable), redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding, together with interest accrued but unpaid thereon, up to (and including) the date fixed for redemption, in accordance with Condition 8.3 (*Optional Redemption*), on any Payment Date falling after the Payment Date on which the Outstanding Senior Notes Ratio is equal to or lower than 10 (ten) per cent.

On or prior to the delivery of the notice of redemption referred to above, the Issuer shall provide evidence satisfactory to the Representative of the Noteholders that the Issuer will have the necessary funds (not subject to the interests of any other person) to discharge at least all of its outstanding liabilities in respect of the Senior Notes and any amount required to be paid, according to the applicable Priority of Payments, in priority to or *pari passu* with the Senior Notes.

The Issuer may obtain the necessary funds in order to effect the above optional redemption of the Notes, in accordance with Condition 8.3 (*Optional Redemption*), through the sale of the Portfolio subject to the terms and conditions of the Intercreditor Agreement (for further details, see the section headed "*Description of the Intercreditor Agreement*"). The relevant sale proceeds shall form part of the Issuer Available Funds.

Redemption for Taxation

Provided that no Trigger Notice has been served, if the Issuer at any time provides evidence satisfactory to the Representative of the Noteholders, immediately prior to giving the notice referred to below, that on the next Payment Date:

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

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

then the Issuer may at its option, on any such Payment Date at its option having given not less than 30 (thirty) days' prior written notice to the Representative of the Noteholders (with copy to the Servicer, the Computation Agent and the Rating Agencies) and to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable), redeem the Notes of the Affected Class (if the Affected Class is the Senior Notes, in whole but not in part or, if the Affected Class is the Junior Notes, in whole or in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to (and including) the relevant Payment Date, in accordance with Condition 8.4 (*Redemption for Taxation*).

Following the occurrence of a Tax Event, the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Portfolio, or any part thereof, to finance the early redemption of the Notes in accordance with Condition 8.4 (*Redemption for Taxation*), subject to the terms and conditions of the Intercreditor Agreement (for further details, see the section headed "*Description of the Intercreditor Agreement*"). The relevant sale proceeds shall form part of the Issuer Available Funds.

Estimated Weighted Average Life of the Senior Notes

The actual average life of the Senior Notes cannot be stated, as the actual rate of repayment of the Mortgage Loans and a number of other relevant factors are unknown. However, calculations of the possible average life of the Senior Notes can be made based on certain assumptions as described in this Prospectus. For further details, see the section headed "*Estimated Weighted Average Life of the Senior Notes*".

No assurance can be given that such assumptions and estimates will be accurate and, therefore, calculations as to the estimated weighted average life of the Senior Notes must be viewed with considerable caution.

Source of Payments of the Notes

The principal source of payment of interest and of repayment of principal on the Notes, as well as payment of Variable Return (if any) on the Class B Notes, will be the Collections made in respect of the Receivables arising out of the Mortgage Loans comprised in the Portfolio purchased by the Issuer from the Originator pursuant to the Transfer Agreement.

Segregation of the Portfolio

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

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

Limited Recourse Obligations of Issuer

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

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

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

(c) upon the Representative of the Noteholders giving notice in accordance with Condition 16 (*Notices*) that it has determined, in its sole opinion, on the basis of the information received from the Servicer, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

Non Petition

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

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

(b) until the date falling 2 (two) years and one day

after the date on which all the Notes, all the Previous Notes and any other notes issued in the context of any other securitisation carried out by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Noteholders and only if the representatives of the noteholders of the Fourth Previous Securitisation and any Further Securitisations have been so directed by an extraordinary resolution of the noteholders under the relevant securitisation transaction) is entitled to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

(c) no Noteholder (nor any person on its behalf) shall be entitled to take or join in the taking of any corporate action, legal proceeding or other procedure or step that would result in the Priority of Payments not being complied with.

The Organisation of the Noteholders and the Representative of the Noteholders

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

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

Approval, listing and admission to trading

Application has been made to the CSSF, in its capacity as competent authority under the Luxembourg Act, for the approval of this Prospectus for the purposes of the Prospectus Directive and the relevant implementing measures in Luxembourg. Application has also been made to the Luxembourg Stock Exchange for the Senior Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the regulated market "Bourse de Luxembourg", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. By approving this Prospectus, the CSSF shall give no undertaking as to the economic or financial opportuneness of the transaction or the quality and solvency of the Issuer.

Any information in this Prospectus regarding the Class B Notes is not subject to the CSSF's approval. The Class B Notes are not being offered pursuant to this Prospectus and no application has been made or will be made to list the Class B Notes on any stock exchange.

This Prospectus will be published on the website of the Luxembourg Stock Exchange (being, as at the date of this Prospectus, *www.bourse.lu*).

Rating

The Senior Notes are expected, on issue, to be assigned the following ratings: (i) "AA3 (sf)" by Moody's Investors Service Inc. (**Moody's**), and (ii) "AA (sf)" by S&P Global Ratings Europe Limited, Italy Branch (**S&P** and, together with Moody's, the **Rating Agencies**). The Class B Notes are not expected to be assigned any credit rating.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended (the **CRA Regulation**). As of the date of this Prospectus, each of the Rating Agencies is established in the European Union and is registered under the CRA Regulation, as evidenced in the latest update of the list published by the European Security and Markets Authority on its website (being, as at the date of this Prospectus, www.esma.europa.eu).

The Junior Notes will not be assigned any credit rating.

STS-securitisation

The Securitisation is intended to qualify as a simple, transparent and standardised securitisation (**STS-securitisation**) within the meaning of article 18 of Regulation (EU) no. 2402 of 12 December 2017 (the **EU Securitisation Regulation**). Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the EU Securitisation Regulation and may, after the Issue Date, be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation. The Originator has used the service of Prime Collateralised Securities (PCS) UK Limited (**PCS**) as a verification agent authorised under article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the EU Securitisation Regulation (the **STS Verification**) and to prepare an assessment of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the **STS Assessments**). It is expected that the STS Assessments prepared by PCS will be available on the

PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the EU Securitisation Regulation as at the date of this Prospectus at any point in time in the future**. None of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the EU Securitisation Regulation at any point in time in the future.

Governing Law — The Notes will be governed by Italian law.

Purchase of the Notes — The Issuer may not purchase any Notes at any time.

Selling restrictions — There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof.

For further details, see the section headed "*Subscription and Sale*".

4. ACCOUNTS

Collection Account — The Issuer has established with the Account Bank the Collection Account, into which the Servicer shall transfer on a daily basis all the amounts received or recovered from the Debtors.

Payments Account — The Issuer has established with the Account Bank the Payments Account, into which all amounts due to the Issuer under any of the Transaction Documents (other than the Collections) will be paid.

Cash Reserve Account — The Issuer has established with the Account Bank the Cash Reserve Account, for the deposit:

(a) on the Issue Date, of the Cash Reserve Initial Amount; and

(b) thereafter, on each Payment Date until the earlier of (i) the Final Maturity Date, (ii) the Payment Date following the service of a Trigger Notice, and (iii) the Payment Date on which the Class A Notes (after having applied all the Issuer Available Funds relating to such Payment Date, including, for the avoidance of doubt, those under item (c) of the definition of Issuer Available Funds) will be redeemed in full or cancelled, of the Required Cash Reserve Amount in accordance with the Pre-Enforcement Priority of Payments.

Expense Account

The Issuer has established with Banca Monte dei Paschi di Siena S.p.A. the Expense Account, into which, on the Issue Date, the Retention Amount will be credited.

The amounts standing to the credit of the Expense Account will be used to pay, during each Interest Period, the Expenses falling due in the relevant Interest Period and, after the Payment Date on which the Notes will be redeemed in full or cancelled, any known Expenses not yet paid and any Expenses falling due after such Payment Date.

To the extent that the amount standing to the credit of the Expense Account on any Payment Date is lower than the Retention Amount, the Issuer shall credit available amounts to the Expense Account to bring the balance of the Expense Account up to (but not exceeding) the Retention Amount in accordance with the relevant Priority of Payments.

Quota Capital Account

The Issuer has established with Banca Monte dei Paschi di Siena S.p.A. the Quota Capital Account for the deposit of the Issuer's quota capital.

Investment Account(s)

The Issuer may establish with an Investment Account Bank one or more Investment Account(s) for the purposes of making Eligible Investments.

For further details, see the section headed "*The Accounts*".

5. CREDIT STRUCTURE

Portfolio

The Receivables purchased by the Issuer pursuant to the Transfer Agreement arise out of a portfolio of performing (*in bonis*) residential Mortgage Loans deriving from Mortgage Loan Agreements, entered into by the Originator with its debtors, which qualify as *mutui fondiari* (medium-long term loans secured by mortgages on real estate assets disbursed by a bank in accordance with article 38 and following of the Consolidated Banking Act).

Issuer Available Funds

The Issuer Available Funds means, in respect of any Payment Date, the aggregate amounts (without double counting) of:

(a) all Collections received or recovered in respect of the Receivables during the immediately preceding Quarterly Collection Period (but excluding any Collection to be applied towards repayment of any Limited Recourse Loan advanced by the Originator pursuant to the Warranty and Indemnity Agreement);

(b) any other amount received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period (including, for the avoidance of doubt, any

adjustment of the Purchase Price paid to the Issuer pursuant to the Transfer Agreement, any proceeds deriving from the repurchase of individual Receivables pursuant to the Intercreditor Agreement and the proceeds of any Limited Recourse Loan advanced or indemnity paid by the Originator pursuant to the Warranty and Indemnity Agreement);

(c) all amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date after making payments due under the Pre-Enforcement Priority of Payments on that date (or, in respect of the First Payment Date, the Cash Reserve Initial Amount);

(d) any interest paid on the amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period (net of any applicable withholding or expenses);

(e) all amounts on account of interest, premium or other profit received, up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments (if any) made in accordance with the Cash Allocation, Management and Payment Agreement using funds standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period;

(f) all amounts received from any sale of the Portfolio (in whole or in part) following the service of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*);

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

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

provided that, prior to the service of a Trigger Notice or the redemption of the Notes in Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), if the Servicer fails to deliver

the Quarterly Servicer's Report to the Computation Agent in a timely manner in accordance with the provisions of the Cash Allocation, Management and Payment Agreement, only a portion of the Issuer Available Funds corresponding to the amounts necessary to make payments under items from (a) (*First*) to (c) (*Third*) (inclusive) of the Pre-Enforcement Priority of Payments will be applied in accordance with the Pre-Enforcement Priority of Payments.

Trigger Events

The occurrence of any of the following events will constitute a **Trigger Event**:

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

(i) any amount of interest due on the Senior Notes, provided that such default remains unremedied for 5 (five) Business Days; or

(ii) any amount of principal due on the Senior Notes on the Final Maturity Date, provided that such default remains unremedied for 5 (five) Business Days; or

(iii) any amount of principal due and payable on the Senior Notes on any Payment Date prior to the Final Maturity Date (to the extent the Issuer has sufficient Issuer Available Funds to make such repayment of principal in accordance with the applicable Priority of Payments), provided that such default remains unremedied for 5 (five) Business Days (it being understood that, prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), if the Servicer fails to deliver the Quarterly Servicer's Report to the Computation Agent in a timely manner in accordance with the provisions of the Cash Allocation, Management and Payment Agreement, no amount of principal will be due and payable in respect of the Notes); or

(b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in paragraph (a) above) which is, in the sole opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders

having given written notice thereof to the Issuer requiring the same to be remedied (except where, in the opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 (thirty) days will be given); or

(c) *Breach of representations and warranties by the Issuer*: any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party is, or proves to have been, incorrect or erroneous (in any respect deemed to be material by the Representative of the Noteholders) when made or repeated, unless it has been remedied within 15 (fifteen) days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where, in the sole opinion of the Representative of the Noteholders, such breach is not capable of remedy in which case no term of 15 (fifteen) days 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 (in any respect deemed to be material by the Representative of the Noteholders) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party.

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

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

(ii) in the case of a Trigger Event under paragraph (b) or (c) above, may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders),

serve a Trigger Notice on the Issuer (with copy to the Servicer, the Computation Agent and the Rating Agencies). Upon the service of a Trigger Notice, the Notes shall (subject to Condition 9 (*Non Petition and Limited Recourse*)) become immediately due and repayable at their Principal Amount Outstanding, together with any accrued but unpaid interest thereon, without any further action, notice or formality, and the Issuer Available Funds shall be applied in accordance with the Post-Enforcement Priority of Payments.

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

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

Pre-Enforcement Priority of Payments

Prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*), 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):

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

(b) *Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders, the Account Bank, the Investment Account Bank (if any) the Computation Agent, the Paying Agent, the Cash Manager (if any), the Corporate Servicer, the Back-Up Servicer and the Servicer;

(c) *Third*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class A Notes;

(d) *Fourth*, to credit to the Cash Reserve Account an amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the

Required Cash Reserve Amount;

(e) *Fifth*, to repay, *pari passu* and *pro rata*, principal on the Class A Notes up to (but not exceeding) the Class A Notes Redemption Amount;

(f) *Sixth*, if a Cash Trapping Condition is met in respect of the relevant Payment Date, to repay, *pari passu* and *pro rata*, principal on the Class A Notes until the Class A Notes are redeemed in full;

(g) *Seventh*, to pay any amount due and payable to the Originator as Adjustment Purchase Price pursuant to the Transfer Agreement;

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

(i) *Ninth*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class B Notes;

(j) *Tenth*, subject to the Class A Notes having been redeemed in full, to repay, *pari passu* and *pro rata*, principal on the Class B Notes (in the case of all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class B Notes not lower than Euro 1,000); and

(k) *Eleventh*, subject to the Class A Notes having been redeemed in full and the payment in full of any other amount due under the items above, to pay, *pari passu* and *pro rata*, the Variable Return (if any) on the Class B Notes.

The Issuer shall, if necessary, pay the Expenses during any Interest Period using the amounts standing to the credit of the Expense Account.

Post-Enforcement Priority of Payments

Following the service of a Trigger Notice or in case of redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*), 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):

(a) *First*, (i) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the

Expense Account have been insufficient to pay such Expenses during the immediately preceding Interest Period), and (ii) to credit to the Expense Account such an amount necessary to bring the balance of the Expense Account up to (but not exceeding) the Retention Amount;

(b) *Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders, the Account Bank, the Investment Account Bank (if any) the Computation Agent, the Paying Agent, the Cash Manager (if any), the Corporate Servicer, the Back-Up Servicer and the Servicer;

(c) *Third*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class A Notes;

(d) *Fourth*, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class A Notes until the Class A Notes are redeemed in full;

(e) *Fifth*, to pay any amount due and payable to the Originator as Adjustment Purchase Price pursuant to the Transfer Agreement;

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

(g) *Seventh*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class B Notes;

(h) *Eighth*, subject to the Class A Notes having been redeemed in full, to repay, *pari passu* and *pro rata*, principal on the Class B Notes (in the case of all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class B Notes not lower than Euro 1,000);

(i) *Ninth*, subject to the Class A Notes having been redeemed in full and the payment in full of any other amount due under the items above, to pay, *pari passu* and *pro rata*, the Variable Return (if any) on the Class B Notes.

The Issuer shall, if necessary, pay the Expenses during any Interest Period using the amounts standing to the credit of the Expense Account.

6. REPORTS

Monthly Servicer's Report

Under the Servicing Agreement, the Servicer has undertaken to prepare, on each Monthly Servicer's Report Date, the Monthly Servicer's Report setting out information on the performance of the Portfolio during the immediately preceding Monthly Collection Period.

Quarterly Servicer's Report

Under the Servicing Agreement, the Servicer has undertaken to prepare, on each Quarterly Servicer's Report Date, the Quarterly Servicer's Report setting out information on the performance of the Portfolio during the immediately preceding Quarterly Collection Period.

Loan by Loan Report

Under the Servicing Agreement, the Servicer has undertaken to prepare, on a quarterly basis, by no later than one month after each Payment Date, the Loan by Loan Report setting out information relating to each Mortgage Loan in respect of the immediately preceding Quarterly Collection Period (including, *inter alia*, the information related to the environmental performance of the Real Estate Assets (if available)), in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

Account Bank Report

Under the Cash Allocation, Management and Payment Agreement, the Account Bank has undertaken to prepare, on each Account Bank Report Date, the Account Bank Report setting out information concerning the transfers and the balances relating to the Accounts held with it.

Paying Agent Report

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

Payments Report

Under the Cash Allocation, Management and Payment Agreement, the Computation Agent has undertaken to prepare, on or prior to each Calculation Date before the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), the Payments Report setting out, *inter alia*, the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the Pre-Enforcement Priority of Payments.

Post-Enforcement Report

Under the Cash Allocation, Management and Payment Agreement, the Computation Agent has undertaken to prepare, on or prior to each Calculation Date following the service of a Trigger Notice or in case of redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), the Post-Enforcement Report setting out, *inter alia*, the Issuer Available Funds and each of the payments and

	allocations to be made by the Issuer on the next Payment Date, in accordance with the Post-Enforcement Priority of Payments.
Investors Report	Under the Cash Allocation, Management and Payment Agreement, the Computation Agent has undertaken to prepare, on or prior to each Investors Report Date, the Investors Report setting out certain information with respect to the Notes (including, *inter alia*, the events which trigger changes in the Priorities of Payments), in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards.
Inside Information Report	Under the Servicing Agreement, the Servicer has undertaken to prepare, without undue delay, the Inside Information Report setting out the information under letter f) of article 7(1) of the EU Securitisation Regulation, in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards.
Surveillance Report	Under the Intercreditor Agreement, the Servicer has undertaken to give the appropriate information and take the relevant actions to put the Rating Agencies involved in the Securitisation in a position to be able to publish regular Surveillance Reports for the Senior Notes on periodical basis in compliance with the European Central Bank requirements.
Reporting Entity	Under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that the Originator 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, the Originator shall fulfil the information requirements pursuant to points (a), (b), (d), (e) and (f) of the first subparagraph of article 7(1) of the EU Securitisation Regulation by making available the relevant information through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu).
Material net economic interest in the Securitisation	Under the Junior Notes Subscription Agreement, BPPB has undertaken to retain, on an on going basis, a material net economic interest which, in any event, shall not be less than 5 per cent. in the Securitisation in accordance with article 6 of the EU Securitisation Regulation and the applicable Regulatory Technical Standards. As at the Issue Date, such interest will consist of the retention by BPPB of the Junior Notes.in accordance with option (d) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards. After the Issue Date, under the Intercreditor Agreement BPPB has undertaken to prepare:

(a) until it acts as a Servicer, Quarterly Servicer's Reports, or

(b) in the event that its appointment as Servicer is terminated, quarterly reports,

in which information regarding to the Receivables will be disclosed publicly together with an overview of the retention of material net economic interest by BPPB with a view to complying with the disclosure duties specified in article 7(1)(e)(iii) of the EU Securitisation Regulation and in the applicable Regulatory Technical Standards.

For further details see the sections headed "*Subscription and Sale*" and "*Compliance with STS requirements*".

7. TRANSFER AND ADMINISTRATION OF THE PORTFOLIO

Transfer of the Portfolio

Pursuant to the Transfer Agreement, the Originator assigned and transferred to the Issuer the Portfolio. The Portfolio has been assigned and transferred to the Issuer without recourse (*pro soluto*), in accordance with the Securitisation Law and subject to the terms and conditions thereof.

The Receivables comprised in the Portfolio have been selected on the basis of the Criteria set forth in the Transfer Agreement.

The Purchase Price for the Portfolio will be payable by the Issuer on the Issue Date using the net proceeds from the issue of the Notes.

For further details, see the sections headed "*The Portfolio*" and "*Description of the Transfer Agreement*".

Warranties in relation to the Portfolio

Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, the Receivables, the Portfolio, the Mortgage Loan Agreements, the Real Estate Assets and the Collateral Securities and has agreed to grant a Limited Recourse Loan or indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Portfolio.

For further details, see the section headed "*Description of the Warranty and Indemnity Agreement*".

Servicing Agreement

Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to administer and service the Receivables comprised in the Portfolio on behalf of the Issuer and, in particular:

(a) to collect and recover amounts due in respect

thereof;

(b) to administer relationships with the Debtors; and

(c) to carry out, on behalf of the Issuer, certain activities in relation to the Receivables in accordance with the Servicing Agreement and the Credit and Collection Policies.

In particular, the Servicer will be the entity responsible for the collection of the assigned receivables and the cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) pursuant to article 2, paragraphs 3(c) and 6, of the Securitisation Law and it has undertaken to verify that the operations comply with the law and this Prospectus, in accordance with article 2, paragraph 6-*bis*, of the Securitisation Law.

For further details, see the section headed "*Description of the Servicing Agreement*".

Back-Up Servicing Agreement

Pursuant to the terms of the Back-Up Servicing Agreement, the Back-Up Servicer has undertaken to promptly replace BPPB as Servicer in case of termination of the appointment of BPPB as Servicer pursuant to the Servicing Agreement.

For further details, see the section headed "*Description of the Back-Up Servicing Agreement*".

8. OTHER TRANSACTION DOCUMENTS

Intercreditor Agreement

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

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

For further details, see the section headed "*Description of the Intercreditor Agreement*".

Cash Allocation, Management and Payment Agreement

Pursuant to the Cash Allocation, Management and Payment Agreement, the Computation Agent, the Account Bank and the Paying Agent have agreed to provide the Issuer with certain agency services and certain calculation, notification

	and reporting services together with account handling, investment and cash management services in relation to monies and securities from time to time standing to the credit of the Accounts. For further details, see the section headed "*Description of the Cash Allocation, Management and Payment Agreement*".
Mandate Agreement	Pursuant to the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served or following failure by the Issuer to exercise its rights under the Transaction Documents, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party. For further details, see the section headed "*Description of the Mandate Agreement*".
Letter of Undertakings	Pursuant to the Letter of Undertakings, the Sole Quotaholder has given certain undertakings in relation to the management of the Issuer and the exercise of its rights as Sole Quotaholder of the Issuer. For further details, see the section headed "*Description of the Letter of Undertakings*".
Corporate Services Agreement	Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide the Issuer with certain corporate administrative services, including the maintenance of corporate books and of accounting and tax registers, in compliance with reporting requirements relating to the Receivables and with other regulatory requirements imposed on the Issuer. For further details, see the section headed "*Description of the Corporate Services Agreement*".

THE PORTFOLIO

The Portfolio comprises debt obligations arising out of residential mortgage loans (*mutui fondiari residenziali*) entered into by BPPB with their relevant debtors classified as performing by the Originator. The information relating to the Portfolio contained in this Prospectus is, unless otherwise specified, a description of the Portfolio as at 28 February 2019 (the **Valuation Date**).

The Receivables do not consist, in whole or in part, actually or potentially, of tranches of other asset-backed securities or of credit-linked notes, swaps or other derivatives instruments, or synthetic securities. The Portfolio does not comprise structured, syndicated or leveraged loans.

The Mortgage Loans

As at the Valuation Date, the Portfolio comprised debt obligations owed by 6,051 Debtors under 6,083 Mortgage Loans. All the Mortgage Loan Agreements are governed by Italian law.

The Receivables have been transferred to the Issuer pursuant to the terms of the Transfer Agreement, together with the Collateral Securities. The Outstanding Principal of the Portfolio as at the Valuation Date was equal to €500,937,800.27.

The Insurance Policies

The Debtors can enter into the following Insurance Policies in respect of the Real Estate Assets or the Mortgage Loans.

Mandatory Insurance Policies

All Mortgage Loan Agreements provide that the relevant Real Estate Asset must be covered by an Insurance Policy issued by a leading insurance company approved by the Originator.

In particular, such mandatory Insurance Policies shall cover the risk of damages to the Real Estate Assets caused by fire, explosion, lightning explosion and any actions for restitution by legitimate heirs (in the case of Real Estate Assets from donation).

As of the date of this Prospectus, each Debtor executed a mandatory Insurance Policy in respect of the relevant Real Estate Asset and such mandatory Insurance Policy is valid and binding.

Optional Insurance Policies

In addition to mandatory Insurance Policies, the Debtors have the option to enter into Insurance Policies covering the risk of death, permanent total disability, temporary total disability and loss of employment. The execution of such optional Insurance Policies is not a condition precedent for the granting of the relevant Mortgage Loan by the Originator.

Eligibility criteria for the Portfolio

All the Receivables comprised in the Portfolio purchased by the Issuer from BPPB pursuant to the Transfer Agreement arise from Mortgage Loans which, as at the Valuation Date (save as otherwise specified), were owned by BPPB and met the following Criteria:

(a) have been granted exclusively by BPPB, as lender;

(b) have been granted, as provided for by the relevant Mortgage Loan Agreement, pursuant to articles 38 and subsequent of the Consolidated Banking Act;

(c) have not been granted and entered into pursuant to any law or regulation which provides for (i) any advantageous financial terms and conditions (*mutui agevolati*), (ii) public financial contributions of any kind, (iii) discounts pursuant to the law, (iv) provisions which result in advantageous repayment terms or reductions of payment for the Debtors, the Mortgagors or the Guarantors in relation to the principal and/or the interest;

(d) have been drawn-down in full pursuant to the relevant Mortgage Loan Agreement and in respect of which the Debtors do not have any right to further disbursements pursuant to the relevant Mortgage Loan Agreement;

(e) the real estate asset(s) granting the repayment of the relevant Mortgage Loan has/have been classified in one of the following cadastral categories: "A1", "A2", "A3", "A4", "A5", "A6", "A7", "A8", or "A11";

(f) are secured by an "economic" first ranking priority mortgage (ie Mortgage Loans in respect of which there are no further mortgages granted on the relevant Real Estate Assets in favour of third parties ranking equal or in priority with respect to the rank of the relevant Mortgage or, if such mortgages exists, the relevant debt has been paid (as documented by the relevant Debtor) or a consent to the cancellation of the previous mortgage has been obtained (as documented by the relevant Debtor) or the Debtor has given to BPPB an irrevocable mandate in order to extinguish the previous mortgage debt);

(g) as at the relevant draw-down date, were secured by a Mortgage registered for a value equal to at least 140 per cent. of the amount advanced pursuant to the relevant Mortgage Loan Agreements;

(h) in respect of which at least one instalment is past due and has been paid as at 31 January 2019;

(i) in respect of which no more than one instalment past due was unpaid;

(j) in respect of which the Outstanding Principal is not lower than Euro 30,000.00 as at 31 January 2019;

(k) according to the redemption plan attached to the relevant Mortgage Loan Agreement, the relevant amortisation starts not after the Valuation Date;

(l) in respect of which the payment date of the last instalment, according to the relevant redemption plan attached to the relevant Mortgage Loan Agreement, is scheduled on or after 30 November 2019;

(m) in respect of which the relevant Debtor (in accordance with the classification criteria of the Bank of Italy defined in the Circular no. 140 of 11 February 1991, as amended from time to time) falls within one of the categories identified by the following SAE Activity Codes (*Codici Attività SAE*): (ii) 600 (*Famiglie consumatrici*), (ii) 614 (*Artigiani*) or (iii) 615 (*Altre famiglie produttrici*);

(n) in respect of which the relevant Debtor is not a director, a member of the board of auditors, and/or an employee (including, without limitation, managers and officers) of BPPB;

(o) in respect of which, as at 31 January 2019, no suspension of payments has been granted to the relevant Debtor pursuant to:

(i) article 2, paragraph 475-480 of Law 24 December 2007, no. 244 (*Legge Finanziaria 2008*) as amended by Law 28 January 2012, no. 92 (*Disposizioni in materia di riforma del mercato del lavoro in una prospettiva di crescita*) and Ministerial Decree 21 January 2010, no. 132 (*Regolamento recante norme di attuazione del Fondo di solidarietà per i mutui per l'acquisto della prima casa*), as amended by Law Decree 22 February 2013, no. 37

(*Regolamento recante modifiche al decreto 21 giugno 2010, n. 132 concernente norme di attuazione del Fondo di solidarietà per i mutui per l'acquisto della prima casa*);

(ii) the convention entered into on 31 March 2015 between ABI (*Associazione Bancaria Italiana*) and the *Associazioni dei Consumatori*, as extended on 21 November 2017; or

(iii) a specific written agreement entered into between the relevant Debtor and the Originator;

(p) which have been granted to the relevant Debtors for one of the following purposes (ad indicated in the documentation related to the loan: (i) construction of non-main houses (*abitazioni non principali*), (ii) other investments or acquisition of non-main family houses (*abitazioni familiari non principali*), (iii) other investments or acquisition of non-main houses (*abitazioni non principali*); (iv) construction of main houses (*abitazioni principali*), (v) other investments or acquisition of family main houses (*abitazioni familiari principali*) and (vi) other investments or acquisition of main houses (*abitazioni principali*);

(q) in the relevant Mortgage Loan Agreement there is not provision requesting a guarantee to be granted by Consap S.p.A..

The transfer of the Receivables from BPPB to the Issuer has been (a) registered on the companies' register of Treviso-Belluno on 18 March 2019; and (b) published in the Official Gazette no. 34 of 21 March 2019.

Other features of the Portfolio

Under the Warranty and Indemnity Agreement, the Originator has represented and warranted that:

(a) all Mortgage Loan Agreements are denominated in Euro and do not contain provisions which allow for the conversion into another currency;

(b) as at the Valuation Date and as at the Transfer Date, the rates of interest applicable to the Mortgages Loans are (i) fixed or (ii) floating (with or without a cap) indexed to Euribor, as indicated in the relevant Mortgage Loan Agreements;

(c) as at the Valuation Date and as at the Transfer Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of the Originator's knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables under the Transfer Agreement (article 20(6) of the EU Securitisation Regulation), and is freely transferable to the Issuer. The Originator is the current beneficiary of the Collateral Securities.

(d) All the Mortgage Loans provide for a repayment through constant instalments payable monthly, quarterly, semi-annually or annually as determined in the relevant Mortgage Loan Agreement (article 20(13) EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

(e) The Receivables have been originated by the Originator in the ordinary course of its business; BPPB has a more than 5 (five) year-expertise in originating exposures of a similar nature to the Receivables (article 20(10) EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

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

(g) BPPB has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC (article 20(10) EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

(h) As at the Valuation Date and 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 (article 20(8) EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

(i) As at the Valuation Date and as at the Transfer Date, the Portfolio does not comprise (i) any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU (article 20(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria), (ii) any securitisation positions, pursuant (article 20(9) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria), nor (iii) any derivatives (article 21(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria) or (iv) loans that are marketed and underwritten on the premise that the loan applicant was made aware that the information provided by the loan applicant might not be verified by the Originator (article 9(2) of the EU Securitisation Regulation).

(j) As at the Valuation Date and as the Transfer Date, the Portfolio does not include Receivables qualified as exposure in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of the Originator's knowledge (article 20(11) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria):

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

(ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or

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

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

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

(i) the Receivables have been serviced by BPPB according to similar servicing procedures;

(ii) the Receivables arise from Mortgage Loans granted secured by one or more Mortgages over one or more Real Estate Assets and therefore fall in the asset category named "residential mortgages"; and

(iii) within the category "residential mortgages" pursuant to article 2(a) of the Regulatory Technical Standards on the homogeneity for the underlying exposure, the Receivables met the homogeneity factor provided for by article 3(c) of the Regulatory Technical Standards on the homogeneity for the underlying exposure, i.e. the Receivables are secured by Mortgages over Real Estate Assets located in the Republic of Italy.

Description of the Portfolio

The Portfolio had the following global characteristics as at the Valuation Date:

(a) the aggregate Outstanding Principal of the Receivables owed by the same Debtor is equal or lower than 0.16 per cent. of the aggregate Outstanding Principal of all the Receivables;

(b) the aggregate Outstanding Principal of the Receivables owed by the first ten Debtors (by Outstanding Principal) is equal to or lower than 1.22 per cent. of the aggregate Outstanding Principal of all the Receivables; and

(c) the Weighted Average Current Loan to Value of the Portfolio is equal to 51.81 per cent..

The following tables set out details of the Portfolio derived from information provided by BPPB as Originator and Servicer on behalf of the Issuer of the Receivables comprised in the Portfolio. The information in the following tables reflects the position as at the Valuation Date, unless otherwise specified.

PORTFOLIO OVERVIEW		
		%
Number of Loans (#)	6,083	
Number of Debtors (#)	6,051	
Total Original Principal (€)	698,017,503.10	
Total Outstanding Principal (€)	500,937,800.27	
Average Outstanding Principal (per loan) (€)	82,350.45	0.02%
Average Outstanding Principal (per debtor) (€)	82,785.95	0.02%
Portfolio Composition		
Fixed Rate Loans Outstanding Principal	262,051,436.29	52.31%
Floating Rate Loans Outstanding Principal	107,943,175.17	21.55%
Floating Rate Loans with Cap Outstanding Principal	130,943,188.81	26.14%
WA Interest Rate (for fixed rate loans) (%)	3.06%	
WA Margin (for floating rate loans)* (%)	1.92%	
WA Cap (for floating rate loans with Cap) (%)	6.14%	
WA Seasoning (years)	6.45	
Wa Residual Maturity (years)	16.02	
WA Original Loan to Value (%)**	62.10%	
WA Current Loan to Value (%)***	51.81%	
Geographic Distribution		
South	379,528,463.58	75.76%
North	76,434,106.83	15.26%
Centre	44,975,229.86	8.98%

Top 1 Debtor (€)	803,327.54	0.16%
Top 10 Debtor (€)	6,112,178.94	1.22%

* *Including floating rate loans with cap*

** *Original Principal weighted average of each Mortgage Loan Original Loan to Value (Mortgage Loan Original Principal/ initial valuation amount of properties guaranteeing the Mortgage Loan)*

*** *Outstanding Principal weighted average of each Mortgage Loan Current Loan to Value (Mortgage Loan Outstanding Principal/ current valuation amount of properties guaranteeing the Mortgage Loan)*

BREAKDOWN BY INTEREST RATE TYPE			
Interest Rate Type	#	€	%
Fixed Rate Loans	3,426	262,051,436.29	52.31%
Floating Rate Loans	1,038	107,943,175.17	21.55%
Floating Rate Loans with Cap	1,619	130,943,188.81	26.14%
Total	6,083	500,937,800.27	100.00%

BREAKDOWN BY CURRENT INTEREST RATE (FOR FIXED RATE LOANS)			
Current Interest Rate	#	€	%**
0%-1%	5	589,256.19	0.22%
1%-2%	512	38,392,242.56	14.65%
2%-3%	1,438	118,909,877.70	45.38%
3%-4%	609	48,563,637.48	18.53%
4%-5%	379	26,418,214.40	10.08%
5%-6%	389	23,439,350.45	8.94%
6%-7%	94	5,738,857.51	2.19%
Total	3,426	262,051,436.29	100.00%

** *Percentage on the fixed rate loans Outstanding Principal*

BREAKDOWN BY INTEREST RATE MARGIN (FOR FLOATING RATE LOANS)*			
Interest Rate Margin	#	€	%
0%-1%	125	13,160,343.54	5.51%
1%-2%	1,645	143,317,940.55	59.99%
2%-3%	572	56,323,349.07	23.58%
3%-4%	240	20,933,875.47	8.76%
4%-5%	75	5,150,855.35	2.16%
Total	2,657	238,886,363.98	100.00%

* *Including floating rate loans with cap*

** *Percentage on the floating rate loans Outstanding Principal*

BREAKDOWN BY ORIGINAL LOAN TO VALUE*			
Original Loan to Value	#	€	%
0%-9%	2	164,449.61	0.03%
10%-19%	70	3,363,731.41	0.67%
20%-29%	281	16,130,347.73	3.22%
30%-39%	559	36,148,795.23	7.22%

40%-49%	818	60,290,521.89	12.04%
50%-59%	876	67,757,364.83	13.53%
60%-69%	1,293	106,923,223.27	21.34%
70%-80%	2,184	210,159,366.30	41.95%
Total	6,083	500,937,800.27	100.00%

** Original Loan to Value calculated as Mortgage Loan Original Principal/ initial valuation amount of properties guaranteeing the Mortgage Loan)*

BREAKDOWN BY CURRENT LOAN TO VALUE*			
Current Loan to Value	#	€	%
0%-10%	35	1,496,157.44	0.30%
10%-20%	430	20,284,589.33	4.05%
20%-30%	851	46,683,347.50	9.32%
30%-40%	1,030	70,650,574.33	14.10%
40%-50%	996	81,326,367.66	16.23%
50%-60%	946	86,770,623.60	17.32%
60%-70%	960	99,870,515.32	19.94%
70%-80%	826	91,991,351.92	18.36%
80%-90%	9	1,864,273.17	0.37%
Total	6,083	500,937,800.27	100.00%

** Current Loan to Value calculated as Mortgage Loan Outstanding Principal/ current valuation amount of properties guaranteeing the Mortgage Loan*

BREAKDOWN BY SEASONING			
Years	#	€	%
0-2	1,115	98,919,579.30	19.75%
2-4	1,277	106,032,674.67	21.17%
4-6	277	21,808,744.62	4.35%
6-8	800	70,810,035.29	14.14%
8-10	949	83,553,606.85	16.68%
10-12	818	64,328,039.09	12.84%
12-14	599	43,125,530.27	8.61%
14-16	231	11,737,825.41	2.34%
16-18	16	584,750.05	0.12%
20-22	1	37,014.72	0.01%
Total	6,083	500,937,800.27	100.00%

BREAKDOWN BY ORIGINATION YEAR			
Year	#	€	%
1998	1	37,014.72	0.01%
2002	14	505,972.53	0.10%
2003	40	1,881,526.20	0.38%
2004	169	8,565,823.61	1.71%
2005	228	14,052,326.27	2.81%

2006	329	25,714,920.09	5.13%
2007	400	29,261,748.07	5.84%
2008	386	31,589,320.58	6.31%
2009	486	43,325,524.11	8.65%
2010	440	38,256,262.49	7.64%
2011	645	57,255,619.94	11.43%
2012	237	20,753,263.48	4.14%
2013	157	11,778,635.08	2.35%
2014	130	10,141,263.51	2.02%
2015	421	35,499,215.11	7.09%
2016	712	59,329,422.32	11.84%
2017	816	69,371,025.74	13.85%
2018	472	43,618,916.42	8.71%
Total	6,083	500,937,800.27	100.00%

BREAKDOWN BY RESIDUAL MATURITY			
Years	#	€	%
0-2	4	134,515.85	0.03%
2-4	153	6,593,372.79	1.32%
4-6	308	14,568,760.35	2.91%
6-8	670	36,980,949.45	7.38%
8-10	605	38,359,734.94	7.66%
10-12	620	43,211,306.44	8.63%
12-14	810	63,195,664.68	12.62%
14-16	407	34,608,906.04	6.91%
16-18	670	66,189,720.99	13.21%
18-20	694	67,385,710.51	13.45%
20-22	375	38,927,920.03	7.77%
22-24	373	42,248,570.35	8.43%
24-26	82	9,388,602.41	1.87%
26-28	146	18,018,324.22	3.60%
28-30	146	18,241,673.98	3.64%
30-32	12	1,994,880.81	0.40%
32-34	8	889,186.43	0.18%
Total	6,083	500,937,800.27	100.00%

BREAKDOWN BY ORIGINAL MATURITY			
Years	#	€	%
5-7	28	1,562,622.57	0.31%
7-9	77	3,822,150.12	0.76%
9-11	517	30,855,741.33	6.16%
11-13	110	7,316,224.70	1.46%
13-15	127	8,661,736.49	1.73%

15-17	969	61,831,948.40	12.34%
17-19	138	11,310,546.42	2.26%
19-21	1,455	114,153,120.72	22.79%
21-23	122	9,939,109.40	1.98%
23-25	109	10,651,811.08	2.13%
25-27	1,175	101,731,330.73	20.31%
27-29	74	8,060,481.03	1.61%
29-31	997	109,994,984.89	21.96%
31-33	88	9,678,566.13	1.93%
33-35	13	1,279,272.01	0.26%
35-37	26	2,869,154.22	0.57%
37-39	9	1,457,772.01	0.29%
39-41	44	5,170,320.64	1.03%
41-43	5	590,907.38	0.12%
Total	6,083	500,937,800.27	100.00%

BREAKDOWN BY MATURITY YEAR			
Year	#	€	%
2020	2	74,217.94	0.01%
2021	65	2,677,239.34	0.53%
2022	75	3,225,860.58	0.64%
2023	116	5,452,334.10	1.09%
2024	191	8,939,137.84	1.78%
2025	276	15,086,416.29	3.01%
2026	356	19,833,747.69	3.96%
2027	349	22,212,992.23	4.43%
2028	282	17,781,271.23	3.55%
2029	280	18,794,257.73	3.75%
2030	340	23,658,287.85	4.72%
2031	410	33,012,880.88	6.59%
2032	388	29,455,855.61	5.88%
2033	277	21,603,616.46	4.31%
2034	162	15,031,780.39	3.00%
2035	233	24,061,177.98	4.80%
2036	394	38,106,774.83	7.61%
2037	398	37,391,969.19	7.46%
2038	321	32,426,121.51	6.47%
2039	192	19,133,112.73	3.82%
2040	186	19,797,856.28	3.95%
2041	288	31,784,688.17	6.35%
2042	107	12,719,360.31	2.54%
2043	59	6,885,146.48	1.37%
2044	20	2,171,791.34	0.43%
2045	57	7,993,858.24	1.60%

2046	81	9,192,560.96	1.84%
2047	101	11,886,837.47	2.37%
2048	55	7,318,411.32	1.46%
2049	6	801,160.34	0.16%
2050	8	1,537,890.53	0.31%
2051	7	798,371.27	0.16%
2053	1	90,815.16	0.02%
Total	6,083	500,937,800.27	100.00%

BREAKDOWN BY OUTSTANDING PRINCIPAL			
€	#	€	%
0-50,000	1,684	66,996,112.42	13.37%
50,000-100,000	2,920	213,137,253.37	42.55%
100,000-150,000	1,032	124,068,722.69	24.77%
150,000-200,000	280	47,748,070.50	9.53%
200,000-250,000	81	18,067,588.78	3.61%
250,000-300,000	34	9,447,979.28	1.89%
300,000-350,000	21	6,770,085.20	1.35%
350,000-400,000	7	2,659,931.51	0.53%
400,000-450,000	11	4,583,551.65	0.91%
450,000-500,000	5	2,413,390.33	0.48%
500,000-550,000	2	1,044,439.36	0.21%
550,000-600,000	1	558,313.56	0.11%
600,000-650,000	2	1,279,641.21	0.26%
650,000-700,000	2	1,359,392.87	0.27%
800,000-850,000	1	803,327.54	0.16%
Total	6,083	500,937,800.27	100.00%

BREAKDOWN BY ORIGINAL PRINCIPAL			
€	#	€	%
0-100,000	2,882	155,181,305.97	30.98%
100,000-200,000	2,678	248,021,485.54	49.51%
200,000-300,000	376	56,323,030.91	11.24%
300,000-400,000	88	20,013,677.47	4.00%
400,000-500,000	23	6,023,609.29	1.20%
500,000-600,000	15	5,701,301.17	1.14%
600,000-700,000	14	5,491,804.43	1.10%
700,000-800,000	2	945,221.31	0.19%
800,000-900,000	1	645,953.74	0.13%
900,000-1,000,000	1	427,690.03	0.09%
1,000,000-1,100,000	2	1,359,392.87	0.27%
1,200,000-1,300,000	1	803,327.54	0.16%
Total	6,083	500,937,800.27	100.00%

BREAKDOWN BY REGION			
Region	#	€	%
South			
Puglia	4,013	308,850,314.30	61.65%
Campania	330	28,795,297.31	5.75%
Basilicata	343	24,730,210.61	4.94%
Abruzzo	182	13,526,469.38	2.70%
Molise	42	2,918,645.49	0.58%
Calabria	13	647,708.32	0.13%
Sicily	1	59,818.17	0.01%
South Total	4,924	379,528,463.58	75.76%
North			
Lombardy	369	40,370,792.65	8.06%
Veneto	241	25,744,730.96	5.14%
Emilia-Romagna	44	4,529,610.95	0.90%
Piedmont	44	3,302,497.82	0.66%
Friuli-Venezia Giulia	14	1,330,342.09	0.27%
Liguria	5	673,510.14	0.13%
Trentino-Alto Adige/Südtirol	5	482,622.22	0.10%
North Total	722	76,434,106.83	15.26%
Centre			
Lazio	320	33,060,742.15	6.60%
Marche	102	10,736,569.06	2.14%
Tuscany	14	1,090,064.10	0.22%
Umbria	1	87,854.55	0.02%
Centre Total	437	44,975,229.86	8.98%
Total	6,083	500,937,800.27	100.00%

TOP 20 DEBTORS		
Top Debtor	€	%*
Top 1	803,327.54	0.160%
Top 2	680,409.74	0.136%
Top 3	678,983.13	0.136%
Top 4	645,953.74	0.129%
Top 5	633,687.47	0.127%
Top 6	558,313.56	0.111%
Top 7	543,028.31	0.108%
Top 8	539,527.91	0.108%
Top 9	521,113.02	0.104%
Top 10	507,834.52	0.101%
Total Top 10	6,112,178.94	1.220%
Top 11	504,911.45	0.101%

Top 12	497,319.84	0.099%
Top 13	497,189.48	0.099%
Top 14	496,857.24	0.099%
Top 15	468,238.61	0.093%
Top 16	453,785.16	0.091%
Top 17	438,343.70	0.088%
Top 18	427,690.03	0.085%
Top 19	427,167.64	0.085%
Top 20	417,298.43	0.083%
Total Top 20	10,740,980.52	2.144%

** percentage on the total Outstanding Principal*

TOP 20 LOANS		
Top Loan	€	%*
Top 1	803,327.54	0.160%
Top 2	680,409.74	0.136%
Top 3	678,983.13	0.136%
Top 4	645,953.74	0.129%
Top 5	633,687.47	0.127%
Top 6	558,313.56	0.111%
Top 7	539,527.91	0.108%
Top 8	504,911.45	0.101%
Top 9	497,319.84	0.099%
Top 10	497,189.48	0.099%
Total Top 10	6,039,623.86	1.206%
Top 11	496,857.24	0.099%
Top 12	468,238.61	0.093%
Top 13	453,785.16	0.091%
Top 14	440,309.86	0.088%
Top 15	438,343.70	0.088%
Top 16	427,690.03	0.085%
Top 17	427,167.64	0.085%
Top 18	417,298.43	0.083%
Top 19	411,648.63	0.082%
Top 20	410,170.43	0.082%
Total Top 20	10,431,133.59	2.082%

** percentage on the total Outstanding Principal*

BREAKDOWN BY LOAN PURPOSE			
Purpose	#	€	%
Purchase	4,604	386,516,190.86	77.16%
Re-Mortgage	659	54,047,737.85	10.79%
Construction	820	60,373,871.56	12.05%
Total	6,083	500,937,800.27	100.00%

BREAKDOWN BY SAE*			
SAE	#	€	%
600	5,548	454,980,784.54	90.83%
614	148	11,310,416.41	2.26%
615	387	34,646,599.32	6.92%
Total	6,083	500,937,800.27	100.00%

** in the case of more than on debtor per loan, the SAE refers to the joint account*

Capacity to produce funds

In light of the above, the Receivables have characteristics that demonstrate capacity to produce funds to service any payments due under the Notes.

Pool Audit

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

BPPB

BPPB is a bank with registered office at Via Ottavio Serena, 13, Altamura (Bari), Italy, having the status of a limited liability joint-stock co-operative company (*società cooperativa a responsabilità limitata*), registered with the Register of Banks held by the Bank of Italy (*albo delle banche*) no. 05385.0 and not belonging to any banking group.

Share Capital

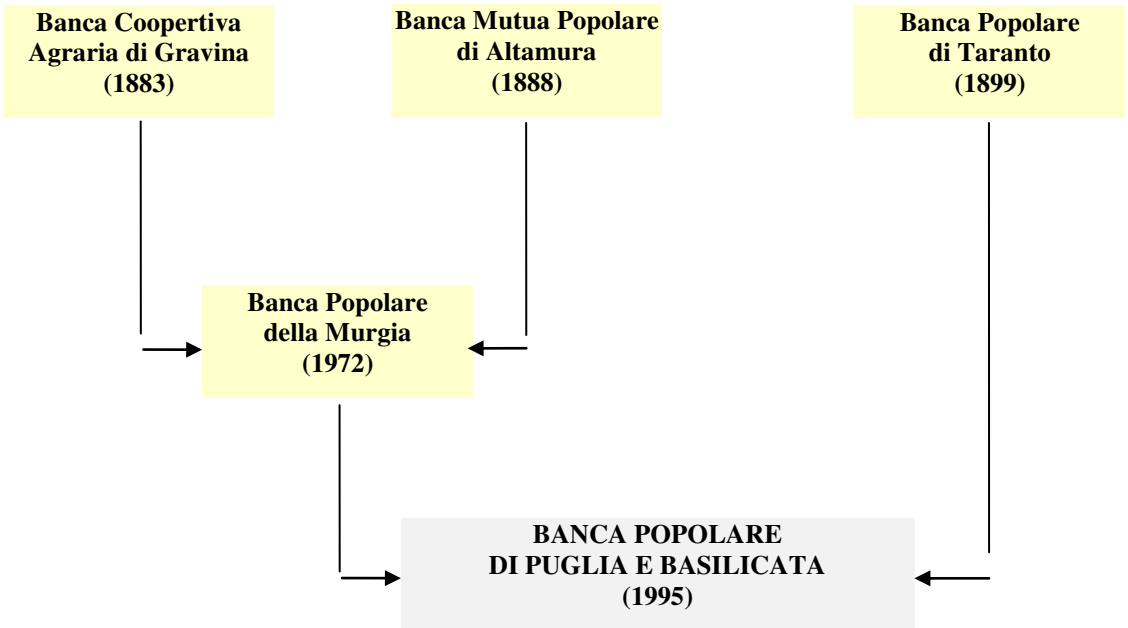
In accordance with current legislation and the Articles of Association, BPPB share capital is variable and consists of shares which can be issued without limit. As at 31 December 2018, BPPB's share capital was equal to Euro 152,862,588.

The ordinary shares are registered and indivisible and their joint ownership is not permitted. Each shareholder has the right to one vote, regardless of the number of shares held. Pursuant to Article 30 of the Consolidated Banking Act, the holding of shares – directly or indirectly – with a nominal value exceeding the limit established by law – currently equal to 1 per cent of the share capital – is not permitted.

As at 31 December 2018, the shareholders of the Bank are around 39,000. The status of shareholder is granted by registration on the shareholders book following a resolution of the Board of Directors.

Historical background

BPPB was created on 20 December 1995 as a result of the merger of two banks with strong local roots, Banca Popolare della Murgia and Banca Popolare di Taranto, as well as by the subsequent incorporation of numerous local banks. The Bank has over 130 years of history considering that Banca Cooperativa Agraria di Gravina, established in 1883, Banca Mutua Popolare Cooperativa di Altamura, established in 1888, and Banca di Credito Agricolo e Commerciale di Taranto, established in 1899, represent an important point of reference for the local communities of Altamura, Gravina and Taranto.



20 December 1995: BPPB was created from the merger of two banks strongly rooted in the territory, Banca Popolare della Murgia and Banca Popolare di Taranto (operating since 1883).

1996-2001: merger by incorporation of Banca Popolare della Provincia di Foggia, Banca di Credito Cooperativo dell'Alto Bradano di Banzi, Banca di Credito Cooperativo Vulture Vitalba di Atella, some business units of B.C.C. degli Ulivi - Terra di Bari di Palo del Colle and Banca di Credito Cooperativo di Corleto Perticara.

2002: the Financial Advisor Network is launched, which supports the Employee Network. Acquisition of the Capitalia Group's business unit (10 branches located in Puglia, Molise and Campania).

2009: BPPB acquired 15 branches from the Montepaschi Group, located in Piedmont (6), Lombardy (7) and Lazio (2), expanding from 127 branches to 142 branches spread across 12 Italian regions.

2011: during the year, BPPB policy focused on consolidating the network of branches in the areas of its traditional settlement, characterised by a prevalent vocation of collection which led to the opening of branches in Mola di Bari (BA), Andria (BAT), San Nicola la Strada (CE), Altamura (BA) and Conversano (BA) and to merge the branches of Naples ag.2 and Naples ag.1 (NA), Porto Mantovano and Mantova (MN), Vercelli ag1 and Vercelli branch (VC), Rome ag. 3 and Rome branch (RM), Civitavecchia ag.1 and Civitavecchia branch (RM). The total number of branches at the end of 2011 was 146.

2013: The 130th anniversary of BPPB and a year of profound renewal of the corporate governance structure. The strategic supervisory body has been renewed due to the resignation of eight directors.

29 December 2017: listing of BPPB shares on the HI-MTF market with the aim of ensuring greater liquidity of the investment in its securities compared to a system of internal trading rules and, at the same time, ensuring efficiency, transparency and regulatory compliance of trading.

Main activities of BPPB

The principal activities of BPPB include retail and corporate banking, asset management, securities trading and leasing through associated companies.

BPPB is a full-service bank, providing a variety of services and products, including cheque and saving accounts, secured and unsecured loan facilities, mortgage loans, import and export financing facilities, asset management, bank insurance products and other investment and savings products.

The majority of the shareholders of BPPB are located in Puglia and Basilicata, the two regions where BPPB initially developed.

BPPB's mission is to be the reference bank in areas where it operates. Indeed, the strength of the Bank resides in the deep connection with the territory, but primarly in bank's ability to promptly understand the evolution of customer needs. In this context, the Bank's operations are strongly focused on commercial relations with families and SMEs, assisted and served through traditional forms of bank deposits and lending, but also through a portfolio of products of third-party entities of primary national standing both in the credit sector and in the asset management and bancassurance sectors.

The business model is therefore mainly aimed at serving retail customers (private and small businesses) and SMEs, while credit lines with medium-large companies are completely residual. In this context, the part of business relating to finance is accessory to and instrumental to its "core" business.

BPPB is mainly active in retail banking and financial services, with a distribution network that operates nationwide under the BPPB brand. BPPB also sells products branded by other management companies, insurance companies and other business partners that offer financial products and services.

During 2017, BPPB designed products dedicated to specific customer targets, mainly families and SMEs.

Notwithstanding that use of telephone and digital banking online services have increased, physical proximity is still a characteristic element of territorial presence and quality of customer relations. Indeed, 15 branches (17% of the total) are located in towns with less than 15,000 inhabitants.

In order to better control the territory and coordinate: commercial and management policies, the Commercial Network of BPPB has been organised into 4 Territorial Areas:

(a) North Apulia and Campania Area (Apulia, Molise and Campania);

(b) Central Apulia and Basilicata (Central Apulia and Campania);

(c) Ionian Area (Ionian Apulia); and

(d) North-Central Area (Abruzzo, Lazio, Marche, Emilia Romagna, Lombardy, Piedmont and Veneto).

BPPB operates mainly in the domestic retail market, serving families and SMEs, and has about 220,000 customers.

The business model adopted is characterised by the following segments:

(a) Private;

(b) Small Businesses and Enterprises (belonging to the macro segment of the Commercial Network);

(c) Finance; and

(d) Corporate Center.

BPPB's core business is represented by the funding and lending activities carried out by the Commercial Network, and the main segment is Private.

BPPB's business has included, for more than five years, the originating of exposures similar to the Receivables (in accordance with the requirements set out by article 20(10) of Regulation (EU) 2017/2402).

Servicing activities

In addition to funding and lending activities, BPPB administer, collects and recovers the residential mortgage loans granted to its customers.

Furthermore, since 2005 BPPB, in its capacity as servicer, has been carrying out the above-mentioned servicing activities in relation to the residential mortgage loan receivables securitised in the four previous securitisation transactions carried out by Media Finance S.r.l. and thus developing a deep expertise in the management of this type of receivables (in accordance with the requirements set out by article 21(8) of Regulation (EU) 2017/2402).

Employees

As at the end of 2018, the number of employees of the Originator was 1,030.

Funding

As of 31 December 2018, BPPB's total direct and indirect funding amounted to Euro 5,857 millions. Direct funding represented 52.8 per cent of the total and the remaining 47.2 per cent comprised assets under administration, assets under management and insurance products.

The principal component of BPPB's direct funding is represented by bank accounts and free deposits for a

total amount of Euro 2,950 millions as of 31 December 2018. BPPB's management believes that BPPB has a stable position with respect to small and medium-sized business customers and that such position represents a reliable source of funding for BPPB's activities, in particular given that small and medium-sized business customers are less inclined to frequently transfer their deposits to other banking organisations.

Lending

Loan Portfolio

As of 31 December 2018, BPPB had outstanding loans for an aggregate amount of Euro 2,186.3 mln.

Board of Directors

Pursuant to its By-laws, the Board of Directors of BPPB is elected by the ordinary shareholders' meeting. As at the date of this Prospectus, the Board of Directors is composed of the following nine members:

Name	**Position**
Mr. Leonardo Patroni Griffi	Chairman
Mr. Pietro Di Leo	Vice Chairman
Mr. Alessandro Maria Piozzi	CEO
Mr. Giuseppe Abatista	Director
Mr. Michele Amenduni	Director
Miss Rosa Calderazzi	Director
Mr. Guglielmo Morea	Director
Mr. Giovanni Rosso	Director
Mr. Giuseppe Tammaccaro	Director

The general manager of BPPB is Mr. Alessandro Maria Piozzi and the bank has two deputy general managers: Mr. Francesco Paolo Acito (*vicario*) and Mr. Vittorio Sorge.

Board of Statutory Auditors

Pursuant to Italian law, in addition to electing the Board of Directors, BPPB's also elects a Board of Statutory Auditors (*Collegio Sindacale*) composed of three independent experts in accounting matters, plus two alternate auditors who will automatically replace a statutory auditor who resigns or is otherwise unable to serve as a statutory auditor. Each member of the Board of Statutory Auditors must be registered with a national register. As at 31 December 2018, the Board of Statutory Auditors was composed of the following members:

Name	**Position**
Miss Paola Leone	Chairman
Mr. Vittorio Boscia	Auditor
Mr. Vincenzo Tucci	Auditor
Mr. Alessandro Grange	Alternate Auditor
Miss Giacinta Tarantino	Alternate Auditor

Independent Auditors

KPMG S.p.A. audited the annual financial statements of BPPB for the year ending on 31 December 2018.

BPPB's shareholding structure

The following table sets out the changes in BPPB's shareholding structure from December 2010 to December 2018.

As at	Number of Shareholders	Number of Shares in issue
31/12/2010	28,616	38,802,215
31/12/2011	29,726	39,282,358
31/12/2012	29,862	39,317,363
31/12/2013	30,019	39,351,661
31/12/2014	36,046	53,324,159
31/12/2015	39,064	59,249,065
31/12/2016	39,214	59,249,065
31/12/2017	39,206	59,249,065
31/12/2018	39,426	59,249,065

CREDIT AND COLLECTION POLICIES

MAIN CHARACTERISTICS OF MORTGAGES LOANS

A mortgage is a medium/long term loan granted for the purchase, the construction or the restructuring of a building (usually the primary residence), or to purchase or restructure the secondary (or the other) residence or one or more buildings different from the housing units (shops, artisanal/industrial/commercial factories, offices, etc.), backed by a collateral in the form of a mortgage.

The mortgage is regulated by article 38 and following articles of the Consolidated Banking Act. According to article 39 (4) of the Consolidated Banking Act: "*the mortgages which guarantee the funds are not subject to clawback clause when they have been registered 10 days prior to the publication of the judgment related to the bankruptcy (...)*".

The mortgage is a loan contract which consists in the transfer of a certain amount of money from a subject (*mutuante*, generally represented from a bank) to another subject (*mutuatario*), whose duty is to return the same amount of money plus the accrued interest (art. 1813 and ff. Italian civil code).

MORTGAGE CREDIT TO CONSUMERS CHARACTERISTICS

RECIPIENTS: individuals, private with an independent or self-employed job.

PROPERTY: residential

PURPOSE: purchase and/or restructuring of a primary or secondary house, liquidity, construction

DISBURSED AMOUNT: 80% of the lower among the value of the purchase price and the appraised value of the property.

RATE: fixed, floating

MORTGAGE: 1.5 times the amount of the mortgage

INDEXATION PARAMETER: IRS of the period corresponding to the duration of the mortgage published on "*il Sole 24 Ore*" referred to the last measurement of the month prior to the date of the credit disbursement; EURIBOR three months/360 detected at value date the second working day prior to the default of the instalment.

AMORTISATION: French type

INTEREST CALCULATION BASIS: 360/360

PRE-AMORTISATION INTEREST CALCULATION BASE: 365/360

DEFAULT INTEREST: contractual interest rate increased by three points

MAXIMUM DURATION: 30 years

EARLY RESOLUTION CHARGE: it cannot be greater than 1.50% if repaid in the first five years and then 100% if repaid subsequently. However, in the majority of cases, art. 120/ter TUB is applied.

WAY OF REPAYMENT: exclusively with direct debit on a bank account open in BPPB

FREQUENCY: monthly (for the majority of mortgages) / bimonthly / quarterly/ six-monthly/ yearly

MANDATORY INSURANCE: fire insurance, explosion and lightning on the buildings

OPTIMAL INSURANCE: temporary insurance in case of death and permanent disability caused by illness and accident, job loss.

TYPES OF MORTGAGES

FIXED RATE MORTGAGE: type of mortgage in which the rate does not vary for the entire duration of the loan.

FLOATING RATE MORTGAGE: type of mortgage in which the rate varies according to the EURIBOR.

FIXED AND FLOATING RATE MORTGAGE: type of mortgage in which the instalment has a fixed amount but the rate is floating.

The types of mortgages proposed by the Bank are in line with the ones on the market. From a comparative analysis, it seems that the BPPB range offered on the market is comparable to the other competitors of reference.

DISBURSEMENT PROCESS OF CREDIT – DESCRIPTION OF THE ACTIVITIES

1 – Reception and verification of documentation formalities

The Manager, after having acquired from the client all the documentation required, verifies the completeness and the validity of the information.

If necessary, the Manager may require further documents useful to the practical evaluation:

- in case of a positive outcome, please see activity no. 3.
- in case of a negative outcome, please see activity no. 2.

2 – Missing documentation/invalid documentation Request

The Manager invites the client to provide the missing/invalid documentation:

- in case of a positive outcome, please see activity no. 1;
- in case of a negative outcome, end of process.

3 – Verification on completeness of request forms

The Manager verifies that the form "Private Overdraft facilities request" ("*Richiesta fidi privati*") and the form "initiation interbanking dialogue procedure"("*Avvio procedura di colloquio interbancario*") in case of subrogation have been accordingly filled and signed by the client and a copy delivered to the client.

4 – Filling out of "socio-income information" form (*Informazioni socio reddituali*)

The Manager fills in the form "socio-income information", inserting the available information.

5 – Scanning documents and sending of the request to *Polo Mutui*

The Manger scans all the documentation received from the client and enters the UDM request via:

Request form "Mortgage investigation" ("*istruttoria di mutuo*") in case of a mortgage request and other products linked to it (e.g. Personal loans) falling within Table 4 of the delegated Credit Powers;

or in alternative

Request form "PEF Tab. 4" for all the financing requests falling within Table 4 of the delegated Credit Powers other than the mortgage, in both cases providing the form "socio-income information" attached.

6 – Verification of Tab. 4 requirements and documentation consistency

Polo Mutui officer, detected the status of the documentation as "to be worked on", verifies that the request falls within *Polo Mutui* perimeter and that the received documentation is the one provided by the law, confirming the formal regularity.

In case of a negative outcome, he forwards the request to the Manager, adding in the notes all the required integrations/amendments, please see activity no. 1;

In case of a positive outcome, please see activity no. 7.

7 – Including of documentation in Gest. DOC.

The *Polo Mutui* officer acquires the documentation relating to the request and includes it in the documental management.

8 – PEF Investigation

Polo Mutui officer proceeds with the PEF investigation phase, processing all the phases of the procedure as at point 8 of the flow chart.

After having completed these activities, he forwards the paperwork to the manager and closes the request in UDM.

9 – Information analysis and credit evaluation

The Manager, following the receipt of the overdraft paperwork in PEF:

- analyses all the sub-processes processed by the *Polo Mutui* officer;
- verifies RIBES reports and StrategyOne;
- verifies the return flow of Centrale Rischi;
- proceeds in the evaluation of client credit on the basis of the identified outcomes in the external and internal Database.

10 – Drafting of commercial offer and forwarding to the responsible of decision

The Manager drafts the commercial proposal, he may acquire the evaluation (If this was not done before and in case it is a non-conditional decision) and he transfers the paperwork to the Resolution Body (*Organo Deliberante*).

11 – Practical receipt, credit evaluation and decision

The Resolution Body, after having received the overdraft paperwork, undertakes an evaluation of the credit, in consultation with the Manager's opinion and considering the outcomes related to the results of RIBES, C.R. and StrategyOne and positively/negatively deliberates the overdraft request.

With reference to the conditional resolution, the Manager, upon receipt, proceeds to:

- make an expert subscribe the assignment letter on behalf of the applicant and include the request in the RIBES INFO procedure;
- following the closing of the investigation, verifies that the value given to the building is compliant with the resolution condition and that it is not necessary to amend any negative evidence or irregularity. In particular, the Manager verifies that the disbursed amount is not greater than the 80% of the lowest value between the investigation value and the purchase price. In case the alternatives provided by the resolution do not realise or negative elements are identified on the applicants and on the guarantors, the client should be promptly informed regarding the impossibility to proceed with the credit facility;
- in case of subrogation, make the client subscribe, if not previously signed, the initiation procedure of the interbanking dialogue and initiate the interbanking dialogue procedure.

ORDINARY PROCEDURE

The applications which do not fall among the aforementioned procedure follow the ordinary procedure with a mandatory transfer to the respective Specialised Team which expresses a no-binding technical opinion for the Resolution Board.

Decisional Body	Total Risk	Financial Risk	Commercial Risk	Secured Risk
Employees Responsible	**65,000**	**100,000**	**300,000**	**500,000**
Parent Company Responsible	**250,000**	**350,000**	**400,000**	**750,000**
Territorial Area Chief	**400,000**	**500,000**	**600,000**	**1,000,000**
Retail/Corporate Credit Specialised Team Responsible	**750,000**	**1,000,000**	**1,500,000**	**3,000,000**
Concession Service Responsible	**1,000,000**	**1,500,000**	**3,000,000**	**4,000,000**

Credit Concession Committee	**3,500,000**	**5,000,000**	**5,000,000**	**5,000,000**
Credit Concession Credit with CEO	**5.000.000**	**5,000,000**	**7,500,000**	**10,000,000**

Once the resolution has been taken, the Manager:

- finalises the arrangement of the contract highlighting the fields relating to the(**missing text)**;
- finalises and prints the PIES;
- finalises and prints the binding offer;
- prints the specification (attached to the mortgage);
- fills out and prints the draft of the mortgage in the form catalogue;
- Makes the client subscribe to the aforementioned documents as pre-contractual information and include the respective scans in the Document Management;
- in case of further warranties in respect of the other mentioned in the agreement, it is necessary that the respective forms are arranged and subscribed;
- includes the paperwork in UDM for the verification of the contractual documents (PIES, binding offer, mortgage draft and investigation) and the mortgage security.
- after having received the confirmation in UDM, he sends the assignment letter or email to the notary pointed out by the client and the draft of the agreement;
- agrees with the client and the notary's office the signing date.

COMPLETION AND DISBURSEMENT

On the signing date, the Manager:

- verifies the information, confirms the signing in the *Mutui* procedure and prints the attachments to be delivered to the notary's office (depreciation, specification, PIES, binding offer). In case of a subrogation operation, he includes in the *Mutui* procedure the exact amount to the subrogated banks;
- arranges, if required, the irrevocable mandate in favour of the seller and the respective bill via transfer or cheque;
- after the delivery of the execution copy, the final notary's report and the mortgage registration from the notary, transmits to the Civil and Credit Registry (previously requested via email), disburses the sums through the Mortgage procedure and ("winding-up") and operate the transfer/cheque to the benefit of the seller according to the irrevocable mandate/bill;
- in case of subrogation, he operates the transfer to the notary for the payment of the fee according to the invoice and executes all the tasks required by the law of reference.

Following the mortgage disbursement, the client will receive a notice containing the evaluation survey on the services provided.

INVESTIGATION ON RESIDENTIAL BUILDINGS BEFORE 2010

- Identification of the expert

- Up until the beginning of 2010, the Bank mainly used a "network" of external professionals previously licensed; the client could also chose a trusted expert.

- The accreditation with the Bank happened with the subscription of a specific cooperation agreement, which required that the professional fee would have been paid by the client and independently determined between the parts.

- The professional had to guarantee the inexistence of a conflict of interest (even when only potential) and the inexistence of direct/similar family bonds with the customers and/or the subject appointed from the Bank in the assessment of merits.

- Update of the investigation

With Basel II and the following the transposal of the New Prudential Revision Provisions, new approaches to regulation come into consideration for the calculation of minimal capital requirements for the evaluation of the properties in the mortgage credit, providing the monitoring of the residential properties once every three years and more frequent verifications in case of substantial changes in the market.

To this purpose, the following measures have been adopted:

A) An arrangement of technical models to which the professionals must adhere to, to the extent of warrant transparent, objective and standardised property evaluations, also in view of the content; sometimes models belonging to the technical area have been used, which however aligned with the contents of the Bank.

The distinctive elements of the investigation schemes are the following:

- Section A – definition of the task, identification and description of the property, descriptive, distinguishing and land description of the property subject to the evaluation.

- Clarification of possible actual or perspective presence of defects.

- Section B – Market Analysis: concise description of the social/economic/governmental/environmental context in which the property is included and the respective property market situation.

- Section C – Evaluation and Estimation procedures: depending on the type of good, the evaluation may happen according to the Synthetic comparative Method (preferably for housing destination buildings) and the Construction and Capitalisation of incomes Method (preferably for commercial or tertiary-offices destination)

- Mandatory Attachments: copy of ID, copy of land registry and planimetry, copy of building authorisations and pictures of the property.

B) from 2010 on, the procedure "Collateral" has been adopted, which collects all the information useful to identify in detail the assets object of the collateral, thus obtaining the possibility of the management and evaluation of the aforementioned assets with technical arrangements compliant with the new

regulatory approaches for the calculation of the minimum capital requirements contained in Basil 2, and assumes the periodical update of the "actual" value of the security.

INVESTIGATION ON RESIDENTIAL BUILDINGS AFTER 2010

Starting January 2010, the Bank uses REVALUTA SPA to manage the investigations, with the purpose of ensuring homogeneity of evaluation criteria and objectivity of estimation judgment. *Revaluta SPA*, through a network of independent professionals, delivers a service which provides the management of the entire process, from the application to the conclusion of the investigation.

This service is electronically conducted and it allows the supply and the automatic enhancement of the Collateral environment.

In particular, *Revaluta SPA* operates the recognition of the property, the identifying information of the investigation (e.g. date of assignment and date of return) and the uploading in the same Collateral environment.

MONITORING OF THE CREDIT QUALITY

The actual interception and monitoring of in bonis positions with anomalies, it is usually managed through the CQM procedure which confers, according to laws and/or events (external or internal source kind), verify in the relation (complaints, detrimental, downgrade, defaulted and non performing credits…), respective classes with different risk levels gradually higher providing an electronic paperwork responsibility of the manager.

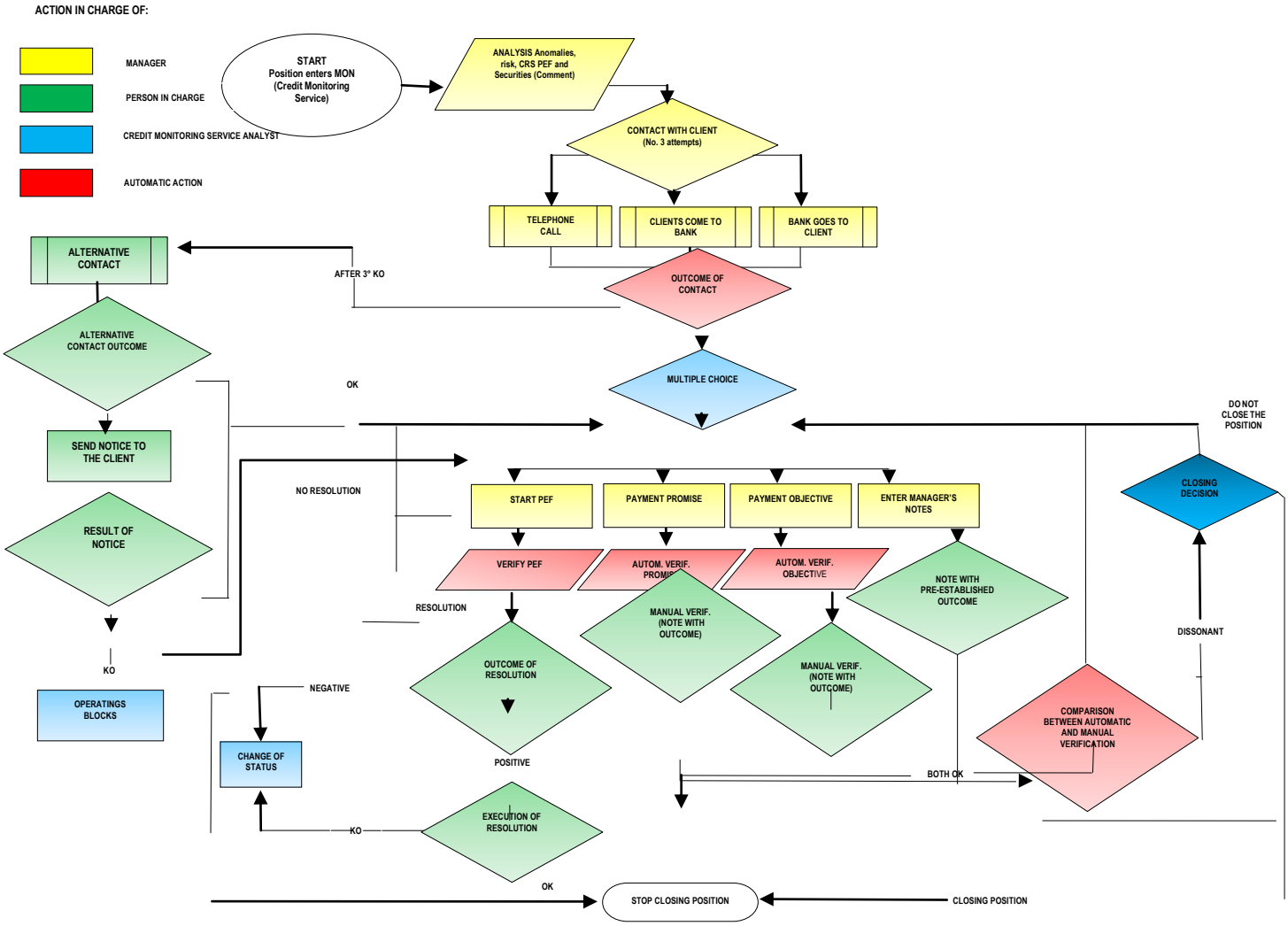
A specific process which allows for the intervention of different subject of the chain is associated to each class, from the manager to the officer to the Credit Direction Monitoring Service, with the purpose of intercept, as soon as possible, the possible solutions to avoid the deterioration of the relation or, alternatively, the quickest and most advisable classification to worst risk.

The manager, first responsible of the quality of the assigned portfolio, must promptly review the defects with immediate actions, graduated on the basis of the objective weight, with the purpose of solving them and adjusting the position. In case the actions taken do not give the expected result, it must evaluate, if necessary, together with Credit Monitoring Services, further actions to protect the Bank credit.

Recourse means and actions related to default and breach of the debtor

With specific reference to the position having defaulted instalments of mortgages/financing, in the following five days of non-adjusted position, paperwork shall open on the manager electronic desk in CQM (e.g. Ratins) which follows the procedure illustrated below:

PROCESS SERIOUS ANOMALIES



The Credit Monitoring Service, dependent from the Credit Directory, supervises, urges and oversees the assignment and the organisation by the responsible of the defects found in the CQM procedure, for the entire portfolio managed in the same procedure.

The Monitoring Service, with reference to the activity of **credit monitoring**, with the **Analysts**:

- ensures the monitoring of the performing positions and the ones defaulted and/or in excess of the limits with or without the forborne comprised in the appropriate procedure;

- values the answers and the solutions identified, endorsing and making sure that they have been executed by the relation responsible; in case of dissimilar behaviours and lack of promptness from the managers, before deterioration of the credit, he activates the escalation process;

- considering the escalation, notifies the Agency Responsible, to the Parent Company Branch, to the Company Commercial Responsible (in case the client belongs to the companies sector), and to the Local Area Chief, to the Credit Responsible and to the VDGV, dissimilar behaviours and lack of promptness of the managers of the relation in terms of evaluation and amendment of anomalies.

- depending on the type of anomalies and on the frequency with which these repeat, or enduring the inactivity or inadequacy of the proposed solutions undertaken by the Manager of the relation, assumes the role of co-Manager. In this case, the co-Manager has veto power on the eventual accounting of operations without coverage, on the disbursement of cheques and he may dispose of the withdrawal of credit and debit cards or other payment instruments (RID withdrawal, permanent dispositions, etc). He can require the opening of a specific motion via PEF and, in case this is not completed by the agreed terms by the Net Manager, he can take over the motion to complete of the resolution process which requires in this case a variation of the status with deterioration.

It is the Service, indeed, the part of the Bank entitled to the change of status from the performing to the non-performing credits, including the positions already automatically classified as defaulted and/or in excess of the limits with or without the forborne, with consequent assignment to the competent Non Performing Credit Management for the specialised management of the restructuring.

Recourse means and actions relating to tolerance and debt restructuring: exposure subject to concession

Regulation (EU) no. 680/2014 defines "concession" one of the following situations:

a) an amendment of the original conditions and terms of an agreement in respect to which the debtor is considered unable to accomplish because of his financial difficulties. The amendment has the scope of allowing the debtor to fulfil the obligation. This provision would have not been accepted if the debtor was not in such financial difficulties;

b) total or partial refinancing of a debt contract which would have not been granted if the debtor was not in such financial difficulties.

Before agreeing to a granting measure, the credit manager must carry out a complete evaluation of the financial situation of the debt considering all the relevant factors, with specific reference to the capacity of providing the debt service and the overall indebtedness of the debtor.

Entrance criteria

There is a rebuttable presumption that forbearance has taken place when:

a) the modified agreement was totally or partially defaulted for more than 30 days (not being non-performing) at least once during the three months preceding the contractual amendment or it could have been in absence of the amendment;

b) in correspondence or proximity of the disbursement of new financing from the bank, the debtor makes payments of principal and/or interest on another contract with the same bank which was totally or partially defaulted for more than 30 days at least once in the months preceding the refinancing;

c) the bank approves the execution of the implied clauses of forbearance from the debtors that present a situation of default for more than 30 days or that would have been in default in absence of the execution of the clause.

Exit criteria

Performing exposures: reduction from FP to Performing

a) the contract is considered to be performing, included the case in which the contract has been reclassified from the non-performing category after an analysis of the debtor's financial conditions which has shown how the contract cannot be considered *non-performing* anymore;

b) a probation period of a minimum of at least two years has elapsed from the date in which the forborne exposure has been considered as performing ("**probation period**");

c) orderly payments have been made of a significant amount of capital share for at least half of the probation period (i.e. 1 year);

d) no exposure of the debtor has defaulted for more than 30 days from the conclusion of the probation period.

e) no defaulted is registered for more than 30 days during the cure/probation period – in this case, the cure/probation period would be prolonged for three further months;

Non-performing exposures: deterioration from FNP to FP

When ALL the conditions are observed:

a) the extension of the concession dose not lead to the classification as default and/or impaired;

b) **one year** has elapsed from the recognition date of the concession ("**cure period**");

c) there are no default/unpaid and/or doubts on the reimbursement capacities of the debtor given the new contractual provisions. The absence of questions and/or doubts about the capacity of the debtor to observe its payment obligations on the basis of the novated agreement must be determined after a careful analysis of the financial conditions of the debtor. It can be assumed that there are no weaknesses in the solvency of the debtor if he has repaid, on the basis of the new conditions/deadlines in the novated contract, an amount equal to the sums resulting defaulted beforehand (if present) or deleted (in absence of defaulted amounts) or if the debtor has otherwise showed its capacity to observe the new terms in the contract.

It should be noted that whenever the concession measure is recognised in favour of a classified positon defaulted/impaired, the same measure must be classified among the Potential Insolvencies with judgemental evaluation of the dubious outcome, according to the rules provided for the category.

The monitoring of the positions object of concession occurs with the CQM procedure – Forborne Family.

The resolution powers for the forborne classification and the eventual de-rubrication of the same status occurs according to what has been decided in the delegated powers – monitoring chain.

Recourse Tools and actions relating to Restructuring

The Non-Performing Credit Management, established in 2016, has the duty to manage the credit position classified as UTP (unlikely to pay) and insolvency of the Bank. Furthermore, it follows the "extraordinary" transactions of the Non-Performing Portfolio which the Bank expects to realise (pro-soluto transfers, securitisations, contribution to Funds…).

This depends on the Vicar VDG and the object of assigning and monitoring of economic-capital objectives, and the respective accounting of the Board of Directors as Business Unit in the wider Risk Appetite Framework which the Bank has established.

The awareness of the advantages to focus on the non-performing credit to the end of ensuring an overall improvement of the effectiveness of the recovery action has oriented the Bank, since 2015, towards a creation of a composite structure, with progressively growing resources and in constant formation. Consistently, the resources have been dedicated to equipping it of computing management (Laweb, Credit Strategy) which would allow, on a side, the creation of a so-called electronic Dossier useful for a quick acquisition for the information, for a better management of the borrow position and, on the other side, the quicker and more efficient communication with the external attorneys to which is assigned the restructuring action.

As a consequence, and aligned with the Guidelines from the Bank of Italy for the Less Significant of January 2018, the Management has been divided into two Services and One Office of Bavìck Office on the basis of a criterion of "management Homogeneity for the entire non-performing portfolio", i.e. a single chain dedicated to the NPL portfolio (UTP and non-performing) segmented on amount/management complexity.

The Non-Performing Credit Management is organised in two Services and 1 Back Office which conduct the following activities:

1) Friendly Negotiation Service: it is committed to extrajudicial management mainly “standardised” of the positions (UTP and Non-Performing) of gross amount (GBV) up until € 100.000,00, with the scope of promoting a quicker paperwork process in view of a fast disposal of the portfolio. In the Service also the ptf is managed in outsourcing, i.e. the positions with an amount not greater than €10.000,00 which are assigned to external companies, in alternative, with the objective to restructure with strictly “extrajudicial” modalities and progressively more decisive. The Service is articulated in a central Core, in Altamura, and two specific teams, in Rome and Taranto.

2) Recovery Service: manages the administration and recovery of position (UTP and Non-performing) of an amount greater than € 100.000,00 taking care of the execution of the necessary judicial procedures, of the passive causes and of the positions involved in the procedures (art. 67 LF, 182, 161) of the Insolvency Code.

The service is divided into 2/3 offices on the management complexity:

(i) Social Affairs Office which manages the positions with gross credit greater than €300.000,00, and the credit positions towards companies with interbanking tables of analysis and elaboration, and the positions contained in the watch list as regulated by the Bank;

(ii) Non-Performing Portfolio Management Office which has the control of the position (UTP and Non-Performing) of an amount between € 100.00,00 and € 300.000,00.

(iii) Non-Performing Portfolio Administration: follows all the administrative and accounting activities linked to the classification of the defaulted positions, the elaboration of the data referred to the monitoring of the

portfolio managed by the single Services/Offices of the Directory and the secretory activity for the Non-performing Credit Committee, with and without sole Director.

The operative asset, represented in the NPL strategy, an application of the Guidelines of the Bank of Italy, reflects the combined application of two management methods, method "bottom-up" defined from the NP Credit Direction and method "top-down" defined by the Risk Management. This allows the segmentation of the entire portfolio classifying it according to the specific management methods to follow. The characteristics of the deteriorated portfolio of the bank had lead the following selection of feasible options, which can be synthetically be reconducted to:

- Lever Transfer: transfer to third parties to the end of allowing an immediate and conspicuous benefit in terms of NPL ratio.

- Industrialisation Lever of the recovery: in order to obtain objectives more ambitious of stock reduction and flow management:

    a) Enhancement and industrialisation of "in house" recovery activity to obtain the maximum recovery in the least possible time with simultaneous recourse to extrajudicial and judicial actions;

    b) Externalisation of portfolios of a lower amount (under 10 k), of unsecured nature and without further collaterals for which is provided an external management; and

    c) In the in-house activity, specific attention has been reserved to the "rationalisation" of the external links of the Bank, started 2015, which allowed the reduction of the bank register at the current 50 (originally 200), all signatory of a Convention which provides selection logic and accreditation defined in an ad-hoc judicial Policy, issued in 2016.

For further details on the 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, please see the section headed "*Description of the Servicing Agreement*".

COMPLIANCE WITH STS REQUIREMENTS

Pursuant to article 18 of the EU Securitisation Regulation, a number of requirements must be met if the originator and the SSPE's wish to use the designation "STS" or "simple, transparent and standardised" for securitisation transactions initiated by them.

The Originator has used the services of PCS, as a verification agent authorised under article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the EU Securitisation Regulation (the **STS Verification**) and to prepare an assessment of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the **STS Assessments**). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. No assurance can be provided that the Securitisation does or will continue to qualify as an STS-securitisation under the EU Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. None of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the EU Securitisation Regulation at any point in time in the future.

Without prejudice to the above, prospective investors in the Notes should be aware that, 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 with regard to the risk retention requirements under article 6 of the EU Securitisation Regulation, transparency obligations imposed under article 7 of the EU Securitisation Regulation and the homogeneity criteria set out in article 20(8) of the EU Securitisation Regulation), and subject to any changes made therein after the date of this Prospectus:

(a) for the purpose of compliance with article 20(1) of the EU Securitisation Regulation, pursuant to the Transfer Agreement the Originator 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 Portfolio. The transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette no. 34 Part II of 21 March 2019, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 18 March 2019 (for further details, see the section headed "*Description of the Transfer Agreement*"). The true sale nature of the transfer of the Receivables and the validity and enforceability of the same is covered by the legal opinion issued by the legal counsel to the Arranger, which has been made available to the PCS and 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 Intercreditor Agreement the Originator has represented that 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 (see also the section headed "*Description of the Intercreditor Agreement*"); therefore, the Originator 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 Mortgage Loans that have been granted exclusively by BPPB, as lender (for further details, see the

section headed "*The Portfolio - Eligibility criteria for the Portfolio*"); therefore, the requirements of article 20(4) of the EU Securitisation Regulation are not applicable;

(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 Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette no. 34 Part II of 21 March 2019, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 18 March 2019 (for further details, see the section headed "*Description of the 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 the Originator has represented and warranted that, as at the Valuation Date and as at the Transfer Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of the Originator's knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables under the Transfer Agreement, and is freely transferable to the Issuer. The Originator is the current beneficiary of the Collateral Securities (for further details, see the sections headed "*The Portfolio - Other features of the Portfolio*" and "*Description of the Warranty and Indemnity Agreement*");

(f) for the purpose of compliance with article 20(7) of the EU Securitisation Regulation, the disposal of Receivables is permitted solely in the following circumstances: (A) from the Issuer to the Originator, in the context of the repurchase of the Portfolio in case of early redemption of the Notes pursuant to Condition 8.3 (*Optional Redemption*) or in the context of the repurchase of individual Receivables in extraordinary circumstances only, in order to avoid that any client of the Originator (which is also a Debtor) is treated unfavourably compared to other clients of the Originator (without prejudice to the interests of the Noteholders), not for speculative purposes aimed at achieving a better performance for the Securitisation and within the limits set forth in the Intercreditor Agreement; and (B) from the Issuer (or the Representative of the Noteholders on its behalf) to third parties, in the context of the disposal of the Portfolio following the delivery of a Trigger Notice or in case of early redemption of the Notes pursuant to Condition 8.4 (*Redemption for Taxation*), in each case subject to a pre-emption right in favour of the Originator exercisable within the limits set forth in the Intercreditor Agreement. Therefore, none of the Transaction Documents provide for an active portfolio management on a discretionary basis meaning (i) a portfolio management which makes the performance of the Securitisation dependent both on the performance of the Receivables and on the performance of the portfolio management of the Securitisation, thereby preventing any investor in the Notes from modelling the credit risk of the Receivables without considering the portfolio management strategy of the Servicer; 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 section headed "*Description of the Intercreditor Agreement*");

(g) for the purpose of compliance with article 20(8) of the EU Securitisation Regulation, pursuant to the Warranty and Indemnity Agreement the 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 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 BPPB, 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 BPPB according to similar servicing procedures; (iii) the Receivables arise from Mortgage Loans secured by one or more Mortgages over Real Estate Assets and therefore fall in the asset category named "residential mortgages"; and (iv) within the category "residential mortgages"

pursuant to article 2(a) of the Regulatory Technical Standards on the homogeneity for the underlying exposure, the Receivables met the homogeneity factor provided for by article 3(c) of the Regulatory Technical Standards on the homogeneity for the underlying exposure, i.e. the Receivables are secured by Mortgages over Real Estate Assets located in the Republic of Italy. In addition, under the Warranty and Indemnity Agreement the Originator has represented and warranted that (i) as at the Valuation Date and 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 Mortgage Loans provide for a repayment through constant instalments payable monthly, quarterly, semi-annually or annually as determined in the relevant Mortgage Loan Agreement; and (iii) as at the Valuation Date and as at the Transfer Date, the Portfolio does not comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU (for further details, see the sections headed "*The Portfolio - Other features of the Portfolio*" and "*Description of the Warranty and Indemnity Agreement*");

(h) for the purpose of compliance with article 20(9) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the Valuation Date and as at the Transfer Date, the Portfolio does not comprise any securitisation positions (for further details, see the sections headed "*The Portfolio - Other features of the Portfolio*" and "*Description of the Warranty and Indemnity Agreement*");

(i) for the purpose of compliance with article 20(10) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that (i) the Receivables have been originated by the Originator in the ordinary course of its business; (ii) as at the Valuation Date, the Receivables comprised in the Portfolio have been selected by the Originator in accordance with credit policies that are not less stringent than the credit policies applied by the Originator at the time of origination to similar exposures that are not assigned under the Securitisation; (iii) as at the Valuation Date and the Transfer Date, the Portfolio does not comprise loans that are marketed and underwritten on the premise that the loan applicant was made aware that the information provided by the loan applicant might not be verified by the Originator; (iv) all the Mortgage Loans have been granted on the basis of an appraisal of the relevant Real Estate Assets, made and signed prior to the approval of the relevant Mortgage Loan Agreement, by an appraiser duly qualified and authorised, having no direct or indirect interest in the relevant Real Estate Asset or Mortgage Loan Agreement and whose compensation was not related or subject to the approval of such agreement; (v) BPPB has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC; and (vi) BPPB has a more than 5 (five) year-expertise in originating exposures of a similar nature to the Receivables. In addition, there are no exposures that can be sold to the Issuer after the Issue Date in respect of which the Originator 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 - Other features of the Portfolio*" and "*Description of the Warranty and Indemnity Agreement*");

(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 the Originator has represented and warranted that, as at the Valuation Date and as the Transfer Date, the Portfolio does not include Receivables qualified as exposure in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of the Originator's knowledge (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the Transfer Date, except if: (A) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the Transfer Date; and (B) the information provided by

BPPB to the Issuer in accordance with points (a) and (e)(i) of the first subparagraph of article 7(1), of the EU Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; or (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by BPPB which have not been assigned under the Securitisation (for further details, see the sections headed "*The Portfolio - Other features of the Portfolio*" and "*Description of the Warranty and Indemnity Agreement*");

(k) for the purpose of compliance with article 20(12) of the EU Securitisation Regulation, pursuant to the Criteria set out in the Transfer Agreement, the Receivables arise from Mortgage Loans in respect of which at least one instalment is past due and has been paid as at 31 January 2019 (for further details, see the section headed "*The Portfolio - Eligibility criteria for the Portfolio*");

(l) for the purpose of compliance with article 20(13) of the EU Securitisation Regulation, under the Warranty and Indemnity Agreement, the Originator has represented and warranted that all the Mortgage Loans provide for a repayment through constant instalments payable monthly, quarterly, semi-annually or annually as determined in the relevant Mortgage Loan Agreement; therefore, the repayment of the Notes have not been structured to depend predominantly on the sale of the Real Estate Assets (for further details, see the sections headed "*The Portfolio - Other features of the Portfolio*" and "*Description of the Warranty and Indemnity Agreement*");

(m) for the purpose of compliance with article 21(1) of the EU Securitisation Regulation, under the Subscription Agreements the 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 Securitisation, 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 "*Subscription and sale - Risk retention*");

(n) 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 Senior Notes, the Senior Notes Conditions provide that the rate of interest applicable to the Senior Notes is subject to (i) a floor of 0 (zero) so that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero), (ii) a cap at a fixed rate of 4.50 per cent. per annum so that the interest payable in respect of the Senior Notes can vary only within a maximum threshold and shall never exceed such fixed rate (for further details, see Condition 7.2 (*Rate of Interest*)). In addition, this risk is mitigated through the establishment of a cash reserve into the Cash Reserve Account. Furthermore, (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that, as at the Valuation Date and as at the Transfer Date, the Portfolio does not comprise any derivatives, and (ii) under the Terms and 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 the sections headed "*The Portfolio - Other features of the Portfolio*" and "*Description of the Warranty and Indemnity Agreement*" and Condition 5 (*Covenants*)). Finally, there is no currency risk since (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that all Mortgage Loan Agreements are denominated in Euro and do not contain provisions which allow for the conversion into another currency, and (ii) pursuant to the Terms and Conditions, the Notes are denominated in Euro (for further details, see the sections headed "*Description of the Warranty and Indemnity Agreement*", "*Transaction Overview*" and "*Terms and Conditions of the Senior Notes*");

(o) for the purpose of compliance with article 21(3) of the EU Securitisation Regulation, (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that, as at the Valuation Date and as at the Transfer Date, the rates of interest applicable to the Mortgages Loans

are (i) fixed or (ii) floating (with or without a cap) indexed to Euribor, as indicated in the relevant Mortgage Loan Agreements, and (ii) the rate of interest applicable to the Senior Notes is calculated by reference to EURIBOR (for further details, see the sections headed "*The Portfolio - Other features of the Portfolio*" and "*Description of the Warranty and Indemnity Agreement*" and Condition 7.2 (*Rate of Interest*)); therefore, any referenced interest payments under the Receivables and the Notes are based on generally used market interest rates and do not reference complex formulae or derivatives;

(p) for the purpose of compliance with article 21(4) of the EU Securitisation Regulation, following the service of a Trigger Notice, (i) no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents; (ii) the Senior Notes will continue to rank, as to repayment of principal, in priority to the Junior Notes as before the delivery of a Trigger Notice; and (iii) the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Portfolio (in full or in part), subject to the terms and conditions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Portfolio (for further details, see Condition 6.2 (*Post-Enforcement Priority of Payments*) and Condition 13.2 (*Trigger Notice*));

(q) both prior and following the service of a Trigger Notice, the Senior Notes will rank, as to repayment of principal, in priority to the Junior Notes (for further details, see Condition 6.1 (*Pre-Enforcement Priority of Payments*) and Condition 6.2 (*Post-Enforcement Priority of Payments*)); therefore, the requirements of article 21(5) of the EU Securitisation Regulation are not applicable;

(r) there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the section headed "*Description of the Transfer Agreement*"); therefore, the requirements of article 21(6) of the EU Securitisation Regulation are not applicable;

(s) for the purpose of compliance with article 21(7) of the EU Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicer, the Representative of the Noteholders and the other service providers are set out in the relevant Transaction Documents (for further details, see the sections headed "*Description of the Servicing Agreement*", "*Description of the Back-up Servicing Agreement*", "*Description of the Cash Allocation, Management and Payment Agreement*", "*Description of the Corporate Services Agreement*" and "*Terms and Conditions of the Senior Notes*"). In addition, the Servicing Agreement contain provisions aimed at ensuring a default by or an insolvency of the Servicer does not result in a termination of the servicing, including the replacement of the defaulted or insolvent Servicer with the Back-up Servicer or any other Substitute Servicer (for further details, see the sections headed "*Description of the Servicing Agreement*" and "*Description of the Back-up Servicing Agreement*"). Finally, the Cash Allocation, Management and Payment Agreement contain provisions aimed at ensuring the replacement of the Account Bank in case of its default, insolvency or other specified events (for further details, see the sections headed "*Description of the Cash Allocation, Management and Payment Agreement*");

(t) for the purpose of compliance with article 21(8) of the EU Securitisation Regulation, under the Servicing Agreement the Servicer has represented and warranted that it has expertise in servicing exposures of a similar nature to those securitised for more than 5 (five) years and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures. In addition, pursuant to the Servicing Agreement and the Back-Up Servicing Agreement, (i) the Substitute Servicer shall, *inter alia*, have expertise in servicing exposures of a similar nature to those securitised for and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (ii) the Back-Up

Servicer has represented and warranted that it satisfies the requirements for a Substitute Servicer provided for by the Servicing Agreement (including, *inter alia*, expertise in servicing exposures of a similar nature to those securitised for and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria). (for further details, see the sections headed "*Description of the Servicing Agreement*" and "*Description of the Back-Up Servicing Agreement*");

(u) for the purpose of compliance with article 21(9) of the EU Securitisation Regulation, the Servicing Agreement and the Credit and Collection Policies attached thereto set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies (for further details, see the sections headed "*Description of the Servicing Agreement*" and "*Credit and Collection Policies*"). In addition, the Transaction Documents clearly specify the Priorities of Payments and the events which trigger changes in such Priorities of Payments. Pursuant to the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement, (i) the Computation Agent has undertaken to prepare, on or prior to each Investors Report Date, the Investors Report setting out certain information with respect to the Notes (including, *inter alia*, the events which trigger changes in the Priorities of Payments), in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards, and (ii) subject to receipt of the Investors Report from the Computation Agent, the Reporting Entity has undertaken to make it available to the investors in the Notes through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) (for further details, see the sections headed "*Terms and Conditions of the Senior Notes*", "*Description of the Intercreditor Agreement*" and "*Description of the Cash Allocation, Management and Payment Agreement*");

(v) for the purposes of compliance with article 21(10) of the EU Securitisation Regulation, the Terms and 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 Senior Notes*");

(w) for the purposes of compliance with article 22(1) of the EU Securitisation Regulation, under the Intercreditor Agreement the 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 BPPB to third party investors after the Issue Date, has undertaken to make available, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), to such investors before pricing, 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 "*Intercreditor Agreement*");

(x) for the purposes of compliance with article 22(2) of the EU Securitisation Regulation, an external verification (including verification that the data disclosed in this Prospectus in respect of the Receivables is accurate) has been made in respect of the Portfolio prior to the Issue Date by an appropriate and independent party and no significant adverse findings have been found (for further details, see the section headed "*The Portfolio*");

(y) for the purposes of compliance with article 22(3) of the EU Securitisation Regulation, under the Intercreditor Agreement the 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 Originator, the investors in the Notes, other third parties and the Issuer, and (ii) in case of transfer of any Notes by BPPB to third party investors after the Issue Date, has undertaken to make available to such investors before pricing, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer. In addition, pursuant to the Intercreditor Agreement the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer (for further details, see the section headed "*Description of the Intercreditor Agreement*");

(z) for the purposes of compliance with article 22(4) of the EU Securitisation Regulation, pursuant to the Servicing Agreement and the Intercreditor Agreement, the Servicer has undertaken to prepare the Loan by Loan Report setting out information relating to each Mortgage Loan in respect of the immediately preceding Quarterly Collection Period (including, *inter alia*, the information related to the environmental performance of the Real Estate Assets (if available)), in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report (simultaneously with the Investors Report) to the investors in the Notes by no later than one month after each Payment Date through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) (for further details, see the sections headed "*Description of the Servicing Agreement*" and "*Description of the Intercreditor Agreement*");

(aa) for the purposes of compliance with article 22(5), Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents. Each of the Issuer and the Originator has agreed that the Originator 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, the Originator shall fulfil the information requirements pursuant to points (a), (b), (d), (e) and (f) of the first subparagraph of article 7(1) of the EU Securitisation Regulation by making available the relevant information through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu). As to pre-pricing information, the Originator, as initial holder of the Notes, has confirmed that: (i) it has been, before pricing, in possession of data relating to each Mortgage 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) and the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, and (ii) in case of transfer of any Notes by BPPB to third party investors after the Issue Date, it will make available through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) to such investors before pricing the information under point (a) of the first subparagraph of article 7(1) upon request and the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation. As to post-closing information, the relevant parties to the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows: (i) the Servicer shall prepare the Loan by Loan Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report (simultaneously with the Investors Report) to the investors in the Notes by no later than one month after each Payment Date; (ii) the Computation Agent shall, subject to the receipt of all necessary information from the relevant parties in accordance with the Cash Allocation,

Management and Payment Agreement, prepare the Investors Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Investors Report (simultaneously with the Loan by Loan Report) to the investors in the Notes by no later than one month after each Payment Date; and (iii) the Issuer shall deliver to the Reporting Entity (A) 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 (B) 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 provided by other parties), in each case in accordance with the requirements provided by the EU Securitisation Regulation and the applicable Regulatory Technical Standards.(for further details, see the sections headed "*Description of the Servicing Agreement*", "*Description of the Cash Allocation, Management and Payment Agreement*" and "*Description of the Intercreditor Agreement*").

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy as a special purpose vehicle pursuant to the Securitisation Law on 14 November 2003 as a limited liability company (*società a responsabilità limitata*) under the name "Chirone Finance S.r.l" and changed its name to "Media Finance S.r.l" by an extraordinary resolution of the meeting of the quotaholders held on 3 December 2004. The registered office of the Issuer is in Via Vittorio Alfieri 1, 31015 Conegliano (Treviso), Italy and its telephone number is +390438360926. The Issuer is enrolled (a) in the companies' register of Treviso-Belluno with no. 03839880261 and (b) the register of securitisation vehicles (*elenco delle società veicolo*) held by Bank of Italy pursuant to its regulation (*provvedimento della Banca d'Italia*) of 7 June 2017 with no. 32905.2. Since the date of its incorporation the Issuer has not engaged in any business other than the Previous Securitisations and the purchase of the Portfolio. No dividends have been declared or paid and no indebtedness has been incurred by the Issuer other than (i) the Issuer's costs and expenses of incorporation and (ii) the costs and indebtedness related to the Previous Securitisations. The Issuer has no employees and no subsidiaries. The Issuer operates under Italian Law and shall expire in year 2100.

The authorised and issued capital of the Issuer is €10,000, fully paid up. The Sole Quotaholder of the Issuer is SVM which holds a quota equal to 100 per cent. of the quota capital of the Issuer.

The Issuer is not aware of direct or indirect ownership or control apart from its Sole Quotaholder. Italian company law combined with the holding structure of the Issuer, covenants made by the Issuer and its Sole Quotaholder in the Transaction Documents and the role of the Representative of the Noteholders are together intended to prevent any abuse of control of the Issuer.

Issuer's Principal Activities

The principal corporate object of the Issuer as set out in article 3 of its by-laws (*statuto*) and in compliance with the Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*).

The Issuer may carry out further securitisation transactions in addition to the Securitisation, subject to the provisions set forth in the Terms and Conditions (Condition 5.2 (*Further Securitisations*)).

So long as any of the Notes remain outstanding, the Issuer shall not, without the prior consent of the Representative of the Noteholders and as provided in the Letter of Undertakings, incur any other indebtedness for borrowed monies (except in relation to any further securitisation carried out in accordance with the Terms and Conditions and the Transaction Documents) or engage in any business (other than acquiring and holding the assets on which the Notes are secured, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Terms and Conditions or the Intercreditor Agreement) or increase its capital.

The Issuer has covenanted to observe, *inter alia*, those restrictions set forth in Condition 5 (*Covenants*).

First Previous Securitisation

In February 2005 the Issuer entered into the First Previous Securitisation in compliance with the provisions of the Securitisation Law. Under the First Previous Securitisation, the Issuer has purchased a portfolio of residential mortgage loan receivables originated by BPPB with an initial principal amount of Euro 305,859,313.22.

In order to fund the purchase of portfolio under the First Previous Securitisation, on 3 February 2005 the Issuer issued four classes of asset backed notes due October 2039 (the **First Previous Notes**), as follows:

(a) Euro 277,100,000 Class A Asset Backed Floating Rate Notes due October 2039;

(b) Euro 13,000,000 Class B Asset Backed Floating Rate Notes due October 2039;

(c) Euro 13,100,000 Class C Asset Backed Floating Rate Notes due October 2039;

(d) Euro 11,150,000 Class D asset backed notes due October 2039.

In April 2014, all the First Previous Notes have been redeemed in full and cancelled.

Second Previous Securitisation

In June 2008 the Issuer entered into the Second Previous Securitisation in compliance with the provisions of the Securitisation Law. nder the Second Previous Securitisation, the Issuer has purchased a portfolio of residential mortgage loan receivables originated by BPPB with an initial principal amount of Euro 341,910,241.64.

In order to fund the purchase of the portfolio under the Second Previous Securitisation, on 13 June 2008 the Issuer issued two classes of asset backed notes due April 2057 (the **Second Previous Notes**), as follows:

(a) Euro 307,750,000 Class A Asset Backed Floating Rate Notes due April 2057;

(b) Euro 34,200,000 Class B Asset Backed Notes due April 2057.

In July 2015, all the Second Previous Notes have been redeemed in full and cancelled.

Third Previous Securitisation

In December 2009 the Issuer entered into the Third Previous Securitisation in compliance with the provisions of the Securitisation Law. Under the Third Previous Securitisation, the Issuer has purchased a portfolio of residential mortgage loan receivables originated by BPPB with an initial principal amount of Euro 434,982,948.05.

In order to fund the purchase of the portfolio under the Third Previous Securitisation, on 23 December 2009 the Issuer issued two classes of asset backed notes due July 2057 (the **Third Previous Notes**), as follows:

(a) Euro 388,650,000 Class A Asset Backed Fixed Rate Notes due July 2057;

(b) Euro 54,100,000 Class B Asset Backed Notes due July 2057.

In October 2017, all the Third Previous Notes have been redeemed in full and cancelled.

Fourth Previous Securitisation

In April 2011 the Issuer entered into the Fourth Previous Securitisation in compliance with the provisions of the Securitisation Law. Under the Fourth Previous Securitisation, the Issuer has purchased a portfolio of residential mortgage loan receivables originated by BPPB with an initial principal amount of Euro 412,363,464.59.

In order to fund the purchase of the portfolio under the Fourth Previous Securitisation, on 12 April 2011 the Issuer issued threeclasses of asset backed notes due July 2052 (the **Fourth Previous Notes**), as follows:

(a) Euro 90,000,000 Class A1 Asset Backed Floating Rate Notes due October 2052;

(b) Euro 254,900,000 Class A2 Asset Backed Floating Rate Notes due October 2052;

(c) Euro 78,500,000 Class B Asset Backed Notes due October 2052.

All of the Third Previous Notes are still outstanding as at the date of this Prospectus. The representative of the holders of the Fourth Previous Notes has given its consent to the Securitisation.

Management

The current Sole Director of the Issuer is Mr. Andrea Perin. The Sole Director was appointed in the deed of incorporation (*atto costitutivo*) of the Issuer on 14 November 2003. Mr. Andrea Perin is an officer of Securitisation Services S.p.A.. The business address of Mr. Andrea Perin, in his capacity as Sole Director of the Issuer, is at Via V. Alfieri 1, 31015 Conegliano (TV), Italy.

Documents available for inspection

Copies of the following documents may be inspected during normal business hours at the registered office of each of the Issuer and of the Representative of the Noteholders:

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

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

Capitalisation and Indebtedness Statement

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

Capital	**Euro**
Issued, authorised and fully paid up capital	**10,000**
Loan Capital	
€96,189,089.49 Class A2 Asset Backed Floating Rate Notes due October 2052	96,189,089.49
€78,500,000 Class B Asset Backed Notes due October 2052	78,500,000
€422,000,000 Class A Asset Backed Floating Rate Notes due April 2062	422,000,000
€88,900,000 Class B Asset Backed Fixed Rate and Variable Return Notes due April 2062	88,900,000
Total Loan Capital	685,589,089.49
Total Capitalisation and Indebtedness	685,599,089.49

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.

The Issuer's Auditor

The Issuer's auditor, for the period covered by the historical information set out in the section headed "*Documents incorporated by reference*", is Dott. Lino De Luca (Public Certified Accountant enrolled with the register held by the *Ordine dei Dottori Commercialisti di Treviso*) whose offices are at Via V. Alfieri 1, 31015, Conegliano (Treviso), Italy. The Issuer's accounting reference date is 31 December in each year and its last accounting year ended on 31 December 2018.

THE BNYM GROUP

The Bank of New York Mellon (formerly The Bank of New York)

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

The Bank of New York Mellon's corporate trust business services $12 trillion in outstanding debt from 55 locations around the world. It services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralized debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has more than $26 trillion in assets under custody and administration and more than $1.4 trillion in assets under management. Additional information is available at bnymellon.com.

The Bank of New York Mellon SA/NV

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

The information contained in this section of this Prospectus relates to and has been obtained from the Account Bank, the Paying Agent, the Computation Agent and the Listing Agent. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Account Bank, the Paying Agent, the Computation Agent and the Listing 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.

SECURITISATION SERVICES

Securitisation Services S.p.A. is a joint stock company with a sole shareholder (*società per azioni con socio unico*) incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment with the companies' register of Treviso-Belluno under no. 03546510268, VAT Group "*Gruppo IVA FININT S.p.A.*" - VAT number 04977190265, with a share capital of Euro 2,000,000.00 (fully paid-up), company registered under no. 50 in the register of the Financial Intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the banking group known as "*Gruppo Banca Finanziaria Internazionale*", registered with the register of the banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act, subject to the activity of direction and coordination (*soggetta all'attività di direzione e coordinamento*) of Banca Finanziaria Internazionale S.p.A. pursuant to articles 2497 and following of the Italian civil code (**Securitisation Services**).

Securitisation Services is a professional Italian player focusing in managing and monitoring securitisation transactions. In particular, it acts as servicer, master and back-up servicer, back-up servicer facilitator, administrative services provider, calculation agent, cash manager and representative of the noteholders in several structured finance transactions.

In the context of the Securitisation, Securitisation Services acts as Corporate Servicer, Back-Up Servicer and Representative of the Noteholders.

The information contained in this section of this Prospectus relates to and has been obtained from the Back-Up Servicer, the Corporate Servicer and the Representative of the Noteholders. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Back-Up Servicer, the Corporate Servicer and the Representative of the Noteholders 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.

USE OF PROCEEDS

The proceeds from the issue of the Notes, being equal to Euro 510,900,000, will be applied by the Issuer to make the following payments in the following order on the Issue Date:

(a) *First*, to credit Euro 100,000.00 into the Expense Account as Retention Amount;

(b) *Second*, to credit Euro 8,500,000.00 into the Cash Reserve Account as Cash Reserve Initial Amount;

(c) *Third*, to pay to the Originator Euro 502,299,632.28 as Purchase Price due under the Transfer Agreement; and

(d) *Fourth*, to credit the remaining amount of Euro 367.72 to the Payments Account.

DESCRIPTION OF THE TRANSFER AGREEMENT

The description of the Transfer Agreement set out below is a summary of certain features of such agreement and is qualified by reference to the detailed provisions of the Transfer Agreement. Prospective Noteholders may inspect a copy of the Transfer Agreement upon request at the registered office of the Representative of the Noteholders.

General

On 14 March 2019 the Originator and the Issuer entered into the Transfer Agreement pursuant to which the Originator assigned and transferred without recourse (*pro soluto*) to the Issuer, and the Issuer acquired from the Originator, in accordance with the Securitisation Law, all of its rights, title and interest in and to the Receivables comprised in the Portfolio.

The Receivables have been selected by the Originator on the basis of the Criteria (for further details, see the section headed "*The Portfolio*").

Under the terms of the Transfer Agreement, the transfer of the Receivables becomes effective in economic terms from the Valuation Date (excluded).

The transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette no. 34 Part II of 21 March 2019, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 18 March 2019.

Purchase Price

The Purchase Price for the Portfolio is the aggregate of the individual purchase prices of all the Receivables comprised in the Portfolio (each an **Individual Purchase Price**) and is equal to Euro 502,299,632.28. The Individual Purchase Price of each Receivable is equal to the sum of (i) the outstanding principal of the relevant Receivable not yet due as at the Valuation Date; (ii) the interest accrued but not yet due thereon as at the Valuation Date; (iii) the outstanding principal and the interest due but unpaid as at the Valuation Date; (iv) the default interest due but unpaid on the relevant Receivable as at the Valuation Date, and (v) other charges accrued but unpaid on the relevant Receivable as at the Valuation Date, as indicated in Schedule 3 of the Transfer Agreement. The Purchase Price will be paid by the Issuer to the Originator on the Issue Date using the proceeds deriving from the issue of the Notes.

No interest will accrue on the Purchase Price during the period between the date of the Transfer Agreement and the relevant date of payment.

Adjustment of the Purchase Price

The Transfer Agreement provides that:

(a) if, after the Transfer Date, any of the mortgage loans included in the Portfolio and transferred to the Issuer proves not to meet the Criteria, then the receivables relating to such mortgage loans will be deemed not to have been assigned and transferred to the Issuer pursuant to the Transfer Agreement; and

(b) if, after the Transfer Date, it results that any of the Mortgage Loans meeting the Criteria has not been included in the Portfolio and has not been transferred to the Issuer, then the Receivables relating to such Mortgage Loans will be deemed to have been assigned and transferred to the Issuer pursuant to the Transfer Agreement.

The Purchase Price shall be then adjusted in accordance with the provisions of the Transfer Agreement, provided that any amounts due and payable by the Issuer to the Originator as Adjustment Purchase Price will be paid out of the Issuer Available Funds, in accordance with the applicable Priority of Payments.

Undertakings of the Originator

The Transfer Agreement contains certain undertakings by the Originator in respect of the Receivables. The Originator has undertaken, *inter alia*, to refrain from carrying out any activities with respect to the Receivables which may have an adverse effect on the Receivables and, in particular, not to assign or transfer (in whole or in part) the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables in the period of time between (a) the date of proposal of the Transfer Agreement by the Originator and (b) the date on which the relevant notice of sale is published in the Official Gazette and registered in the competent companies' register. The Originator has also undertaken to refrain from any action which could cause the invalidity or a reduction in the amount of any of the Receivables and not to assign or transfer any of the Mortgage Loan Agreements.

Under the Transfer Agreement the Originator has also undertaken to indemnify the Issuer in respect of the amounts to be paid by the Issuer for any claw-back actions (*azioni revocatorie*) of payments received by the Originator in respect of the Receivables prior to the Transfer Date.

Subrogation

Under the Transfer Agreement the parties thereto have undertaken and agreed that, should a Debtor request the amendment of the terms and/or conditions of the relevant Mortgage Loan, the Originator may accept such request by granting to the relevant Debtor a mortgage loan for the purpose of repayment in full of the original Mortgage Loan. After the repayment in full of such Mortgage Loan, the Originator will have the right to subrogate (i.e. replace) the Issuer in its rights in accordance with article 1202 of the Italian civil code and article 120-*quarter* of the Consolidated Banking Act, as amended from time to time. The Originator may exercise such right provided that:

(a) it has not favoured, promoted or pressed for in any way the request to amend the terms and/or conditions of the relevant Mortgage Loan raised by the relevant Debtor;

(b) the Debtor's request to amend the terms and/or conditions of the relevant Mortgage Loan has been formalised in writing, or the Debtor has submitted to the Originator a written statement issued by a bank different from the Originator showing the latter's intention to subrogate the Issuer in its rights in accordance with article 1202 of the Italian civil code and article 120-*quarter* of the Consolidated Banking Act, as amended from time to time;

(c) the Receivable arising from the Mortgage Loan in relation to which a Debtor has requested such amendment is not a non performing loan (*credito in sofferenza*) or a delinquent loan (*credito insoluto*) pursuant to the Servicing Agreement and the Credit and Collection Policies;

(d) the mortgage loan granted by it for the purpose of repaying the original Mortgage Loan is granted at current market conditions; and

(e) the Issuer will receive from the relevant Debtor, for the purpose of repaying the original Mortgage Loan, an amount equal to the Outstanding Balance.

Should the Originator intend to consent to any of such requests, and upon all the above conditions being satisfied, the Originator will promptly communicate in writing to the Issuer and the Servicer, if different from the Originator, the Receivable in relation to which the relevant Debtor has requested such amendment.

Governing Law and Jurisdiction

The Transfer Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Transfer Agreement (including a dispute relating to the existence, validity or termination of the Transfer Agreement or any non-contractual obligation arising out of or in connection with it).

DESCRIPTION OF THE WARRANTY AND INDEMNITY AGREEMENT

The description of the Warranty and Indemnity Agreement set out below is a summary of features of such agreement and is qualified by reference to the detailed provisions of the Warranty and Indemnity Agreement. Prospective Noteholders may inspect a copy of the Warranty and Indemnity Agreement upon request at the registered office of the Representative of the Noteholders.

General

Pursuant to the Warranty and Indemnity Agreement entered into on 14 March 2019 between the Issuer and BPPB, in its capacity as Originator, BPPB has agreed to grant a Limited Recourse Loan or indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Portfolio.

The Warranty and Indemnity Agreement contains representations and warranties by BPPB in respect of the following categories:

(a) status and power to execute the relevant Transaction Documents;

(b) existence and legal ownership of the Receivables;

(c) transfer of the Receivables and Transaction Documents;

(d) Mortgage Loan Agreements, Collateral Securities;

(e) Mortgage Loans;

(f) compliance with Privacy Rules;

(g) Collateral Securities and Insurance Policies; and

(h) Real Estate Assets.

Representations and Warranties of the Originator

Under the Warranty and Indemnity Agreement BPPB has represented and warranted, *inter alia*, as follows:

Existience and title to the Receivables:

- All the Receivables are valid and existing for the respective amuounts indicated in the list of Receivables set out in Schedule 3 to the Transfer Agreement as at the Valuation Date.

- BPPB has not assigned (whether absolutely or by way of security), participated, charged, transferred or otherwise disposed of any of the Mortgage Loan Agreements, the Security Interests and/or the Insurance Policies, or terminated, waived or amended any of the Mortgage Loan Agreements, the Security Interests and/or the Insurance Policies or otherwise created or allowed creation or constitution of any further lien, pledge, encumbrance, security interest, arrangement or other right, claim or beneficial interest of any third party on any of the Mortgage Loan Agreements (save for any mandatory amendment provided for by the applicable law), the Security Interests and/or the Insurance Policies other than those provided in the Transaction Documents to which it is a party;

Transfer of the Receivables and Transaction Documents:

- the transfer of the Receivables to the Issuer is in accordance with the Securitisation Law. The Receivables possess specific objective common elements such as to constitute a portfolio of homogenous monetary rights within the meaning and for the purposes of Securitisation Law. The Criteria have been correctly applied in the selection of the Receivables;

- there are no clauses or provisions in the Mortgage Loan Agreements, or in any other agreement, deed or document, pursuant to which BPPB is prevented from transferring, assigning or otherwise disposing of the Receivables or of any of them;

- the transfer of the Receivables to the Issuer pursuant to the Transfer Agreement shall not impair or affect in any manner whatsoever the obligation of the relevant Debtors to pay the amounts outstanding in respect of any Receivables and the enforceability of the Mortgages and the Collateral Security;

- all the information supplied by BPPB to the Issuer, the Arranger and/or their respective affiliates, representative agents and consultants for the purpose or in connection with the Transaction Documents or the Securitisation, including, without limitation, with respect to the Mortgage Loans, the Mortgage Loan Agreements, the Receivables, the Real Estate Assets, the Collateral Security, as well as the application of the Criteria, is true, accurate and complete in every material respect and no material information available to BPPB which may adversely impact on the Issuer has been omitted;

Mortgage Loan Agreements, Collateral Securities:

- each Mortgage Loan Agreement and each other agreement, deed or document relating thereto is valid and effective (as to the binding effects and enforceability vis-à-vis the Debtors, please see the paragraph headed "*Others*" below);

- each of the Receivables and the Mortgages relating to the Mortgage Loans arises from agreements executed as public deeds (*atti pubblici*) drawn up by an Italian Notary Public or as private deeds subsequently notarised (*scritture private autenticate*);

- each Mortgage Loan Agreement was entered into substantially in the same form as the standard form agreements used by BPPB from time to time and in compliance with the lending and financial practices adopted by BPPB from time to time, as described in the Credit and Collections Policies. After the execution of each Mortgage Loan Agreement, the general conditions of such agreement were not substantially modified in respect of the standard form agreements used by the Originator;

- each Mortgage Loan Agreement, Collateral Security and other agreement, deed or document relating thereto has been executed and each Mortgage Loan has been advanced in compliance with all applicable laws, rules and regulations, including, without limitation, all laws, rules and regulations relating to land credit ("*credito fondiario*" as defined in the Consolidated Banking Act), usury, compounding of interests personal data protection and disclosure at the time in force, as well as in accordance with the internal rules, including underwriting and origination guidelines and lending policies and procedures adopted from time to time by BPPB. In particular, the Originator has executed all the forms of publicity, where applicable, provided by article 116 of the Consolidated Banking Act and by the resolution issued on 4 March 2003 by the *Comitato Interministeriale per il Credito ed il Risparmio* on the I.S.C. (*indicatore sintetico di costo*) and T.A.N. (*tasso annuo nominale*) and the relevant rate of interest and costs of the financing are clearly indicated in each Mortgage Loan;

- each Mortgage Loan Agreement, Collateral Security and any other related agreement, deed or document was entered into and executed without any fraud (*frode*) or wilful misrepresentation (*dolo*)

or undue influence by or on behalf of BPPB or any of its directors (*amministratori*), managers (*dirigenti*), officers (*funzionari*) and/or employees (*impiegati*), which would entitle the relevant Debtor(s), Mortgagor(s) and/or other Guarantor(s) to claim against BPPB for fraud or wilful misrepresentation or to repudiate any of the obligations under or in respect of the relevant Mortgage Loan Agreement, Mortgage, Collateral Security or other agreement, deed or document relating thereto;

- all Mortgage Loan Agreements are denominated in Euro and do not contain provisions which allow for the conversion into another currency.

Mortgage Loans:

- all the Mortgage Loans have been granted on the basis of an appraisal of the relevant Real Estate Assets, made and signed prior to the approval of the relevant Mortgage Loan Agreement, by an appraiser duly qualified and authorised, having no direct or indirect interest in the relevant Real Estate Asset or Mortgage Loan Agreement and whose compensation was not related or subject to the approval of such agreement;

- all the Mortgage Loans are performing (*in bonis*). To BPPB's knowledge and belief, none of the Debtors is in financial difficulties which could result in the non-payment or late payment in respect of any Receivable (save for potential delays of not more than 1 (one) Instalment);

- as of the Valuation Date no Mortgage Loan fell within the definition of "*credito in sofferenza*", "*inadempienza probabile*" or "*esposizione scaduta e/o sconfinante deteriorata*", under the applicable Bank of Italys' regulations or the Credit and Collections Policies. The scheduled amortisation plans disclosed are the up to date amortisation plans applied to the Debtors;

- the books, records, data and the documents relating to the Mortgage Loan Agreements, the Receivables, all instalments and any other amounts paid or repaid thereunder have been maintained in all material respects complete, proper and up to date, and all such books, records, data and documents are kept by or are available to BPPB;

- the list of Receivables set out in Schedule 3 to the Transfer Agreement is an accurate list of all of the Receivables comprised in the Portfolio and contains the indication of the Individual Purchase Price for each Receivable and the outstanding amount, as of the Valuation Date, of each Mortgage Loan out of which such Receivables arise, and all information contained therein is true and correct in all material respects;

- as at the Valuation Date and as at the Transfer Date, the rates of interest applicable to the Mortgages Loans are (i) fixed or (ii) floating (with or without a cap) indexed to Euribor, as indicated in the relevant Mortgage Loan Agreements. The rates of interest set out in the relevant Mortgage Loan Agreements are true and correct and, save as provided for by the Usury Law, the criteria on the basis of which such rates have been calculated are not subject to reductions or variations;

- all Debtors are individual person which declared to be resident in Italy on the signing date of the relevant Mortgage Loan Agreement and that they have not executed the relevant loan agreement in the context of commercial activity aimed at the construction of residential real estate assets.

Collateral Securities and Insurance Policies:

- each Mortgage has been duly granted, created, registered, renewed (when necessary) and preserved, is valid and enforceable and has been duly and properly perfected, meets all requirements under all applicable laws or regulations and is not affected by any material defect whatsoever;

- each Mortgage has been created simultaneously with the granting of the relevant Mortgage Loan. The "hardening" period (*periodo di consolidamento*) applicable to each Mortgage has expired and the relevant security interest created thereby is not capable of being challenged under any applicable laws and regulations whether by way of claw-back action or otherwise including, without limitation, pursuant to article 67 of the Italian Bankruptcy Law or article 39 of the Consolidated Banking Act;

- BPPB has not (whether in whole or in part) cancelled, released or reduced or consented to cancel, release or reduce any of the Mortgages except (a) to the extent such cancellation, release or reduction is in accordance with prudent and sound banking practice in Italy, and (b) when requested by the relevant Debtor or Mortgagor in circumstances where such cancellation, release or reduction is required by any applicable laws or contractual provisions of the relevant Mortgage Loan Agreement. No Mortgage Loan Agreement contains provisions entitling the relevant Debtor(s) or Mortgagor(s) to any cancellation, release or reduction of the relevant Mortgage other than when and to the extent it is required under any applicable law and/or regulation;

- The Mortgages do not secure any loans other than the Mortgage Loans;

- BPPB has not relieved or discharged any Debtor, Mortgagor or other Guarantor, or subordinated its rights to claims of those of other creditors thereof, or waived any rights, except in relation to payments made in a corresponding amount in satisfaction of the relevant Receivables;

- each surety, pledge, collateral and other security interest constituting Collateral Security has been duly granted, created, perfected and maintained and is still valid and enforceable in accordance with the terms upon which it was granted and relied upon by BPPB, meets all requirements under all applicable laws and regulations and is not affected by any material defect whatsoever;

- the Insurance Policies are in full force and effect and the relevant premia have been paid in full; in relation to the Insurance Policies under which the Originator is a beneficiary, the relevant claims can be transferred to the Issuer.

Real Estate Assets:

- all of the Real Estate Assets were fully owned by the relevant Mortgagors, at the time the relevant Mortgages were registered;

- to the best of BPPB's knowledge no claim has been made for adverse possession (including *usucapione*) in respect of any of the Real Estate Assets;

- to the best of BPPB's knowledge there are no prejudicial registration, annotation (*iscrizioni o trascrizioni pregiudizievoli*) or third party claim in relation to any of the Real Estate Assets which may impair, affect or jeopardise in any manner whatsoever the relevant Mortgages, their enforceability and/or their ranking and/or any of the Issuer's related rights;

- to the best of BPPB's knowledge there are no Real Estate Assets preliminary purchase agreements, or similar or analogous agreements, executed between Mortgagors and third parties which have been registered with the competent land offices and registration offices;

- to the best of BPPB's knowledge and belief, all the Real Estate Assets comply with all applicable laws and regulations concerning health and safety and environmental protection (*legislazione in materia di igiene, sicurezza e tutela ambientale*);

- to the best of BPPB's knowledge and belief at the Valuation Date the Real Estate Assets are not damaged and do not present any material defect, are in good condition and there are no pending or threatened proceedings;

- all the Real Estate Assets have been completed and are not under construction and the Debtors are not entitled to break down the relevant loan into instalments and fractionate the securing mortgage pursuant to article 39 of the Consolidated Banking Act;

- risks of fire and explosion of the Real Estate Assets are covered by insurance policies for an amount at least equal to the value of the Real Estate Assets (as determined in the relevant appraisal), the premia for which have been fully and timely paid. The relevant indemnity may be settled upon BPPB's prior authorisation;

- to the best of BPPB's knowledge and belief all the Real Estate Assets comply with all applicable planning and building laws and regulations (*legislazione edilizia, urbanistica e vincolistica*) or, otherwise, a valid petition of amnesty with reference to any existing irregularity had been duly filed with the competent authorities;

- all the Real Estate Assets are duly registered with the competent land offices and registration offices, in compliance with all applicable laws and regulations;

- all the Real Estate Assets comply with all applicable laws and regulations in matters of use (*destinazione d'uso*) and, in particular, as a building intended for residential use;

- each Real Estate Asset is located in Italy;

- to the best of BPPB's knowledge the Real Estate Assets are provided with a certificate of occupancy (*certificato di abitabilità e/o agibilità*).

Others:

- as at the Valuation Date and as at the Transfer Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of the Originator's knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables under the Transfer Agreement (article 20(6) of the EU Securitisation Regulation), and is freely transferable to the Issuer. The Originator is the current beneficiary of the Collateral Securities.

- All the Mortgage Loans provide for a repayment through constant instalments payable monthly, quarterly, semi-annually or annually as determined in the relevant Mortgage Loan Agreement (article 20(13) EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

- The Receivables have been originated by the Originator in the ordinary course of its business; BPPB has a more than 5 (five) year-expertise in originating exposures of a similar nature to the Receivables (article 20(10) EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

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

- BPPB has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC (article 20(10) EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

- As at the Valuation Date and 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 (including, where applicable, the Guarantors) (article 20(8) EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

- As at the Valuation Date and as at the Transfer Date, the Portfolio does not comprise (i) any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU (article 20(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria), (ii) any securitisation positions, (article 20(9) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria), nor (iii) any derivatives (article 21(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria) or (iv) loans that are marketed and underwritten on the premise that the loan applicant was made aware that the information provided by the loan applicant might not be verified by the Originator (article 9(2) of the EU Securitisation Regulation).

- As at the Valuation Date and as the Transfer Date, the Portfolio does not include Receivables qualified as exposure in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of the Originator's knowledge (article 20(11) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria):

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

  (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or

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

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

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

  (ii) the Receivables have been serviced by BPPB according to similar servicing procedures;

  (iii) the Receivables arise from Mortgage Loans secured by one or more Mortgages over Real Estate Assets and therefore fall in the asset category named "residential mortgages"; and

  (iv) within the category "residential mortgages" pursuant to article 2(a) of the Regulatory Technical Standards on the homogeneity for the underlying exposure, the Receivables met

the homogeneity factor provided for by article 3(c) of the Regulatory Technical Standards on the homogeneity for the underlying exposure, i.e. the Receivables are secured by Mortgages over Real Estate Assets located in the Republic of Italy.

Each of the representations and warranties of the Originator under the Warranty and Indemnity Agreement have been made as of the Transfer Date. However, such representations and warranties shall be deemed to be repeated and confirmed by the Originator on the Issue Date, with reference to the facts and circumstances then subsisting.

Limited Recourse Loan and Indemnities in favour of the Issuer

Pursuant to the Warranty and Indemnity Agreement, in the event of any misrepresentation or breach by BPPB of any of its representations and warranties made under such agreement in relation to any Receivables included in the Portfolio (and to the extent such breach is not cured by BPPB, within a period of 10 (ten) days from receipt of a written notice from the Issuer to that effect), BPPB has undertaken to grant the Issuer, upon its first demand and within 10 (ten) Business Days from such demand, a Limited Recourse Loan in an amount equal to the sum of:

(a) the Outstanding Balance of the relevant Mortgage Loan as of the date on which the Limited Recourse Loan is granted; plus

(b) the costs and the expenses (including, but not limited to, legal fees and disbursements plus VAT, if applicable) incurred by the Issuer in respect of the relevant Receivable up to the date on which the Limited Recourse Loan is granted; plus

(c) the damages and the losses incurred by the Issuer as a consequence of any claim raised by any third party in respect of such Receivable until the date on which the Limited Recourse Loan is granted; plus

(d) an amount equal to the interest which would have accrued on the Outstanding Principal of the relevant Receivable (calculated at the rate of interest applicable to the Senior Notes according to the relevant Terms and Conditions) between the date on which the Limited Recourse Loan is granted and the maturity date of the relevant Mortgage Loan Agreement (hereinafter, the **Mortgage Loan Value**).

The Limited Recourse Loan will constitute a non-interest bearing limited recourse advance made by BPPB to the Issuer which shall be repayable by the Issuer to BPPB only if and to the extent that the Receivable in respect of which the relevant Limited Recourse Loan is granted is collected or recovered by the Issuer outside the Priority of Payments.

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its directors or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*:

(a) any representations and/or warranties made by the Originator thereunder, being false, incomplete or incorrect;

(b) the failure by BPPB to comply with any of its obligations under the Transaction Documents;

(c) any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator or right of termination by a Debtor and/or a Mortgagor and/or a Guarantor or the insolvency receiver of any Debtor or Mortgagor;

(d) the failure of the terms and conditions of any Mortgage Loan on the Valuation Date to comply with the provision of article 1283 or article 1346 of the Italian civil code; or

(e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Mortgage Loans up to the Transfer Date.

Under the Warranty and Indemnity Agreement, the Originator and the Issuer have agreed and acknowledged that the indemnity rights deriving thereunder shall in no event be construed so as to invalidate the *pro soluto* nature of the assignment and transfer of the Receivables made pursuant to the Transfer Agreement.

In the event of any Counterclaim being raised by a Debtor and/or a Mortgagor and/or a Guarantor or the insolvency receiver of any Debtor or Mortgagor in respect of any Receivable in the circumstances referred to in the Warranty and Indemnity Agreement including those referred to in the preceding paragraph under (c), (d) and (e) above, BPPB shall give a notice thereof to the Issuer, specifying the amount of the Counterclaim and whether it is in BPPB's view legally founded (hereinafter, the **Counterclaim Accepted Amount**) or legally unfounded (hereinafter, the **Counterclaim Disputed Amount**). Following service of the notice, the Originator shall pay to the Issuer by transfer into the Payments Account an amount equal to the amount of the Counterclaim, together with interest accrued thereon from and including the date on which such amount should have been paid by the relevant Debtor (and/or Mortgagor and/or any Guarantor) to but excluding the date on which such amount is actually paid to the Issuer at an annual rate equal to the Euribor applicable during such period plus a margin of 3 per cent. per annum. Any such payment made (a) to the extent it consists of a Counterclaim Accepted Amount, shall be deemed to constitute a payment on account of the indemnity obligation of the Originator and (b) to the extent it consists of a Counterclaim Disputed Amount, shall be deemed to constitute a limited recourse advance made by the Originator to the Issuer which shall not accrue interest and which shall be repayable by the Issuer to the Originator if and to the extent that the amounts which are the subject of the relevant Counterclaim are actually paid to the Issuer by the relevant Debtor (and/or Mortgagor and/or any Guarantor).

Representations and Warranties of the Issuer

Under the Warranty and Indemnity Agreement the Issuer has given certain representations and warranties to the Originator in relation to its due incorporation, solvency and due authorisation, execution and delivery of the Warranty and Indemnity Agreement and the other Transaction Documents.

Limited Recourse

The Warranty and Indemnity Agreement provides that the obligations of the Issuer to make any payments thereunder, including the indemnity obligations of the Issuer shall be limited to the lesser of the nominal amount thereof and the Issuer Available Funds which may be applied by the Issuer in making such payment in accordance with the applicable Priority of Payments. The Originator acknowledges that the obligations of the Issuer contained in the Warranty and Indemnity Agreement will be limited to such sums as aforesaid and that it will have no further recourse to the Issuer in respect of such obligations.

Governing Law and Jurisdiction

The Warranty and Indemnity Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Warranty and Indemnity Agreement (including a dispute relating to the existence, validity or termination of the Warranty and Indemnity Agreement or any non-contractual obligation arising out of or in connection with it).

DESCRIPTION OF THE SERVICING AGREEMENT

The description of the Servicing Agreement set out below is a summary of features of such agreement and is qualified by reference to the detailed provisions of the Servicing Agreement. Prospective Noteholders may inspect a copy of the Servicing Agreement at the registered office of the Representative of the Noteholders.

General

Pursuant to the Servicing Agreement entered into on 14 March 2019 between the Issuer and BPPB, the Issuer has appointed BPPB as Servicer of the Receivables and the Servicer has agreed to administer and service the Receivables.

Under the Servicing Agreement, the Servicer shall credit on a daily basis all Collections received and recovered in relation to the Receivables into the Collection Account. The receipt of cash collections in respect of the Mortgage Loans is the responsibility of the Servicer. BPPB will also act as the entity responsible for the collection of the assigned credits and cash and payment services "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" pursuant to article 2, paragraph 3(c) of the Securitisation Law. In such capacity, BPPB shall also be responsible for ensuring that such operations comply with all applicable laws and the Prospectus pursuant to article 2, paragraphs 6 and 6-*bis*, of the Securitisation Law.

The Servicer will also be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement and the Credit and Collections 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 Servicer

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

(a) to carry out the management, administration and collection of the Receivables and to manage the recovery of the Defaulted Receivables and to bring or participate in the relevant enforcement procedures in relation thereto in accordance with best professional skills;

(b) to comply with laws and regulations applicable in Italy to the activities contemplated for under the Servicing Agreement and, in particular, to perform any activities provided by the relevant laws and regulations applicable in Italy in relation to the administration and collection of the Receivables, including, but not limited to, the applicable Bank of Italy's regulations;

(c) to maintain effective accounting and auditing procedures in order to comply with the Servicing Agreement;

(d) not to authorise, other than in certain limited circumstances specified in the Servicing Agreement, any waiver in respect of any Receivables or other security interest, lien or privilege pursuant to or in connection with the Mortgage Loan Agreements and not to authorise any modification thereof which may be prejudicial to the Issuer's interests to the extent such waiver or modification is not imposed by law, by judicial or other authority unless such waiver or modification is authorised by the Issuer; and

(e) to ensure that the Usury Law will not be breached in carrying out its functions under the Servicing Agreement.

The activities to be carried out by the Servicer include also the processing of administrative and accounting data in relation to the Receivables and the management of such data. The Servicer has represented and warranted that it has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement. In addition, the Servicer has represented and warranted it has expertise in servicing exposures of a similar nature to those securitised for more than 5 (five years) and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures (article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria).

The Servicer has undertaken to use all due diligence to maintain all accounting records in respect of the Receivables and on the Defaulted Receivables and shall (a) supply all relevant information to the Issuer and the Corporate Servicer and (b) assist and cooperate with the Corporate Servicer to prepare the financial statements of the Issuer.

In the event of any material failure on the part of the Servicer to observe or perform any of its obligations under the Servicing Agreement, the Issuer and the Representative of the Noteholders shall be authorised to carry out all necessary activities to perform the relevant obligation in accordance with the terms thereunder. The Servicing Agreement provides that the Servicer will indemnify the Issuer and the Representative of the Noteholders from and against any cost and expenses incurred by them in connection with performance of the relevant obligation.

Pursuant to the terms of the Servicing Agreement, the Issuer has authorised the Servicer to execute settlement agreements or re-negotiate the terms of the Mortgage Loan Agreements, to grant moratoria and assumptions (*accolli*) in relation to the payment obligations of the Debtors under the Mortgage Loan Agreements, only in certain limited circumstances specified in the Servicing Agreement.

The Issuer and the Representative of the Noteholders have the right to inspect and take copies of the documentation and records relating to the Receivables in order to verify the performance by the Servicer of its obligations pursuant to the Servicing Agreement to the extent the Servicer has been informed reasonably in advance of such inspection.

Pursuant to the Servicing Agreement, the Servicer shall perform the duties provided for by the Servicing Agreement and take any steps and decision in relation to the management, servicing, recovery and collection of the Receivables in compliance with:

(a) the Credit and Collection Policies;

(b) the sound and prudent banking management (*sana e prudente gestione bancaria*) adopted by the Servicer in the management of its receivables;

(c) any laws and regulation applicable to the Receivables and/or the Servicer, including the Consolidated Banking Act, the applicable Bank of Italy's regulations, the Privacy Rules and the Usury Law;

(d) the provisions of the Mortgage Loans Agreements; and

(e) the instructions which may be given by the Issuer and, following a Trigger Notice, by the Representative of the Noteholders.

The Servicer has acknowledged and accepted that, pursuant to the terms of the Servicing Agreement (other than the Servicing Fee) it will have no further recourse against the Issuer for any damages, losses, liabilities, costs or expenses incurred by the Servicer as a result of the performance of its obligations under the Servicing Agreement, except and to the extent that such damages are caused by the wilful default (*dolo*) or gross negligence (*colpa grave*) of the Issuer.

Renegotiations and Suspensions

Pursuant to the terms and conditions of the Servicing Agreement:

(a) the Issuer has authorised the Servicer to enter into agreements in order to renegotiate, inter alia, (i) the interest rate provided by the Mortgage Loan Agreements, (ii) the type of interest rate applicable to the Mortgage Loan Agreements, (iii) the early-redemption penalty and (iv) the amortisation schedule;

(b) with reference to the renegotiations of the interest rate, the parties have agreed that the Servicer shall be entitled to renegotiate the fixed rate interest applicable to Mortgage Loans or the margin applicable to floating rate or cap floating rate Mortgage Loans provided that:

  (i) the renegotiated applicable fixed rate will not be reduced of more than 0.50 per cent. and the margin applicable to Mortgage Loans or the margin applicable to floating rate or cap floating rate Mortgage Loans will not be reduced of more than 0.50 per cent.;

  (ii) the Outstanding Principal of the Receivables whose interest rate can be renegotiated (as at the date on which the relevant renegotiation have been executed) will not exceed in any case 15 per cent. of the Outstanding Principal of the Portfolio as at the Valuation Date;

(c) with reference to the renegotiations of the type of interest rate, the parties have agreed that:

  (i) the Servicer shall be entitled to renegotiate the type of rate from fixed rate Mortgage Loan to floating rate or cap floating rate Mortgage Loan, provided that:

    (A) the margin is at least equal to 1.25 per cent.;

    (B) the cap applicable to renegotiated Mortgage Loan is at least equal to 6 per cent.;

  (ii) the Servicer shall be entitled to renegotiate the type of rate from floating rate or cap floating rate Mortgage Loan to fixed rate Mortgage Loan, provided that:

    (A) the fixed rate is at least equal to 3 per cent.;

    (B) the Outstanding Principal of the Receivables whose interest rate can be renegotiated (as at the date on which the relevant renegotiation have been executed) will not exceed in any case 15 per cent. of the Outstanding Principal of the Portfolio as at the Valuation Date;

(d) with reference to the renegotiations of the early redemption penalty, the Servicer shall be entitled to renegotiate without any limits the reduction of the penalties applicable to Debtors pursuant to the Mortgage Loan Agreements in case of early redemption of the Mortgage Loan;

(e) with reference to the renegotiation of the amortisation schedule, the Issuer has authorised BPPB to agree with the Debtors the suspension or extension of the payments of the Instalments due under the relevant Mortgage Loan Agreement and related to Receivables (other than Defaulted Receivables or Receivables with 3 (three) or more Delinquent Instalments) provided that:

  (i) the renegotiation shall not extend the amortisation schedule for a period falling after 31 December 2053 and, in any case, not after the eightieth birthday (in case of man) and eighty-fourth birthday (in case of woman) of the relevant Debtor;

(ii) the Outstanding Principal of the Receivables whose amortisation schedule can be renegotiated (as at the date on which the relevant renegotiation have been executed) will not exceed in any case the 10 per cent. of the Outstanding Principal of the Portfolio as at the Valuation Date;

(iii) the deferral or suspension shall not exceed 36 (thirty-six) Instalments.

In addition, the Servicer is allowed to amend the terms and conditions of the Mortgage Loan Agreements if and to the extent required by provisions of laws or regulations (including, without limitation, any ABI conventions) applicable to the Receivables, provided that the Servicer shall promptly inform in writing the Issuer and the Representative of the Noteholders (as well as, through the relevant Quarterly Servicer's Report, the Rating Agencies).

For further details on the 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, please see the Credit and Collection Policies attached to the Servicing Agreement, a summary of which is set out in this Prospectus under the section headed "*Credit and Collection Policies*".

Reports of the Servicer

The Servicer has undertaken to prepare and deliver:

(a) to the Issuer, the Computation Agent, the Back-Up Servicer, the Corporate Servicer and the Rating Agencies, on or prior to each Monthly Servicer's Report Date, the Monthly Servicer's Report (substantially in the form of Annex 1 to the Servicing Agreement);

(b) to the Issuer, the Computation Agent, the Back-Up Servicer, the Representative of the Noteholders, the Account Bank, the Paying Agent, the Rating Agencies and the Corporate Servicer, on or prior to each Quarterly Servicer's Report Date, the Quarterly Servicer's Report (substantially in the form of Annex 2 to the Servicing Agreement);

(c) to the Issuer, the Representative of the Noteholders, the Computation Agent, the Reporting Entity and the Arranger (i) within one month after each Payment Date, the Loan by Loan Report setting out information relating to each Mortgage Loan in respect of the immediately preceding Quarterly Collection Period (including, *inter alia*, the information related to the environmental performance of the Real Estate Assets (if available)), and (ii) without delay, the Inside Information Report, in each case in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards; and

(d) to the Rating Agencies, after the delivery of the Quarterly Servicer's Report, a report in electronic format (substantially in the "European DataWarehouse" form) containing the loan by loan information related to the Portfolio.

The Servicer has undertaken to amend the reports under paragraphs (a) and (b) to include any further information which may become necessary for the purposes of the preparation of the reports referred to in article 7(1) of the EU Securitisation Regulation in compliance with the applicable Regulatory Technical Standands.

Servicing Fee

In return for the services provided by the Servicer, the Issuer will pay BPPB the following Servicing Fee, in accordance with the applicable Priority of Payments:

(a) for the supervision, administration, management and collection of the performing Receivables (excluding the activities of recovery and compliance under paragraphs (b) and (c) below, respectively), on each Payment Date a fee equal to 0.10 per cent. per annum (plus VAT, if applicable) of the Collateral Portfolio Outstanding Principal, calculated as at the beginning of the Quarterly Collection Period immediately preceding the relevant Payment Date;

(b) for the supervision, administration, management and collection and recoveries of the Defaulted Receivables (excluding the activity of compliance under paragraph (c) below), on each Payment Date a fee equal to 0.05 per cent. per annum (including VAT, if applicable) of the Collections made by the Servicer in respect of the Defaulted Receivables during the Quarterly Collection Period immediately preceding the relevant Payment Date net of the expenses relating to such Collections;

(c) for the activity of compliance (i.e. compliance with duties imposed by the applicable regulation and/or reporting and communication duties), on each Payment Date a fee equal to Euro 5,000 (plus VAT, if applicable).

The Issuer shall reimburse to the Servicer, on each Payment Date, any expenses (including, without limitation, the fees of external legal advisers) reasonably incurred and properly documented by the Servicer in connection with the recovery of the Defaulted Receivables during any Quarterly Collection Period in accordance with the applicable Priority of Payments.

Termination of the Appointment of the Servicer

The Servicer may not resign from its appointment before the Cancellation Date.

The Issuer may, at its sole discretion (or shall, if so requested by the Representative of the Noteholders), terminate the Servicer's appointment and appoint a Substitute Servicer if a Servicer Termination Event occurs. The Servicer Termination Events include, *inter alia*, the following events:

(a) an Insolvency Event occurs in respect of the Servicer;

(b) a failure on the part of BPPB to observe or perform any of its undertakings under any Transaction Documents to which it is party and such failure is not remedied within 10 (ten) days after the receipt by the Servicer and the Representative of the Noteholders of a notice by the Issuer requiring the same to be remedied (or, in case of failure to deliver the Quarterly Servicer's Report, such failure is not remedied within the Business Day before the relevant Calculation Date);

(c) any of the representations and warranties given by BPPB under the Servicing Agreement and/or any other Transaction Document to which it is party proves to be false or misleading in any material respect and this could be materially prejudicial (at the sole discretion of the Representative of the Noteholders) to the interests of the Issuer or the Noteholders;

(d) the Servicer fails to deposit or pay any amount due under the Servicing Agreement within 5 (five) Business Days from the day on which such amount is due (unless such failure is due to strikes, technical delays or other justified reason);

(e) it becomes illegal for the Servicer to perform any of its obligations under any of the Transaction Documents to which it is a party;

(f) the economic, financial and managing conditions of the Servicer deteriorate up to the point that, if the Servicer it is not replaced, there could be a downgrading of one or more Classes of Notes; and

(g) the Servicer fails to maintain the legal requirements which are mandatory for its role under the Servicing Agreement in a securitisation transaction or other requirements which could be requested, in the future, by the Bank of Italy or any other relevant governmental or administrative authorities.

The Substitute Servicer shall, *inter alia*, have expertise in servicing exposures of a similar nature to those securitised for and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

Governing Law and Jurisdiction

The Servicing Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Servicing Agreement (including a dispute relating to the existence, validity or termination of the Servicing Agreement or any non-contractual obligation arising out of or in connection with it).

DESCRIPTION OF THE BACK-UP SERVICING AGREEMENT

The description of the Back-Up Servicing Agreement set out below is a summary of features of such agreement and is qualified by reference to the detailed provisions of the Back-Up Servicing Agreement. Prospective Noteholders may inspect a copy of the Back-Up Servicing Agreement upon request at the registered office of the Representative of the Noteholders.

On or about the Issue Date the Back-Up Servicer, the Servicer and the Issuer entered into the Back-Up Servicing Agreement, pursuant to which the Back-Up Servicer has agreed to be appointed and act as Substitute Servicer.

Pursuant to the terms of the Back-Up Servicing Agreement, the Back-Up Servicer shall substitute BPPB as Servicer if the appointment of BPPB as Servicer is terminated following the occurrence of a Servicer Termination Event or otherwise, provided that the Back-Up Servicer shall begin to carry out such activity within 60 (sixty) days from the receipt of the termination notice

Pursuant to the terms of the Back-Up Servicing Agreement, the Back-Up Servicer has represented and warranted that it satisfies the requirements for a Substitute Servicer provided for by the Servicing Agreement (including, *inter alia*, expertise in servicing exposures of a similar nature to those securitised for and 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).

Governing Law and Jurisdiction

The Back-Up Servicing Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Back-Up Servicing Agreement (including a dispute relating to the existence, validity or termination of the Back-Up Servicing Agreement or any non-contractual obligation arising out of or in connection with it).

DESCRIPTION OF THE CASH ALLOCATION, MANAGEMENT AND PAYMENT AGREEMENT

The description of the Cash Allocation, Management and Payment Agreement set out below is a summary of features of such agreement and is qualified by reference to the detailed provisions of the Cash Allocation, Management and Payment Agreement. Prospective Noteholders may inspect a copy of the Cash Allocation, Management and Payment Agreement upon request at the registered office of the Representative of the Noteholders.

General

Pursuant to the Cash Allocation, Management and Payment Agreement entered into on or about the Issue Date, the Computation Agent, the Account Bank and the Paying Agent have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, investment and cash management services in relation to monies and securities from time to time standing to the credit of the Accounts.

Accounts

The Issuer has opened and shall at all times maintain with the Account Bank the Collection Account, the Payments Account and the Cash Reserve Account.

The Issuer has opened and shall at all times maintain with Banca Monte dei Paschi di Siena S.p.A. the Expense Account and the Quota Capital Account.

In addition, after the Issue Date, the Issuer may open with an Investment Account one or more Investment Account(s) for the purposes of making Eligible Investments. Should any Investment Account be opened, the Issuer shall procure that, on or prior to the date of the appointment of the relevant Investment Account Bank, (i) such Investment Account Bank adheres to the Cash Allocation, Management and Payment Agreement, the Intercreditor Agreement and the other relevant Transaction Documents, (ii) the Cash Allocation, Management and Payment Agreement is amended in order to reflect, *inter alia*, the operation of the relevant Investment Account, (iii) to the extent that the relevant Investment Account is opened outside Italy, a deed of charge (or other equivalent security) is entered into for the benefit of the Noteholders and the Other Issuer Creditors and a legal opinion on the validity and enforceability thereof is issued by a leading international law firm, (iv) a suitable entity is appointed as cash manager (if necessary) for the selection of the Eligible Investments and adheres to the Cash Allocation, Management and Payment Agreement, the Intercreditor Agreement and the other relevant Transaction Documents, and (v) the Rating Agencies are notified in writing in advance of the appointment of such Investment Account Bank and of the taking of the actions under paragraphs (i), (ii), (iii) and (iv) above. It is understood that, unless the context requires otherwise, any reference in the Cash Allocation, Management and Payment Agreement and the other relevant Transaction Documents to the Accounts shall be deemed to include also any Investment Account, if and when opened.

Account Bank

The Account Bank has agreed to (a) open in the name of the Issuer and manage in accordance with the Cash Allocation, Management and Payment Agreement, the Accounts held with it, and (b) provide the Issuer with certain reporting services together with certain handling services in relation to monies from time to time standing to the credit of the Accounts. In particular, the Account Bank, on each Account Bank Report Date shall deliver to the Issuer, the Representative of the Noteholders, the Corporate Servicer, the Servicer and the Computation Agent a copy of the Account Bank Report setting out information concerning, *inter alia*, the transfers and the balances relating to the Accounts during the relevant Quarterly Collection Period.

The Account Bank will be required at all times to be an Eligible Institution.

Computation Agent

The Computation Agent has agreed to provide the Issuer with certain other calculation, monitoring and reporting services. The Computation Agent shall (i) on each Calculation Date before the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), the Payments Report setting out, *inter alia*, the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the Pre-Enforcement Priority of Payments, and (ii) on or prior to each Calculation Date before the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), the Post-Enforcement Report setting out, *inter alia*, the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the Post-Enforcement Priority of Payments.

In addition, pursuant to the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement, the Computation Agent has undertaken to prepare, on or prior to each Investors Report Date, the Investors Report setting out certain information with respect to the Notes (including, *inter alia*, the events which trigger changes in the Priorities of Payments), in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

The Servicer shall monitor and supervise the Investors Report, the Payments Report and the Post-Enforcement Report prepared by the Computation Agent.

Paying Agent

The Paying Agent has agreed to provide the Issuer with certain calculation, payment and agency services in relation to the Notes, including without limitation, calculating the rate of interest applicable on the Senior Notes, making payment to the Noteholders, giving notices and issuing certificates and instructions in connection with any meeting of the Noteholders.

The Paying Agent will be required at all times to be an Eligible Institution.

Payments to Noteholders and Other Issuer Creditors

Under the Cash Allocation, Management and Payment Agreement, the Issuer will instruct the Account Bank to arrange for the transfer on each Payment Date, of sufficient amounts, from the Accounts held with it (other than the Payments Account) into the Payments Account as indicated in the relevant Payments Report (or Post-Enforcement Report, as the case may be) and, upon written instructions by the Issuer, the Account Bank shall make the payments in favour of the Paying Agent or the other Issuer's creditor and/or shall retain into the Payments Account the amounts specified in the relevant Payments Report (or Post-Enforcement Report, as the case may be). In particular:

(a) payments in favour of the Noteholders shall be made by transferring the full amount thereof to the Paying Agent to provide for such payments on such Payment Date; and

(b) payments to the Other Issuer Creditors and any other third party creditors shall be made by the Account Bank on such Payment Date,

in each case to the extent that Issuer Available Funds are available for such purposes and in accordance with the applicable Priority of Payments. No payments may be made out of the Accounts which would thereby cause or result in such accounts becoming overdrawn.

Termination or resignation of the appointment of the Agents

The appointment of any of the Computation Agent, the Account Bank and the Paying Agent may be terminated by the Issuer, subject to the prior written approval of the Representative of the Noteholders, upon 3 (three) months written notice provided that the Issuer at all times maintains an agent carrying out the duties provided under the Cash Allocation, Management and Payment Agreement.

Each of the Computation Agent, the Account Bank and the Paying Agent may resign from its appointment under the Cash Allocation, Management and Payment Agreement, upon giving not less than 3 (three) months (or such shorter period as the Representative of the Noteholders may agree) prior written notice of termination to the Representative of the Noteholders, the Issuer and the other relevant parties thereto subject to and conditional upon, *inter alia*, a substitute Computation Agent, Account Bank or Paying Agent, as the case may be, being appointed by the Issuer, with the prior written approval of the Representative of the Noteholders, on substantially the same terms set out in the Cash Allocation, Management and Payment Agreement.

Governing Law and Jurisdiction

The Cash Allocation, Management and Payment Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Cash Allocation, Management and Payment Agreement (including a dispute relating to the existence, validity or termination of the Cash Allocation, Management and Payment Agreement or any non-contractual obligation arising out of or in connection with it).

DESCRIPTION OF THE INTERCREDITOR AGREEMENT

The description of the Intercreditor Agreement set out below is a summary of features of such agreement and is qualified by reference to the detailed provisions of the Intercreditor Agreement. Prospective Noteholders may inspect a copy of the Intercreditor Agreement at the registered office of the Representative of the Noteholders.

General

On or about the Issue Date, the Issuer, the Sole Quotaholder, the Reporting Entity, the Other Issuer Creditors and the Junior Notes Underwriter have entered into the Intercreditor Agreement, pursuant to which provision is made, *inter alia*, as to the order of application of the Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's rights in relation to the Portfolio and the Transaction Documents.

Priority of Payments

The Intercreditor Agreement also sets out, *inter alia*, the Priority of Payments to be applied by the Issuer in connection with the Securitisation.

Limited Recourse Obligations

The obligations owed by the Issuer to each of the Other Issuer Creditors, including without limitation, the obligations under any Transaction Document to which such Other Issuer Creditor is a party, will be limited recourse obligations of the Issuer. Each of the Other Issuer Creditors will have a claim 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.

Surveillance Report

Under the terms of the Intercreditor Agreement, the Servicer has undertaken to give the appropriate information and take the relevant actions to put the Rating Agencies involved in the Securitisation in a position to be able to publish regular Surveillance Reports for the Senior Notes on periodical basis in compliance with the European Central Bank requirements.

Transparency requirements under the EU Securitisation Regulation

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents.

Each of the Issuer and the Originator has agreed that the Originator 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, the Originator shall fulfil the information requirements pursuant to points (a), (b), (d), (e) and (f) of the first subparagraph of article 7(1) of the EU Securitisation Regulation by making available the relevant information through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu).

As to pre-pricing information:

(a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of (i) data relating to each Mortgage 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) and the information under points (b) 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 cover a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(b) in case of transfer of any Notes by BPPB to third party investors after the Issue Date, the Originator has undertaken to make available through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) to such investors before pricing (i) the information under point (a) of the first subparagraph of article 7(1) upon request and the information under points (b) 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 Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

As to post-closing information, the relevant parties to the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows:

(i) the Servicer shall prepare the Loan by Loan Report and the Inside Information Report and deliver them to the Reporting Entity in a timely manner in order for the Reporting Entity to make available (A) the Loan by Loan Report (simultaneously with the Investors Report) to the investors in the Notes by no later than one month after each Payment Date, and (B) the Inside Information Report to the investors in the Notes without undue delay;

(ii) the Computation Agent shall prepare the Investors Report and deliver them to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Investors Report (simultaneously with the Loan by Loan Report) to the investors in the Notes by no later than one month after each Payment Date; and

(iii) the Issuer shall deliver to the Reporting Entity (A) 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 (B) 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 provided by other parties),

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

In addition, pursuant to the Intercreditor Agreement the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the

payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

The Originator has acknowledged that it shall perform such role in consideration of the amounts payable to it under the Transaction Documents and has agreed that it will not be entitled to receive any other compensation in connection therewith.

Cooperation undertakings in relation to the EU Securitisation Rules

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

Directions of the Representative of the Noteholders following the service of a Trigger Notice

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, upon the service of a Trigger Notice, to comply with all directions of the Representative of the Noteholders, acting pursuant to the Terms and Conditions, in relation to the management and administration of the Portfolio.

Disposal of the Portfolio following the occurrence of a Trigger Event

Following the delivery of a Trigger Notice and in accordance with the Terms and Conditions, the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Portfolio if:

(i) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the Senior Noteholders and amounts ranking in priority thereto *or pari passu* therewith provided that, if the Portfolio includes Defaulted Receivables, the purchase price of such Defaulted Receivables shall be equal to the Net Balance thereof;

(ii) the relevant purchaser has obtained all the necessary approvals and authorisations;

(iii) the relevant purchaser has produced:

  (A) a certificate signed by its legal representative stating that such purchaser is solvent;

  (B) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the competent companies' register and dated not more than 10 (ten) days before the date on which the Portfolio will be disposed (or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated);

  (C) a certificate issued by the competent Court and dated not more than 10 (ten) days before the date on which the Portfolio will be disposed, stating that no applications for commencement of insolvency proceedings against such purchaser has been made in the last 5 (five) years, as far as such kind of certificate is issued by the bankruptcy division of the relevant Court according to its internal regulations (or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated); and

  (D) any other evidence of its solvency satisfactory to the Representative of the Noteholders..

In case of disposal of the Portfolio, the Issuer has granted to the Originator a pre-emption right whereby the Originator will be entitled to purchase the outstanding Portfolio and to be preferred to any third party potential purchaser, provided that the conditions set out above are met. Subject to the foregoing, the Originator shall have the right to exercise such pre-emption right and purchase the outstanding Portfolio by serving a written notice on the Issuer and the Representative of the Noteholders within 30 (thirty) days from receipt of a written communication from the Representative of the Noteholders informing the same of the proposed disposal of the Portfolio and the relevant purchase price.

The purchase price of the Portfolio shall be unconditionally paid on the relevant date of disposal by credit transfer in Euro and in same day, freely transferable, cleared funds into the Payments Account. The disposal of the Portfolio will be effective subject to the actual payment in full of the purchase price.

The disposal of the Portfolio shall be made without recourse (*pro soluto*).

The Issuer shall enter into such agreements, deeds and documents and perfect such formalities as may be necessary and/or expedient in order to render the disposal of the Portfolio valid, effective and enforceable *vis-à-vis* the Debtors and third parties.

Any costs, expenses, charges and taxes incurred in connection with the disposal of the Portfolio shall be borne by the Issuer or the purchaser, as agreed in the relevant sale and purchase agreement.

Disposal of the Portfolio following the occurrence of a Tax Event

Following the occurrence of a Tax Event and in accordance with the Terms and Conditions, the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Portfolio or any part thereof to finance the early redemption of the relevant Notes under Condition 8.4 (*Redemption for Taxation*) if:

(i) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the holders of Notes of the Affected Class (in whole but not in part, or if the Notes of the Affected Class are the Junior Notes, in whole or in part), as the case may be, and amounts ranking in priority thereto or *pari passu* therewith provided that, if the Portfolio includes Defaulted Receivables, the purchase price of such Defaulted Receivables shall be equal to the Net Balance thereof;

(ii) the relevant purchaser has obtained all the necessary approvals and authorisations; and

(iii) the relevant purchaser has produced:

(A) a certificate signed by its legal representative stating that such purchaser is solvent;

(B) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the competent companies' register and dated not more than 10 (ten) days before the date on which the Portfolio will be disposed (or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated);

(C) a certificate issued by the competent Court and dated not more than 10 (ten) days before the date on which the Portfolio will be disposed, stating that no applications for commencement of insolvency proceedings against such purchaser has been made in the last 5 (five) years, as far as such kind of certificate is issued by the bankruptcy division of the relevant Court according to its internal regulations (any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated); and

(D) any other evidence of its solvency satisfactory to the Representative of the Noteholders.

In case of disposal of the Portfolio, the Issuer has granted to the Originator a pre-emption right whereby the Originator will be entitled to purchase the outstanding Portfolio and to be preferred to any third party potential purchaser, provided that the conditions set out above are met. Subject to the foregoing, the Originator shall have the right to exercise such pre-emption right and purchase the outstanding Portfolio by serving a written notice on the Issuer and the Representative of the Noteholders within 30 (thirty) days from receipt of a written communication from the Representative of the Noteholders informing the same of the proposed disposal of the Portfolio and the relevant purchase price.

The purchase price of the Portfolio shall be unconditionally paid on the relevant date of disposal by credit transfer in Euro and in same day, freely transferable, cleared funds into the Payments Account. The disposal of the Portfolio will be effective subject to the actual payment in full of the purchase price.

The disposal of the Portfolio shall be made without recourse (*pro soluto*).

The Issuer shall enter into such agreements, deeds and documents and perfect such formalities as may be necessary and/or expedient in order to render the disposal of the Portfolio valid, effective and enforceable vis-à-vis the Debtors and third parties.

Any costs, expenses, charges and taxes incurred in connection with the disposal of the Portfolio shall be borne by the Issuer or the purchaser, as agreed in the relevant sale and purchase agreement.

Option to repurchase the Portfolio

The Issuer has irrevocably granted to the Originator an option (the **Option**), pursuant to article 1331 of the Italian civil code, to repurchase (in whole but not in part, as a block and at once) the Portfolio then outstanding on any date falling on or after the Payment Date on which the Outstanding Senior Notes Ratio is equal to or lower than 10 per cent.

In order to exercise the Option the Originator shall:

(i) send a written notice to the Issuer at least 60 (sixty) Business Days before the Payment Date upon which the Option will be exercised;

(ii) deliver to the Issuer the following documents:

(A) a certificate signed by its legal representative stating that such purchaser is solvent;

(B) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the competent companies' register and dated not more than 10 (ten) days before the date on which the Option will be exercised; and

(C) a certificate issued by the competent Court and dated not more than 10 (ten) days before the date on which the Option will be exercised, stating that no applications for commencement of insolvency proceedings against the Originator has been made in the last 5 (five) years, as far as such kind of certificate is issued by the bankruptcy division of the relevant Court according to its internal regulations; and

(D) any other evidence of its solvency satisfactory to the Representative of the Noteholders.

The Originator will be entitled to exercise the Option if the repurchase price of the Portfolio, together with the other Issuer Available Funds, is sufficient to allow discharge in full of all amounts owing to the Senior Noteholders and amounts ranking in priority thereto *or pari passu* therewith provided that, if the Portfolio

includes Defaulted Receivables, the purchase price of such Defaulted Receivables shall be equal to the Net Balance thereof.

The repurchase price of the Portfolio shall be paid by the Originator to the Issuer on the Payments Account by bank transfer no later than 2 (two) Business Days before the Payment Date on which the Portfolio shall be transferred to the Originator with same date value. The repurchase of the Portfolio will be effective subject to the actual payment in full of the repurchase price.

The repurchase under the Option shall be exercised in accordance with the provisions of article 58 of the Consolidated Banking Act.

The repurchase of the Portfolio shall be made without recourse (*pro soluto*).

The Issuer and the Originator shall enter into such agreements, deeds and documents and perfect such formalities as may be necessary and/or expedient in order to render the repurchase of the Portfolio valid, effective and enforceable vis-à-vis the Debtors and third parties.

Any costs, fees or expenses incurred in relation to the exercise of the Option will be borne by the Originator including, without limitation, any costs associated with the publication of the repurchase of the Portfolio in the Official Gazette and the registration thereof in the competent companies' register or necessary to comply with any other requirements of the Bank of Italy.

The parties to the Intercreditor Agreement have also acknowledged and agreed that the Option is granted by the Issuer to the Originator in exchange for the rights and obligations of each of such parties vis-à-vis the other party under the Intercreditor Agreement and the other relevant Transaction Documents. As a result, no further consideration is due by the Originator to the Issuer for the granting of the Option.

Disposal of Individual Receivables

Considering that the Originator intends to maintain good relationships with its clients, before the Final Maturity Date, the Originator shall have the right to make an offer to repurchase individual Receivables comprised in the Portfolio for an aggregate amount which does not exceed 5 (five) per cent. of the Outstanding Balance of the Portfolio as of the Valuation Date and to the extent that the purchase price is not lower than (i) an amount equal to the Net Balance of the relevant Defaulted Receivables; and (ii) the Outstanding Balance in case of Receivables which are not Defaulted Receivables.

It is understood that individual Defaulted Receivables may be repurchased in order to facilitate the recovery and liquidation process with respect to those Defaulted Receivables.

It is also understood that individual Receivables shall be repurchased by the Originator in extraordinary circumstances only, in order to avoid that any client of the Originator (which is also a Debtor) is treated unfavourably compared to other clients of the Originator (without prejudice to the interests of the Noteholders) and not for speculative purposes aimed at achieving a better performance for the Securitisation.

Should the amount of the Receivables which are subject to each relevant repurchase be higher than Euro 100,000, then the Originator shall deliver to the Issuer the following documents:

(i) a certificate signed by its legal representative stating that the Originator is solvent;

(ii) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the competent companies' register and dated not more than 10 (ten) days before the date on which the offer will be made; and

(iii) a certificate issued by the competent Court and dated not more than 10 (ten) days before the date on which the Option will be exercised, stating that no applications for commencement of insolvency proceedings against the Originator has been made in the last 5 (five) years, as far as such kind of certificate is issued by the bankruptcy division of the relevant Court according to its internal regulations.

The repurchase price of the relevant Receivable shall be unconditionally paid on the relevant date of repurchase by credit transfer in Euro and in same day, freely transferable, cleared funds into the Collection Account. The repurchase of the relevant Receivable will be effective subject to the actual payment in full of the repurchase price.

The repurchase of the relevant Receivable shall be made without recourse (*pro soluto*).

The Issuer and the Originator shall enter into such agreements, deeds and documents and perfect such formalities as may be necessary and/or expedient in order to render the repurchase of the relevant Receivable valid, effective and enforceable vis-à-vis the relevant Debtor and third parties.

Any costs, fees or expenses incurred in relation to the repurchase will be borne by the Originator.

Governing Law and Jurisdiction

The Intercreditor Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Intercreditor Agreement (including a dispute relating to the existence, validity or termination of the Intercreditor Agreement or any non-contractual obligation arising out of or in connection with it).

DESCRIPTION OF THE MANDATE AGREEMENT

The description of the Mandate Agreement set out below is a summary of features of such agreement and is qualified by reference to the detailed provisions of the Mandate Agreement. Prospective Noteholders may inspect a copy of the Mandate Agreement at the registered office of the Representative of the Noteholders.

General

On or about the Issue Date, the Issuer and the Representative of the Noteholders, have entered into the Mandate Agreement, pursuant to which, subject to a Trigger Notice being served or upon failure by the Issuer to exercise its rights under the Transaction Documents, the Representative of the Noteholders, acting in such capacity, shall be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

Governing Law and Jurisdiction

The Mandate Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Mandate Agreement (including a dispute relating to the existence, validity or termination of the Mandate Agreement or any non-contractual obligation arising out of or in connection with it).

DESCRIPTION OF THE CORPORATE SERVICES AGREEMENT

The description of the Corporate Services Agreement set out below is a summary of features of such agreement and is qualified by reference to the detailed provisions of the Corporate Services Agreement. Prospective Noteholders may inspect a copy of the Corporate Services Agreement at the registered office of the Representative of the Noteholders.

General

On or about the Issue Date, the Issuer and the Corporate Servicer entered into the Corporate Services Agreement.

Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide the Issuer with certain corporate administration and management services. These services include, inter alia, the safekeeping of documentation pertaining to meetings of the Issuer's quotaholders and directors, maintaining the quotaholders' register, preparing VAT and other tax and accounting records, preparing the Issuer's annual balance sheet, administering all matters relating to the taxation of the Issuer and liaising with the Representative of the Noteholders.

Governing Law and Jurisdiction

The Corporate Services Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Corporate Services Agreement (including a dispute relating to the existence, validity or termination of the Corporate Services Agreement or any non-contractual obligation arising out of or in connection with it).

DESCRIPTION OF THE LETTER OF UNDERTAKINGS

The description of the Letter of Undertakings set out below is a summary of features of such agreement and is qualified by reference to the detailed provisions of the Letter of Undertakings. Prospective Noteholders may inspect a copy of the Letter of Undertakings at the registered office of the Representative of the Noteholders.

General

On or about the Issue Date, the Issuer, BPPB, the Sole Quotaholder and the Representative of the Noteholders have entered into the Letter of Undertakings.

Pursuant to the Letter of Undertakings the Sole Quotaholder has given certain undertakings to the Representative of the Noteholders in relation to the management of the Issuer and the exercise of its rights as Sole Quotaholder of the Issuer.

The Sole Quotaholder has agreed not to dispose of, or charge or pledge, the quotas of the Issuer without the prior written consent of the Representative of the Noteholders.

Governing Law and Jurisdiction

The Letter of Undertakings and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Letter of Undertakings (including a dispute relating to the existence, validity or termination of the Letter of Undertakings or any non-contractual obligation arising out of or in connection with it).

ESTIMATED WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES

The estimated weighted average life of the Senior Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates below will prove in any way to be realistic and they must therefore be viewed with considerable caution.

The estimated weighted average life of the Senior Notes cannot be predicted, as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown. Calculations as to 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 table shows the estimated weighted average life and the expected maturity of the Senior Notes and has been, *inter alia*, prepared based on the characteristics of the Receivables included in the Portfolio and on the following additional assumptions:

(a) all Receivables are duly and timely paid and there are no Delinquent Receivables or Defaulted Receivables at any time;

(b) the constant prepayment rate, as per table below, has been applied to the Portfolio in homogeneous terms;

(c) no Trigger Event occurs;

(d) no early redemption of the Notes under Condition 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*) occurs;

(e) no purchase, sale, indemnity or renegotiation in respect of the Portfolio as a whole or on the single Mortgage Loans occurs according to the Transaction Documents;

(f) the terms of the Mortgage Loans are not affected by any legal provision authorising the Debtors to suspend payment of the Instalments;

(g) there will be no yield on the accounts and no profit or yield on the Eligible Investments (if any); and

(h) interest rates during the life of the Securitisation are not changing with rates set as of the date of this Prospectus.

The actual performance of the Portfolio is likely to differ from the assumptions used in constructing the table 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 expected maturity of the Senior Notes to differ (which difference could be material) from the corresponding information in the following table:

Prepayment rate	WAL	Expected maturity
0%	6.80	31 July 2034
2.5%	5.60	31 Oct 2032
5% (*)	4.80	31 January 2031
7.5%	4.10	31 July 2029
10%	3.60	31 July 2028
12.5%	3.10	31 July 2027
15%	2.80	31 July 2026

(*) This prepayment rate reflects the historical experience of Banca Popolare Puglia Basilicata on residential mortgages over the last 10 years.

THE ACCOUNTS

The Issuer shall at all times maintain the following accounts:

(a) a Euro denominated account, the **Collection Account** with no. 580111 9780, opened with the Account Bank

(i) *into which*: (A) on the Issue Date, all Collections received or recovered in respect of the Portfolio from the Valuation Date (excluded) and the Issue Date (excluded) will be credited; (B) save as provided for in paragraph (A) above, all Collections received or recovered by or on behalf of the Issuer in respect of the Portfolio will be credited; and (C) any interest accrued from time to time on the balance of the Collection Account will be credited;

(ii) *out of which*: (A) any Collection to be applied towards repayment of a Limited Recourse Loan pursuant to the Warranty and Indemnity Agreement will be paid to the Originator outside the Priority of Payments; and (B) 2 (two) Business Days prior to each Payment Date, the Issuer Available Funds then standing to the credit of the Collection Account will be transferred into the Payments Account;

(b) a Euro denominated account, the **Payments Account** with no. 580114 9780, opened with the Account Bank:

(i) *into which*: (A) on the Issue Date, the proceeds of the issuance of the Notes (to the extent not subject to set-off with the amounts due as Purchase Price owed to the Originator on such date pursuant to the Transfer Agreement) will be credited; (B) 2 (two) Business Days prior to each Payment Date, the amounts to be transferred from the Collection Account and the Cash Reserve Account into the Payments Account will be credited; (C) any amount received by or on behalf of the Issuer in respect of the Portfolio or under the Transaction Documents (other than the Collections) will be credited (including, for avoidance of doubt, any proceeds deriving from the sale of individual Receivables or the Portfolio in accordance with the Intercreditor Agreement); and (D) any interest accrued from time to time on the balance of the Payments Account will be credited;

(ii) *out of which*: (A) on the Issue Date, the Purchase Price for the Portfolio (to the extent not subject to set-off with the subscription monies due on such date pursuant to the Subscription Agreements) will be paid to the Originator; (B) on the Issue Date, the Retention Amount will be transferred into the Expense Account; (C) on the Issue Date, the Cash Reserve Initial Amount will be transferred into the Cash Reserve Account; (D) 1 (one) Business Day prior to each Payment Date, an amount equal to the amount of principal and interest due in respect of the Notes, as well as the Variable Return (if any) in respect of the Junior Notes, on the relevant Payment Date will be transferred to the Paying Agent (in the event that the Paying Agent and the Account Bank are not the same entity); (E) save as provided for in paragraph (D) above, all payments to be made in accordance with the applicable Priority of Payments, as specified in the relevant Payments Report (or Post-Enforcement Report, as the case may be), will be made; and (F) at any time, any amount paid in accordance with clause 7.3 (*Payments to be made during an Interest Period*) of the Cash Allocation, Management and Payment Agreement;

(c) a Euro denominated account, the **Cash Reserve Account** with no. 5801179780, opened with the Account Bank:

(i) *into which*: (A) on the Issue Date, the Cash Reserve Initial Amount will be transferred from the Payments Account; (B) on each Payment Date up to the earlier of (i) the Final Maturity

Date, (ii) the Payment Date following the service of a Trigger Notice, and (iii) the Payment Date on which the Class A Notes (after having applied all the Issuer Available Funds relating to such Payment Date, including, for the avoidance of doubt, those under item (c) of the definition of Issuer Available Funds) will be redeemed in full or cancelled, an amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Required Cash Reserve Amount will be credited in accordance with the Pre-Enforcement Priority of Payments; and (C) any interest accrued from time to time on the Cash Reserve Account will be credited; and

(ii) *out of which*, 2 (two) Business Days prior to each Payment Date, the Issuer Available Funds then standing to the credit of the Cash Reserve Account will be transferred into the Payments Account;

(d) a Euro denominated account, the **Expense Account** with IBAN IT 52 P 01030 61622 000001844015, opened with Banca Monte dei Paschi di Siena S.p.A.:

(i) *into which*: (I) on the Issue Date, the Retention Amount will be transferred from the Payments Account; (II) on each Payment Date, an amount necessary to bring the balance of the Expense Account up to (but not exceeding) the Retention Amount will be credited in accordance with the applicable Priority of Payments; and (III) any interest accrued from time to time on the Expense Account will be credited; and

(ii) *out of which*, (I) during each Interest Period, the amounts standing to the credit of the Expense Account will be used to pay the Expenses falling due in the relevant Interest Period; and (II) after the Payment Date on which the Notes will be redeemed in full or cancelled, the amounts standing to the credit of the Expense Account will be used to pay any known Expenses not yet paid and any Expenses falling due after such Payment Date; and

(e) a Euro denominated account, the **Quota Capital Account** with no. 1202804, opened with Banca Monte dei Paschi di Siena S.p.A., *into which* the Issuer's quota capital has been deposited.

In addition, the Issuer may establish with an Investment Account Bank one or more Investment Account(s) for the purposes of making Eligible Investments.

The Collection Account, the Payments Account, the Cash Reserve Account, the Expense Account, the Quota Capital Account and the Investment Account(s) (if any) are collectively referred to as the **Accounts**.

The Account Bank will be required at all times to be an Eligible Institution.

In case the Account Bank will no longer be an Eligible Institution, the Accounts held with it will be transferred to an Eligible Institution within 30 (thirty) days from the date on which the Account Bank has ceased to be Eligible Institution.

TERMS AND CONDITIONS OF THE SENIOR NOTES

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

INTRODUCTION

The €422,000,000 Class A Asset Backed Floating Rate Notes due April 2062 (the **Class A Notes** or the **Senior Notes**) and the €88,900,000 Class B Asset Backed Fixed Rate and Variable Return Notes due April 2062 (the **Class B Notes** or the **Junior Notes** and, together with the Senior Notes, the **Notes**) have been issued by Media Finance S.r.l. (the **Issuer**) on 30 May 2019 (the **Issue Date**) to finance the purchase of a portfolio of residential mortgage loan receivables and related rights from Banca Popolare di Puglia e Basilicata S.c.p.A. (the **Originator** or **BPPB**).

The principal source of payment of interest and of repayment of principal on the Notes, as well as payment of Variable Return (if any) on the Class B Notes, will be the Collections made in respect of the Portfolio of the Receivables arising out of certain residential mortgage loan agreements entered into by the Originator and the relevant Debtors thereunder. The Portfolio was purchased by the Issuer from BPPB pursuant to the terms of the Transfer Agreement entered into on 14 March 2019.

Any reference in these Senior Notes Conditions to a **Class** of Notes or a **Class** of holders of Notes shall be a reference to the Senior Notes or the Junior Notes, as the case may be, or to the respective holders thereof and any reference to any agreement or document shall be a reference to such agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented.

1. INTRODUCTION

1.1 Definitions

Capitalised words and expressions in these Senior Notes Conditions shall, unless otherwise specified or unless the context otherwise requires, have the meanings set out in Condition 2 (*Interpretation and Definitions*).

1.2 Senior Noteholders deemed to have notice of the Transaction Documents

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

1.3 Provisions of the Senior Notes Conditions subject to the Transaction Documents

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

1.4 Transaction Documents

(a) Transfer Agreement

By the Transfer Agreement, the Originator has assigned and transferred to the Issuer all of its right, title and interest in and to the Portfolio.

(b) Warranty and Indemnity Agreement

By the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Portfolio and certain other matters and has agreed to grant a Limited Recourse Loan or to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Portfolio.

(c) Servicing Agreement

By the Servicing Agreement, the Servicer has agreed to administer, service, collect and recover amounts in respect of the Portfolio on behalf of the Issuer. The Servicer will act as the entity responsible for the collection of the assigned receivables and the cash and payment services "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento"* pursuant to the Securitisation Law and, in such capacity, shall be responsible for verifying that the operations comply with the law and the Prospectus pursuant to article 2, paragraphs 3(c) and 6 and article 2, paragraph 6-*bis* of the Securitisation Law.

(d) Back-Up Servicing Agreement

By the Back-Up Servicing Agreement, the Back-Up Servicer has undertaken to replace BPPB as Servicer of the Portfolio in case of termination of the appointment of BPPB as Servicer pursuant to the Servicing Agreement.

(e) Senior Notes Subscription Agreement

By the Senior Notes Subscription Agreement, the Issuer has agreed to issue the Senior Notes and the Senior Notes Underwriter has agreed to subscribe for such Senior Notes, subject to the terms and conditions set out thereunder, and has also appointed Securitisation Services, which has accepted, as Representative of the Noteholders.

(f) Junior Notes Subscription Agreement

By the Junior Notes Subscription Agreement, the Issuer has agreed to issue the Junior Notes and the Junior Notes Underwriter has agreed to subscribe for such Junior Notes, subject to the terms and conditions set out thereunder, and has also appointed Securitisation Services, which has accepted, as Representative of the Noteholders.

(g) Intercreditor Agreement

By the Intercreditor Agreement, provision has been made as to, *inter alia*, (i) the application of the Issuer Available Funds in accordance with the Priority of Payments, (ii) the limited recourse nature of the obligations of the Issuer, and (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

(h) Cash Allocation, Management and Payment Agreement

By the Cash Allocation, Management and Payment Agreement, the Agents have agreed to provide the Issuer with certain calculation, notification, reporting and agency services, together with account handling, investment and cash management services in relation to monies and securities from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payment Agreement contains also provisions for the payment of principal and interest in respect of the Notes, as well as payment of Variable Return (if any) on the Class B Notes.

(i) Mandate Agreement

By the Mandate Agreement, the Representative of the Noteholders shall be authorised, subject to a Trigger Notice being served or upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

(j) Letter of Undertakings

By the Letter of Undertakings, the Sole Quotaholder has given certain undertakings to the Originator and the Representative of the Noteholders in relation to the management of the Issuer and the exercise of its rights as Sole Quotaholder of the Issuer.

(k) Corporate Services Agreement

By the Corporate Services Agreement, the Corporate Servicer has agreed to provide the Issuer with certain corporate administrative services, in compliance with any reporting requirements relating to the Receivables and with other requirements imposed on the Issuer.

(l) Monte Titoli Mandate Agreement

By the Monte Titoli Mandate Agreement, Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Notes.

(m) Master Definitions Agreement

By the Master Definitions Agreement, the definitions of certain terms used in the Transaction Documents have been set forth.

1.5 Transaction Documents available for inspection

Copies of the Transaction Documents are available for inspection during normal business hours at the office of the Issuer and the Representative of the Noteholders (being, as at the Issue Date, Via V. Alfieri 1, 31015 Conegliano (TV), Italy) and at the website of European DataWarehouse (being, as at the date of the Prospectus, www.eurodw.eu).

1.6 Rules of the Organisation of the Noteholders

The Noteholders are deemed to have notice of, are bound by, and shall have the benefit of, *inter alia*, the terms of the Rules of the Organisation of the Noteholders which are attached to these Senior Notes Conditions as Schedule 1 and which are deemed to form part of these Senior Notes Conditions. The rights and powers of the Senior Noteholders may only be exercised in accordance with the Rules of the Organisation of the Noteholders.

1.7 Representative of the Noteholders

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

2. INTERPRETATION AND DEFINITIONS

2.1 Interpretation

In these Senior Notes Conditions, unless otherwise specified or unless the context otherwise requires:

(a) the schedule hereto constitutes an integral and essential part of these Senior Notes Conditions and shall have the force of and shall take effect as covenants; and

(b) headings and subheadings are for ease of reference only and shall not affect the construction of these Senior Notes Conditions.

Unless otherwise defined in these Senior Notes Conditions, capitalised words and expressions used in these Senior Notes Conditions have the meanings and constructions ascribed to them in the Glossary to the Prospectus.

2.2 Definitions

In these Senior Notes Conditions the following expressions shall, unless otherwise specified or unless the context otherwise requires, have the following meanings:

Account Bank means BNYM, Milan branch or any other person from time to time acting as account bank under the Securitisation.

Accounts means the Collection Account, the Payments Account, the Cash Reserve Account, the Expense Account, the Quota Capital Account, the Investment Account(s) (if any) and any other account that may be opened in the name of the Issuer in accordance with the Transaction Documents.

Additional Screen Rate has the meaning ascribed to it in Condition 7.2 (*Rate of Interest*).

Adjustment Purchase Price means in relation to any Receivable transferred to the Issuer pursuant to the Transfer Agreement, but for which no purchase price was agreed upon transfer, an amount calculated in accordance with clause 4 of the Transfer Agreement.

Adjustment Spread has the meaning ascribed to it in Condition 7.4 (*Fallback Provisions*).

Affected Class has the meaning ascribed to it in Condition 8.4 (*Redemption for Taxation*).

Alternative Rate has the meaning ascribed to it in Condition 7.4 (*Fallback Provisions*).

Arranger means Banca IMI.

Back-Up Servicer means Securitisation Services or any other person acting from time to time as back-up servicer under the Securitisation.

Back-Up Servicing Agreement means the back-up servicing agreement entered into on or about the Issue Date between the Servicer, the Issuer and the Back-Up Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

Banca IMI means Banca IMI S.p.A., a bank incorporated under the laws of the Republic of Italy, with registered office at Largo Mattioli, 3, 20121 Milan, share capital of euro 962,464,000.00 fully paid up, fiscal code and enrolment with the companies' register of Milan no. 04377700150, enrolled under no. 5570 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, subject to the activity of direction and coordination (*attività di direzione*

e coordinamento) pursuant to article 2497 of the Italian civil code of its sole shareholder Intesa Sanpaolo S.p.A..

BNYM, London branch means 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, Milan branch means The Bank of New York Mellon SA/NV, Milan branch, a bank incorporated under the laws of Belgium, having its registered office at 46 Rue Montoyer, Montoyerstraat 46 - B-1000 Brussels, Belgium, acting through its Milan branch at Via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies' register of Milan no. 09827740961, enrolled as a "*filiale di banca estera*" under no. 8070 and with ABI code 3351.4 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

BPPB means Banca Popolare di Puglia e Basilicata S.c.p.A., a bank incorporated under the laws of the Republic of Italy, having its registered office at Via Ottavio Serena 13, 70022 Altamura (BA), Italy, share capital equal to Euro 152,862,588 (fully paid up), fiscal code and enrolment with the companies' register of Bari no. 00604840777, registered under no. 05293.6 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

Business Day means any day on which the banks are open to public in Milan, London and Luxembourg and on which the Trans-European Automated Real Time Gross Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (TARGET2), or any successor thereto, is open.

Calculation Date means the date falling 3 (three) Business Days prior to each Payment Date.

Cancellation Date means the earlier of:

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

(b) the Final Maturity Date; and

(c) the date on which the Representative of the Noteholders has given notice in accordance with Condition 16 (*Notices*) that it has determined, in its sole opinion, on the basis of the information received from the Servicer, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents.

Cash Allocation, Management and Payment Agreement means the cash allocation, management and payment agreement entered into on or about the Issue Date between the Issuer, the Computation Agent, the Account Bank, the Servicer, the Corporate Servicer, the Paying Agent and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Cash Manager means any entity which may be appointed as such pursuant to the Cash Allocation, Management and Payment Agreement and any other person from time to time acting as such under the Securitisation.

Cash Reserve Account means the Euro denominated Account with no. 580117 9780 opened in the name of the Issuer with the Account Bank or such other substitute account designated as such that may be opened in the name of the Issuer in accordance with the Cash Allocation, Management and Payment Agreement.

Cash Reserve Initial Amount means an amount equal to Euro 8,500,000.

Cash Trapping Condition means the circumstance that, on any Determination Date, the Cumulative Gross Default Ratio is equal to or higher than 5 per cent.

Class shall be a reference to a class of Notes, being the Class A Notes or the Class B Notes and **Classes** shall be construed accordingly.

Class A Noteholder means the Holder of a Class A Note and **Class A Noteholders** means all of them.

Class A Notes means the Euro 422,000,000 Class A Asset Backed Floating Rate Notes due April 2062.

Class A Notes Redemption Amount means, with reference to each Payment Date prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), an amount equal to the lower of:

(a) the greater of 0 (zero) and Target Amortisation Amount on such Payment Date;

(b) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the repayment of principal on the Class A Notes in accordance with the Pre-Enforcement Priority of Payments; and

(c) the Principal Amount Outstanding of the Class A Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

Class B Noteholder means the Holder of a Class B Note and **Class B Noteholders** means all of them.

Class B Notes means the Euro 88,900,000 Class B Asset Backed Fixed Rate and Variable Return Notes due April 2062.

Clearstream means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Collateral Portfolio means, on a given date, the aggregate of all the Receivables comprised in the Portfolio, other than any Defaulted Receivables.

Collateral Portfolio Outstanding Principal means the sum of the Outstanding Principal of all the Receivables comprised in the Collateral Portfolio.

Collateral Securities means the Guarantees and the Mortgages, and **Collateral Security** means each of them.

Collection Account means the Euro denominated Account with no. 580111 9780 opened in the name of the Issuer with the Account Bank or such other substitute account designated as such that

may be opened in the name of the Issuer in accordance with the Cash Allocation, Management and Payment Agreement.

Collection Period means either the Monthly Collection Period or the Quarterly Collection Period, as the case may be.

Collections means all amounts received or recovered by or on behalf of the Issuer in respect of the Instalments due under the Receivables and any other amounts whatsoever received or recovered by or on behalf of the Issuer in respect of the Receivables.

Computation Agent means BNYM, London branch or any other person acting from time to time as computation agent under the Securitisation.

Condition means a condition of these Senior Notes Conditions.

CONSOB means Commissione Nazionale per le Società e la Borsa.

Consolidated Banking Act means Legislative Decree no. 385 of 1 September 1993, as amended and/or supplemented from time to time.

Corporate Servicer means Securitisation Services or any other person from time to time acting as corporate servicer under the Securitisation.

Corporate Services Agreement means the corporate services agreement entered into on or about the Issue Date between the Issuer and the Corporate Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Cumulative Gross Default Ratio means, as at each Determination Date, the ratio between:

(a) the sum of the Outstanding Principal as at the Default Date of all the Receivables which have been classified as Defaulted Receivables from the Valuation Date up to (and including) such Determination Date; and

(b) the Collateral Portfolio Outstanding Principal as at the Valuation Date.

Debtor means any natural person (*persona fisica*) being a borrower and any other person or entity who or which entered into a Mortgage Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due under a Loan Agreement, as a consequence of having granted any Guarantee to BPPB or having assumed the borrower's obligation under an assumption (*accollo*), or otherwise.

Decree 239 Deduction means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree No. 239.

Default Date means the date on which a Receivable is classified as a Defaulted Receivable as indicated in the relevant Quarterly Servicer's Report.

Defaulted Receivables means any Receivables arising from Mortgage Loan Agreements where either: (a) (i) 2 (two) semi-annual or annual Instalments are past due and unpaid, (ii) 5 (five) quarterly Instalments are past due and unpaid or (iii) 7 (seven) monthly Instalments are past due and unpaid; or (b) the relevant Debtor has been classified as being "*in sofferenza*" or "*inadempienza probabile*" by the Servicer in accordance with the Credit and Collection Policies.

Determination Date means in respect of any Payment Date, the last day of the immediately preceding Quarterly Collection Period.

Eligible Institution means:

(a) a depository institution organised under the laws of any state which is a member of the European Union or of the United States:

(i) with a "Baa2" long-term unsecured and unsubordinated rating by Moody's or, in the event of a depository institution which does not have a long-term rating by Moody's, a "P-2" short-term unsecured and unsubordinated rating by Moody's; and

(ii) with a long-term unsecured and unsubordinated rating of at least "A-" by S&P,

or such other rating as may be compliant with Rating Agencies' criteria applicable from time to time and which does not negatively affect the rating of the Senior Notes; or

(b) any other institution whose obligations under the Transaction Documents to which is a party are guaranteed by a first demand, irrevocable an unconditional guarantee issued by a depository institution meeting the requirements under paragraph (a) above, 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.

Eligible Investment means:

(a) euro-denominated senior (unsubordinated) debt securities or other debt instruments or time deposits provided that (I) such investments have a maturity date falling not later than the next following Eligible Investment Maturity Date; (II) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and (III) such investments have the ratings indicated below on items (i) and (ii):

(i) with respect to S&P's ratings:

(A) a short-term unsecured and unsubordinated rating of at least "A-1" for Eligible Investments maturing within 60 days or less, or a long-term unsecured and unsubordinated rating at least "AA-" or a short-term unsecured and unsubordinated rating at least "A-1+" for investment maturing within 365 days or less; or

(B) such other rating as may be compliant with S&P's criteria applicable from time to time and which does not negatively affect the rating of the Senior Notes;

(ii) with respect to Moody's ratings:

(A) either "Baa2" in respect of long term unsecured and unsubordinated rating or, in the event of an investment which does not have a long-term rating, "P-2" in respect of short term unsecured and unsubordinated rating; or

(B) such other rating as may be compliant with Moody's criteria applicable from time to time and which does not negatively affect the rating of the Senior Notes; and

(b) a euro-denominated bank account or deposit (excluding, for the avoidance of doubt, a time deposit) opened with an Eligible Institution provided that (i) such investments are immediately repayable on demand, disposable without any penalty or any loss and have a maturity date falling not later than the next following Eligible Investment Maturity Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and (iii) within 60 calendar days from the date on which the institution ceases to be an Eligible Institution, such investment has to be transferred to another Eligible Institution at no costs for the Issuer;

(c) repurchase transactions between the Issuer and an Eligible Institution in respect of euro-denominated debt securities or other debt instruments provided that (i) 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 the obligations of the relevant counterparty are not related to the performance of the underlying securities, (ii) such repurchase transactions have a maturity date falling not later than the next following Eligible Investment Maturity Date and in any case shorter than 60 days, and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

(d) Euro denominated money market funds which have at least the following ratings:

(i) a Moody's rating equal to "Aaa-mf"; and

(ii) a S&P's rating equal to "AAAm",

which permit daily liquidation of investments without penalty, provided that in case of disposal, the principal amount upon disposal is at least equal to the principal amount invested and provided that funds standing to the credit of the Debt Service Reserve Account cannot be invested in money market funds,

provided that, in any event, (A) none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time as being instruments in which funds underlying asset backed securities eligible as collateral for monetary policy operations sponsored by the European Central Bank may not be invested, and (B) such Eligible Investments are held directly with the Account Bank and/or through Euroclear or Clearstream or other clearing systems and registered in the name of the Issuer or, only to the extent registration in the name of the Issuer is not possible, in the name of the Account Bank and in no case Eligible Investments are held through a sub-custodian.

Eligible Investment Maturity Date means each day falling the 3° (third) Business Day immediately preceding each Payment Date.

EU Insolvency Regulation means Regulation (EU) no. 848 of 20 May 2015 on insolvency proceedings, as amended and/or supplemented from time to time.

EU Securitisation Regulation means Regulation (EU) no. 2402 of 12 December 2017, as amended and/or supplemented from time to time.

EURIBOR has the meaning ascribed to such term in Condition 7.2 (*Rate of Interest*).

Euro € and **cents** refer 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 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., with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

Euro-Zone means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by, *inter alia*, the Treaty on European Union (signed in Maastricht on 7 February 1992).

Expense Account means the account with IBAN IT 52 P 01030 61622 000001844015 opened by the Issuer with Banca Monte dei Paschi di Siena S.p.A. or such other substitute account designated as such that may be opened in the name of the Issuer in accordance with the Cash Allocation, Management and Payment Agreement.

Expenses means any documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation**Extraordinary Resolution** means a resolution passed at a Meeting of the relevant Noteholders, duly convened and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders, by a majority of not less than three quarters of the votes cast.

Final Maturity Date means the Payment Date falling in April 2062.

Financial Laws Consolidated Act means the Italian Legislative Decree no. 58 of 24 February 1998, as amended and/or supplemented from time to time.

First Payment Date means the Payment Date falling on 31 October 2019.

Fourth Previous Notes means the asset backed notes issued by the Issuer on 12 April 2011 in connection with the Fourth Previous Securitisation.

Fourth Previous Securitisation means the securitisation transaction carried out by the Issuer in April 2011, pursuant to which it has issued on 12 April 2011 two classes of asset backed notes with final maturity in July 2052, which have not been redeemed in full and/or cancelled yet.

Further Securitisation means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 5.2 (*Further Securitisations*).

Guarantee means any guarantee (but does not include any Mortgages and any *fideiussione omnibus*) given to the Originator guaranteeing the repayment of the Receivables.

Guarantor means any person, other than a Mortgagor, who has granted a Guarantee.

Holder or **holder** of a Note means the beneficial owner of a Note.

Initial Interest Period means the first Interest Period, that shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

Insolvency Event means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*amministrazione straordinaria*" and "*provvedimenti di risanamento o risoluzione*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) below is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success (it being understood that an application for the commencement of any such proceeding in respect of the Issuer by an holder of the Previous Notes shall not in any event be considered by the Representative of the Noteholders as in good faith with a reasonable prospect of success); or

(c) such company or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under article 2484 of the Italian Civil Code occurs with respect to such company or corporation.

Instalment means, with respect to each Mortgage Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

Insurance Policy means an insurance policy taken out in relation to each Real Estate Asset having the Originator as beneficiary.

Intercreditor Agreement means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Originator, the Servicer, the Reporting Entity, the Back-Up Servicer, the Account Bank, the Corporate Servicer, the Senior Notes Underwriter, the Junior Notes Underwriter, the Paying Agent, the Computation Agent and the Sole Quotaholder, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Interest Determination Date means, with respect to the Initial Interest Period, the date falling 2 (two) Business Days prior to the Issue Date and 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 Instalment means the interest component of each Instalment.

Interest Payment Amount has the meaning given to it in Condition 7.3(b).

Interest Period means each period from (and including) a Payment Date to (but excluding) the immediately following Payment Date, provided that the first Interest Period will commence on (and include) the Issue Date and end on (but exclude) the Payment Date falling in October 2019.

Investment Account Bank means an Eligible Institution that may be appointed as such by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement or any other person from time to time acting as such under the Securitisation.

Investment Account(s) means one or more Euro denominated deposit accounts and one or more securities accounts that may be opened in the name of the Issuer with an Investment Account Bank for the purposes of making Eligible Investments in accordance with the Cash Allocation, Management and Payment Agreement.

Issue Date means 30 May 2019 or such other date on which the Notes are issued.

Issuer means Media Finance S.r.l., a company incorporated under the laws of the Republic of Italy, Fiscal Code and enrolment with the companies' register of Treviso-Belluno under no. 03839880261, quota capital Euro 10,000 (fully paid up) enrolled under no. 32905.2 with the register of securitisation vehicles (*elenco delle società veicolo*) held by Bank of Italy pursuant to its regulation (*provvedimento della Banca d'Italia*) of 7 June 2017, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy and having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law.

Issuer Available Funds means, in respect of any Payment Date, the aggregate amounts (without double counting) of:

(a) all Collections received or recovered in respect of the Receivables during the immediately preceding Quarterly Collection Period (but excluding any Collection to be applied towards repayment of any Limited Recourse Loan advanced by the Originator pursuant to the Warranty and Indemnity Agreement);

(b) any other amount received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period (including, for the avoidance of doubt, any adjustment of the Purchase Price paid to the Issuer pursuant to the Transfer Agreement, any proceeds deriving from the repurchase of individual Receivables pursuant to the Intercreditor Agreement and the proceeds of any Limited Recourse Loan advanced or indemnity paid by the Originator pursuant to the Warranty and Indemnity Agreement);

(c) all amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date after making payments due under the Pre-Enforcement Priority of Payments on that date (or, in respect of the First Payment Date, the Cash Reserve Initial Amount);

(d) any interest paid on the amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period (net of any applicable withholding or expenses);

(e) all amounts on account of interest, premium or other profit received, up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments (if any) made in accordance with the Cash Allocation Management and Payment Agreement using funds standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period;

(f) all amounts received from any sale of the Portfolio (in whole or in part) following the service of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*);

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

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

provided that, prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), if the Servicer fails to deliver the Quarterly Servicer's Report to the Computation Agent in a timely manner in accordance with the provisions of the Cash Allocation, Management and Payment Agreement, only a portion of the Issuer Available Funds corresponding to the amounts necessary to make payments under items from (a) (*First*) to (c) (*Third*) (inclusive) of the Pre-Enforcement Priority of Payments will be applied in accordance with the Pre-Enforcement Priority of Payments.

Issuer's Rights mean the Issuer's rights under the Transaction Documents.

Junior Noteholder means the Holder of a Junior Note and **Junior Noteholders** means all of them.

Junior Notes means the Class B Notes.

Junior Notes Subscription Agreement means the subscription agreement in relation to the Junior Notes entered into on or about the Issue Date between the Originator, the Junior Notes Underwriter, the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Junior Notes Underwriter means BPPB as underwriter for the Junior Notes under the Junior Notes Subscription Agreement.

Letter of Undertakings means the letter of undertakings entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Sole Quotaholder, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereof.

Limited Recourse Loan means a limited recourse loan advanced by BPPB to the Issuer pursuant to clause 4.1 of the Warranty and Indemnity Agreement.

Luxembourg Stock Exchange means the regulated market named "*Bourse de Luxembourg*".

Mandate Agreement means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Master Definitions Agreement means the master definitions agreement entered into on or about the Issue Date between all the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Meeting means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

Monte Titoli means Monte Titoli S.p.A., with registered office at Piazza degli Affari, 6, 20123 Milan, Italy.

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.

Monte Titoli Mandate Agreement means the agreement entered into on or about the Issue Date between the Issuer and Monte Titoli, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Moody's means Moody's Investors Service Inc..

Mortgage Loan or **Loan** means a loan granted by BPPB to a borrower and secured by a mortgage qualifying as a *mutuo fondiario* for the purposes of Italian law and regulations in force as at the Transfer Date, from which the Receivables arise.

Mortgage Loan Agreements means the mortgage loan agreements pursuant to which the Mortgage Loans have been granted and **Mortgage Loan Agreement** means each of them.

Mortgages means the mortgage securities (*ipoteche*) created on the Real Estate Assets pursuant to Italian law in order to secure claims in respect of the Receivables and **Mortgage** means each of them.

Mortgagor means any person, either a borrower or a third party, who has granted a Mortgage in favour of BPPB to secure the payment or repayment of any amounts payable in respect of a Mortgage Loan, and/or his/her successor in interest.

Most Senior Class of Noteholders means the holders of the Most Senior Class of Notes.

Most Senior Class of Notes means (a) until redemption in full of the Class A Notes, the Class A Notes; or (b) following redemption in full of the Class A Notes, the Class B Notes.

Noteholders means, collectively, the Holders of the Senior Notes and the Junior Notes.

Notes means, collectively, the Senior Notes and the Junior Notes.

Organisation of the Noteholders means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

Originator means BPPB.

Other Issuer Creditors means the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Corporate Servicer, the Paying Agent, the Senior Notes Underwriter, the Junior Notes Underwriter, the Account Bank, the Back-Up Servicer and any other Issuer's creditor which, from time to time, will accede to the Intercreditor Agreement.

Outstanding Principal means, on any given date and in relation to any Receivable, the sum of (a) all Principal Instalments due on any subsequent Scheduled Instalment Date and (b) any Principal Instalments due but unpaid as at that date.

Outstanding Senior Notes Ratio means, with respect to any Payment Date, the ratio, calculated on the immediately preceding Calculation Date, between (a) the aggregate Principal Amount Outstanding of the Senior Notes as at such Payment Date (after deducting any principal payment due in respect of the Senior Notes on such Payment Date), and (b) the aggregate principal amount of the Senior Notes as at the Issue Date.

Paying Agent means BNYM, Milan branch or any other person acting from time to time as paying agent under the Securitisation.

Payment Date means (i) prior to the service of a Trigger Notice, 31 January, 30 April, 31 July and 31 October in each year (or, if such day is not a Business Day, the immediately following Business Day), provided that the first Payment Date will fall in October 2019; or (ii) following the service of a Trigger Notice, any such Business Day as determined by the Representative of the Noteholders on which payments are to be made under the Securitisation.

Payments Account means the Euro denominated account opened in the name of the Issuer with the Account Bank with no. 580114 9780 or such other substitute account designated as such that may be opened in the name of the Issuer in accordance with the Cash Allocation, Management and Payment Agreement.

Payments Report means the report to be prepared and delivered by the Computation Agent on each Calculation Date before the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), in accordance with the Cash Allocation, Management and Payment Agreement, setting out all the payments to be made under the Pre-Enforcement Priority of Payments.

Portfolio means the portfolio of residential mortgage loan receivables purchased by the Issuer from BPPB pursuant to the terms of the Transfer Agreement.

Post-Enforcement Report means the report to be prepared and delivered by the Computation Agent on each Calculation Date following the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), in accordance with the Cash Allocation, Management and Payment Agreement, setting out all the payments to be made under the Post-Enforcement Priority of Payments.

Post-Enforcement Priority of Payments means the order of priority set out in Condition 6.2 (*Post-Enforcement Priority of Payments*), pursuant to which the Issuer Available Funds shall be applied following the service of a Trigger Notice or in case of redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*).

Pre-Enforcement Priority of Payments means the order of priority set out in Condition 6.1 (*Pre-Enforcement Priority of Payments*), pursuant to which the Issuer Available Funds shall be applied

prior to the service of a Trigger Notice or the early redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*).

Principal Amount Outstanding means, with respect to any Note on any date, 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 Instalment means the principal component of each Instalment.

Priority of Payments means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be.

Prospectus means the prospectus relating to the issuance of the Notes.

Purchase Price means the purchase price paid to the Originator by the Issuer as consideration for the acquisition of the Portfolio pursuant to the Transfer Agreement equal to Euro 502,299,632.28.

Quarterly Collection Period means each period commencing on (and including) 1 January, 1 April, 1 July and 1 October of each year and ending respectively on (and including) 31 March, 30 June, 30 September and 31 December of each year, provided that the first Quarterly Collection Period will commence on (and include) the Valuation Date and end on (and include) 30 September 2019.

Quarterly Servicer's Report means the quarterly report to be prepared and delivered by the Servicer on each Quarterly Servicer's Report Date in accordance with the Servicing Agreement, containing details of the performance of the Receivables during the immediately preceding Quarterly Collection Period.

Quarterly Servicer's Report Date means the 10:00 a.m. (Italian time) of the day falling 6 (sixth) Business Days before each Payment Date.

Quota Capital Account means the account with no. 1202804 opened by the Issuer with Banca Monte dei Paschi di Siena S.p.A..

Rating Agency means each of Moody's and S&P and **Rating Agencies** means all of them.

Real Estate Assets means the real estate properties which have been mortgaged in order to secure payment of the Receivables pursuant to the Mortgage Loan Agreements and Real Estate Asset means each of them.

Receivables means each and every existing and future claim arising under or otherwise related to the Mortgage Loan Agreements (as renewed from time to time) meeting the Criteria, including but not limited to:

(a) any amount not yet due or due but unpaid by the relevant Debtor as at the Valuation Date (including any Instalments) in relation to the Mortgage Loan Agreements, including but not limited to:

  (i) principal not yet due or due but unpaid;

  (ii) interest (including default interest) and charges relating to suspensions of payments previously granted (identified by the instalment payment code (*codice di pagamento rata*) 405, 430 o 486) to accrue and already accrued but not already due or due but unpaid; and

(iii) any penalties, indemnities and other sums due in case of early termination or withdrawal from the relevant Mortgage Loan Agreement, including payments due by the Debtors in case of early termination or withdrawal; and

(b) any amount due after the Valuation Date pursuant to a Collateral Security in respect of the Mortgage Loan Agreements of which the Originator is the beneficiary;

together with any right in respect of the security interests and any other type of guarantees granted in favour of the Originator, the liens and all the other ancillary rights related to such claims, including all rights and actions to which the Originator is entitled to pursuant to law or contract in relation to the Receivables, the Mortgage Loans, the Collateral Securities, the Insurance Policies and/or any other deed related to or connected with the same, to the extent such rights and actions are transferrable pursuant to the Securitisation Law, but excluding any reimbursement of costs and expenses (other than the charges under paragraphs (a)(ii) above) provided for by the Mortgage Loan Agreements (including, without limitation, collection costs and postage costs).

Regulation 13 August 2018 means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 13 August 2018, as amended and supplemented from time to time.

Representative of the Noteholders means Securitisation Services or any other person from time to time acting as representative of the Noteholders under the Securitisation.

Required Cash Reserve Amount means, with reference to each Payment Date, an amount equal to 2% per cent. of the Principal Amount Outstanding of the Class A Notes on such Payment Date (before payments to be made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments), provided that on the earlier of (i) the Final Maturity Date, (ii) the Payment Date following the service of a Trigger Notice, and (iii) the Payment Date on which the Class A Notes (after having applied all the Issuer Available Funds relating to such Payment Date, including, for the avoidance of doubt, those under item (c) of the definition of Issuer Available Funds) will be redeemed in full or cancelled, such amount will be equal to 0 (zero).

Retention Amount means an amount equal to Euro 100,000.

Rules of the Organisation of the Noteholders means the Rules of the Organisation of Noteholders attached as Schedule 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereof.

S&P means S&P Global Ratings Europe Limited, Italy Branch, a division of the McGraw Hill Companies.

Scheduled Instalment Date means any date on which payment is due pursuant to each Mortgage Loan Agreement.

Screen Rate has the meaning ascribed to it in Condition 7.2 (*Rate of Interest*).

Securitisation means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, as described in this Prospectus.

Securitisation Law means Italian Law no. 130 of 30 April 1999, as amended and supplemented from time to time.

Securitisation Services means Securitisation Services S.p.A., a joint stock company with a sole shareholder (*società per azioni con socio unico*) incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code, VAT code and enrolment with the companies' register of Treviso-Belluno under no. 03546510268, with a share capital of Euro 2,000,000.00 (fully paid-up), company registered under no. 50 in the register of the Financial Intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the banking group known as "*Gruppo Banca Finanziaria Internazionale*".

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 Noteholder means the holder of a Senior Note and **Senior Noteholders** means all of them.

Senior Notes means the Class A Notes.

Senior Notes Conditions means these terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Senior Notes Subscription Agreement means the subscription agreement in relation to the Senior Notes entered into on or about the Issue Date between the Issuer, the Arranger, the Representative of the Noteholders, the Originator and Senior Notes Underwriter, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Senior Notes Underwriter means BPPB as underwriter for the Senior Notes under the Senior Notes Subscription Agreement.

Servicer means BPPB or any other person acting from time to time as Servicer under the Securitisation.

Servicing Agreement means the servicing agreement entered into on 14 March 2019 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Sole Quotaholder means SVM.

Subscription Agreements means, collectively, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

Successor Rate has the meaning ascribed to it in Condition 7.4 (*Fallback Provisions*).

SVM means SVM Securitisation Vehicle Management S.r.l., a limited liability company with a sole quotaholder (*società a responsabilità limitata con socio unico*), incorporated under the laws of the Republic of Italy, fiscal code, VAT code and enrolment with the companies' register of Treviso-Belluno under no. 03546650262, quota capital Euro 30,000 fully paid-up, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy.

Target Amortisation Amount means, in respect of any Payment Date prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*),

Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*), an amount calculated as follows:

(a) the Principal Amount Outstanding, as at the immediately preceding Calculation Date, of the Notes; *minus*

(b) the Collateral Portfolio Outstanding Principal as the end of the immediately preceding Quarterly Collection Period; *minus*

(c) the Required Cash Reserve Amount calculated with reference to the relevant Payment Date.

Tax Event has the meaning ascribed to it in Condition 8.4 (*Redemption for Taxation*).

Transaction Documents means the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Corporate Services Agreement, the Cash Allocation, Management and Payment Agreement, the Monte Titoli Mandate Agreement, the Intercreditor Agreement, the Mandate Agreement, the Letter of Undertakings, the Subscription Agreements, the Master Definitions Agreement, the Terms and Conditions, this Prospectus and any other deed, act, document or agreement executed in the context of the Securitisation.

Transfer Agreement means the transfer agreement entered into on 14 March 2019 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Transfer Date means 14 March 2019.

Trigger Event means any of the events described in Condition 13 (*Trigger Events*).

Trigger Notice means the notice described in Condition 13 (*Trigger Events*).

Valuation Date means 28 February 2019 at 23:59 (Italian time).

Variable Return means any Issuer Available Funds remaining after making all payments due under items from (a) (*First*) to (j) (*Tenth*) (inclusive) of the Pre-Enforcement Priority of Payments or from (a) (*First*) to (h) (*Eighth*) (inclusive) of the Post-Enforcement Priority of Payments, as the case may be.

Warranty and Indemnity Agreement means the warranty and indemnity agreement entered into on 14 March 2019 between the Originator and the Issuer, as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereof.

3. FORM, DENOMINATION AND TITLE

3.1 Form

The Senior Notes will be issued in bearer form (*al portatore*) and in dematerialised form (*in forma dematerializzata*) on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with article 83-*bis* of the Financial Laws Consolidated Act, through the authorised institutions listed in article 83-*quarter* of the Financial Laws Consolidated Act.

3.2 Title

The Senior Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Senior Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidated Act; and (ii) Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes.

3.3 Denomination

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

4. STATUS, PRIORITY AND SEGREGATION

4.1 Status

The Senior Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited to the Issuer Available Funds available to make such payments in accordance with the applicable Priority of Payments and Condition 9 (*Non Petition and Limited Recourse*). By holding Notes, the Senior Noteholders acknowledge that the limited recourse nature of the Senior Notes produces the effects of a *contratto aleatorio* under Italian law and are deemed to accept the consequences thereof, including (but not limited to) the provisions of article 1469 of the Italian Civil Code.

4.2 Segregation

By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. The Portfolio may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation of the Notes. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the service of a Trigger Notice or upon failure by the Issuer to promptly exercise its rights under the Transaction Documents, to exercise all the Issuer's Rights, powers and discretions 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.

4.3 Ranking

Both prior and following the service of a Trigger Notice, in respect of the obligations of the Issuer to pay interest and repay principal on the Notes:

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

(ii) as to repayment of principal, in priority to payment of interest and repayment of principal on the Class B Notes, but subordinated to payment of interest on the Class A Notes;

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

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

4.4 Conflict of interests

The Intercreditor Agreement and the Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of:

(a) different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only;

(b) the Noteholders and the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders.

4.5 Amendments to the Transaction Documents

Any Transaction Document may only be modified with the consent of each party to such document and in accordance with the Intercreditor Agreement and any relevant provisions of the Rules of the Organisation of the Noteholders.

These Senior Notes Conditions may only be modified with the consent of the Issuer and the Representative of the Noteholders and in accordance with any relevant provisions of the Rules of the Organisation of the Noteholders.

5. COVENANTS

5.1 Covenants by the Issuer

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not (save, only with respect to paragraphs from (a) to (l) (included) below, with the prior written consent of the Representative of the Noteholders, or as provided in or contemplated by any of the Transaction Documents):

(a) **Negative pledge**

create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets (save for any Security Interest created in connection with the Fourth Previous Securitisation and any Further Securitisation and to the extent that such Security Interest is created over assets which form part of the segregated assets of such Fourth Previous Securitisation or Further Securitisation, as the case may be), or sell, lend, part with or otherwise dispose of, all or any part of the Portfolio or any of its other assets; or

(b) **Restrictions on activities**

(i) engage in any activity whatsoever which is not incidental to or necessary in connection with the Fourth Previous Securitisation or any Further Securitisation or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

(ii) have any *società controllata* (as defined in article 2359 of the Italian Civil Code) or any employees or premises; or

(iii) 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

(iv) become the owner of any real estate asset, including in the context of a foreclosure proceeding over a Real Estate Asset; or

(c) **Dividends or distributions**

pay any dividend or make any other distribution or return or repay any equity capital to its quotaholders, or increase its capital, save as required by the applicable law; or

(d) **De-registrations**

ask for de-registration from the register of the special purpose vehicles held by Bank of Italy to the extent any applicable law or regulation requires an issuer of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered therein; or

(e) **Borrowings**

incur any indebtedness in respect of borrowed money whatsoever (save for any indebtedness already incurred in relation to the Fourth Previous Securitisation or to be incurred in relation to any Further Securitisation) or give any guarantee in respect of indebtedness or of any obligation of any person; or

(f) **Merger**

consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person; or

(g) **No variation or waiver**

(i) permit any of the Transaction Documents to which it is party to be amended, terminated or discharged if such amendment, termination or discharge may materially prejudice the interest of the Noteholders; or

(ii) exercise any power of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is party which may materially prejudice the interest of the Noteholders; or

(iii) permit any party to any of the Transaction Documents to which it is party to be released from such obligations, if such release may materially prejudice the interest of the Noteholders; or

(h) **Bank accounts**

have an interest in any bank account other than the Accounts and any bank account opened or to be opened in the context of the Fourth Previous Securitisation and any Further Securitisation; or

(i) **Statutory documents**

amend, supplement or otherwise modify its *statuto* in any manner which is prejudicial to the interest of the Noteholders, except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities; or

(j) **Centre of interest**

move its "centre of main interest" (as that term is used in the EU Insolvency Regulation) outside the Republic of Italy; or

(k) **Branch outside Italy**

establish any branch or "establishment" (as that term is used in the EU Insolvency Regulation) outside the Republic of Italy; or

(l) **Corporate formalities**

cease to comply with all corporate formalities necessary to ensure its corporate existence and good standing; or

(m) **Derivatives**

enter into derivative contracts save as expressly permitted by article 21(2) of the EU Securitisation Regulation.

5.2 Further Securitisations

(a) Further Securitisation

Nothing in these Senior Notes 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 (each a **Further Securitisation**) or, without limiting the generality of the foregoing, implementing, entering into, making or executing any document, deed or agreement in connection with any Further Securitisation, *provided that* the Issuer confirms 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) is otherwise satisfied - that:

(i) the transaction documents entered into in the context of the Further Securitisation constitute valid, legally binding and enforceable obligations of the parties thereto under the relevant governing law;

(ii) in the context of the Further Securitisation the Sole Quotaholder gives undertakings in relation to the management of the Issuer, the exercise of its rights as sole quotaholder 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 Letter of Undertakings;

(iii) all the participants to the Further Securitisation and the holders of the notes issued in the context of such Further Securitisation will accept non-petition provisions and limited recourse provisions in every material respect equivalent to those provided in Condition 9 (*Non Petition and Limited Recourse*) below;

(iv) the security deeds or agreements entered into in connection with such Further Securitisation do not comprise (or extend over) any of the Receivables or any of the Issuer's Rights;

(v) the notes to be issued in the context of such Further Securitisation:

(A) are not cross-collateralised or cross-defaulted with the Notes or any note issued by the Issuer in the context of any other previous securitisation; and

(B) include provisions which are the same as, or (in the sole discretion of the Representative of the Noteholders) equivalent to, this Condition 5 (*Covenants*); and

(vi) the Rating Agencies have been notified in advance of such Further Securitisation.

(b) Confirmation to the Representative of the Noteholders

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 28 of the Rules of the Organisation of the Noteholders (*Exoneration of the Representative of the Noteholders*) will also apply (where appropriate) to the Representative of the Noteholders when acting under this Condition 5 (*Covenants*).

6. PRIORITY OF PAYMENTS

6.1 Pre-Enforcement Priority of Payments

Prior to the delivery of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*), 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):

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

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

Noteholders, the Account Bank, the Investment Account Bank (if any), the Computation Agent, the Paying Agent, the Cash Manager (if any), the Corporate Servicer, the Back-Up Servicer and the Servicer;

(c) *Third*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class A Notes;

(d) *Fourth*, to credit to the Cash Reserve Account an amount necessary to bring the balance of the Cash Reserve Account up to (but not exceeding) the Required Cash Reserve Amount;

(e) *Fifth*, to repay, *pari passu* and *pro rata*, principal on the Class A Notes up to (but not exceeding) the Class A Notes Redemption Amount;

(f) *Sixth*, if a Cash Trapping Condition is met in respect of the relevant Payment Date, repay, *pari passu* and *pro rata*, principal on the Class A Notes until the Class A Notes are redeemed in full;

(g) *Seventh*, to pay any amount due and payable to the Originator as Adjustment Purchase Price pursuant to the Transfer Agreement;

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

(i) *Ninth*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class B Notes;

(j) *Tenth*, subject to the Class A Notes having been redeemed in full, to repay, *pari passu* and *pro rata*, principal on the Class B Notes (in the case of all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class B Notes not lower than Euro 1,000); and

(k) *Eleventh*, subject to the Class A Notes having been redeemed in full and the payment in full of any other amount due under the items above, to pay, *pari passu* and *pro rata*, the Variable Return (if any) on the Class B Notes.

The Issuer shall, if necessary, pay the Expenses during any Interest Period using the amounts standing to the credit of the Expense Account.

6.2 Post-Enforcement Priority of Payments

Following the service of a Trigger Notice or in case of redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*), 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):

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

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

Noteholders, the Account Bank, the Investment Account Bank (if any), the Computation Agent, the Paying Agent, the Cash Manager (if any), the Corporate Servicer, the Back-Up Servicer and the Servicer;

(c) *Third*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class A Notes;

(d) *Fourth*, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class A Notes until the Class A Notes are redeemed in full;

(e) *Fifth*, to pay any amount due and payable to the Originator as Adjustment Purchase Price pursuant to the Transfer Agreement;

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

(g) *Seventh*, to pay, *pari passu* and *pro rata*, interest due and payable on the Class B Notes;

(h) *Eighth*, subject to the Class A Notes having been redeemed in full, to repay, *pari passu* and *pro rata*, principal on the Class B Notes (in the case of all Payment Dates other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class B Notes not lower than Euro 1,000);

(i) *Ninth*, subject to the Class A Notes having been redeemed in full and the payment in full of any other amount due under the items above, to pay, *pari passu* and *pro rata*, the Variable Return (if any) on the Class B Notes.

The Issuer shall, if necessary, pay the Expenses during any Interest Period using the amounts standing to the credit of the Expense Account.

7. INTEREST

7.1 Payment Dates and Interest Periods

The Senior Notes will bear interest on their Principal Amount Outstanding from (and including) the Issue Date until final redemption or cancellation as provided for in Condition 8 (*Redemption, Purchase and Cancellation*). Interest in respect of the Senior Notes shall 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 Senior Notes will be due on the Payment Date falling in October 2019 in respect of the period from (and including) the Issue Date up to (but excluding) such date.

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

7.2 Rate of Interest

The rate of interest applicable to the Senior Notes will be a floating rate equal to EURIBOR plus a margin of 0.95 per cent. per annum, provided that (i) if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero), and (ii) the floating rate of interest on the Senior Notes shall not be higher than 4.50 per cent. per annum.

The rate of interest applicable to the Senior Notes will be determined by the Paying Agent on each Interest Determination Date.

For the purposes of this Condition 7.2, **EURIBOR** means the Euro-Zone Inter-Bank offered rate for three month Euro deposits which appears:

(a) on Bloomberg Page EUR003M index (except in respect of the Initial Interest Period, where an interpolated interest rate based on three and six month deposits in Euro will be substituted for three month EURIBOR); or

(b) such other page as may replace the relevant Bloomberg Page on that service for the purpose of displaying such information; or

(c) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the relevant Bloomberg Page,

at or about 11.00 a.m. (Brussels time) on the Interest Determination Date (the **Screen Rate** or, in the case of the Initial Interest Period, the **Additional Screen Rate**), provided that, if the Screen Rate (or, in the case of the Initial 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 determined in accordance with Condition 7.4 (*Fallback Provisions*) below.

7.3 Determination of Rates of Interest and Calculation of Interest Payments

The Issuer shall, on each Interest Determination Date, determine (or cause the Paying Agent to determine)

(a) the EURIBOR and the rate of interest applicable to the Interest Period beginning after such Interest Determination Date (or in the case of the Initial Interest Period, beginning on and including the Issue Date) in respect of the Senior Notes; and

(b) the Euro amount (the **Interest Payment Amount**) due as interest on the Senior Notes in respect of such Interest Period. The Interest Payment Amount due in respect of any Interest Period in respect of the Senior Notes shall be calculated by applying the rate of interest in respect of the Senior Notes to the Principal Amount Outstanding of the Senior Notes on the Payment Date (or, in the case of the Initial Interest Period, the Issue Date), at the commencement of such Interest Period (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 Payment Date in respect of the Interest Payment Amount on the Senior Notes.

7.4 Fallback provisions

(a) *Independent Advisor*

Notwithstanding the provisions above in respect of the Notes, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7.4(b) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 7.4(c) (*Adjustment Spread*)) and whether any Benchmark Amendments (in accordance with Condition 7.4(d) (*Benchmark Amendments*)) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

An Independent Adviser appointed pursuant to this Condition 7.4(a) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the party responsible for determining the Rate of Interest applicable to the Notes (being the Paying Agent) or the Noteholders for any determination made by it pursuant to this Condition 7.4.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7.4(a) prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, failing which, an Alternative Rate, provided however that if the Issuer is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7.4(a) prior to the relevant Interest Determination Date in the case of the Rate of Interest on the Notes, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes as being applicable in respect of the immediately preceding Interest Period. If there has not been a first Payment Date, the Rate of Interest for the Notes shall be the initial Rate of Interest. Where a maximum Rate of Interest or minimum Rate of Interest (as applicable) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the maximum Rate of Interest or minimum Rate of Interest (as applicable) relating to the relevant Interest Period shall be substituted in place of the maximum or minimum Rate of Interest relating to that last preceding Interest Period (as applicable). For the avoidance of doubt, this Condition 7.4(a) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7.4(a).

(b) *Successor Rate or Alternative Rate*

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 7.4(a) (*Independent Adviser*) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7.4(c) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 7.4); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7.4(c) (*Adjustment Spread*) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 7.4).

(c) *Adjustment Spread*

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 7.4(a) (*Independent Adviser*) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for

determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7.4 and the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 7.4(a) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines (i) that amendments to these Conditions and the other Transaction Documents, including but not limited to screen rate, are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and/or necessary or appropriate to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7.4(e) (*Notices*), without any requirement for the consent or approval of the Noteholders vary these Conditions and the other Transaction Documents to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Representative of the Noteholders, without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of an amendment agreement to the Transaction Documents) and the Representative of the Noteholders shall not be liable to any party for any consequences thereof, provided that if, in the opinion of the Representative of the Noteholders doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Noteholders in these Conditions or the Transaction Documents (including for the avoidance of doubt, any amendment to the Transaction Documents), the Representative of the Noteholders shall give effect to such Benchmark Amendments (including, *inter alia*, by the execution of any amendment agreement to the Transaction Documents), subject to being indemnified and/or secured to its satisfaction by the Issuer.

In connection with any such variation in accordance with this Condition 7.4(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) *Notices*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7.4 will be notified promptly by the Issuer to the Representative of the Noteholders, the Computation Agent and each Paying Agent and, in accordance with Condition 16 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Conditions 7.4(a) (*Independent Adviser*) to 7.4(d) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in this Condition 7.4 will continue to apply unless and until a Benchmark Event has occurred.

(g) *Definitions*

For the purposes of this Condition 7.4:

Adjustment Spread means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner), is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or

(iii) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) in accordance with Condition 7.4(b) (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same currency as the Notes;

Benchmark Amendments has the meaning given to it in Condition 7.4(d) (*Benchmark Amendments*);

Benchmark Event means:

(i) the Original Reference Rate ceasing be published for a period of at least 5 (five) Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following 6 (six) months, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following 6 (six) months; or

(v) it has become unlawful for the Paying Agent the Computation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholders using the Original Reference Rate;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 7.4(a) (*Independent Adviser*);

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

7.5 Publication of the Rate of Interest and the Interest Payment Amount

The Issuer shall notify (or cause the Paying Agent to notify) the EURIBOR and the Rate of Interest applicable to the Interest Period beginning after the relevant Interest Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date) in respect of the Senior Notes, the Interest Payment Amount due on the Senior Notes in respect of such Interest Period and the Payment Date in respect of the Interest Payment Amount promptly after determination (and in any event not later than the first day of each relevant Interest Period) to the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Corporate Servicer, Monte Titoli and the Luxembourg Stock Exchange and will cause the same to be published in accordance with Condition 16 (*Notices*) on or as soon as possible after the relevant Interest Determination Date.

7.6 Determination or calculation by the Representative of the Noteholders

If the Issuer does not at any time for any reason determine (or cause the Paying Agent to determine) the EURIBOR and the Rate of Interest applicable to the Interest Period beginning after the relevant Interest Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date) in respect of the Senior Notes, the Interest Payment Amount due on the Senior Notes in respect of such Interest Period and the Payment Date in respect of such Interest Payment Amount in accordance with the foregoing provisions of this Condition 7 (*Interest*), the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, shall:

(a) determine the EURIBOR and the Rate of Interest in respect of the Senior Notes at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or

(b) calculate the Interest Payment Amount for the Senior Notes in the manner specified in Condition 7.3 (*Interest - Determination of Rates of Interest and Calculation of Interest*

Payments) above, and any such calculation shall be deemed to have been made by the Paying Agent.

7.7 Notifications to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Interest*), whether by the Paying Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Paying Agent, the Computation Agent, the Issuer, the Account Bank, the Representative of the Noteholders and all Senior Noteholders and (in such absence as aforesaid) no liability to the Senior Noteholders shall attach to the Paying Agent, the Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

7.8 Paying Agent

The Issuer shall ensure that, so long as any of the Senior Notes remain outstanding, there shall at all times be a Paying Agent. The Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Paying Agent is appointed a notice will be published in accordance with Condition 16 (Notices).

7.9 Unpaid Interest with respect to the Senior Notes

Unpaid interest on the Senior Notes shall accrue no interest.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1 Final Redemption

(a) The Senior Notes are due to be repaid in full at their Principal Amount Outstanding (together with interest accrued but unpaid thereon) on the Final Maturity Date.

(b) The Issuer may not redeem the Senior Notes in whole or in part prior to that date except as provided below in Condition 8.2 (*Redemption, Purchase and Cancellation – Mandatory Redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional Redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*), but without prejudice to Condition 13 (*Trigger Events*).

8.2 Mandatory Redemption

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date, in each case if and to the extent that, on such date, there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes, in accordance with the applicable Priority of Payments, provided that, prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*), the Class A Notes shall be redeemed only up to the Class A Notes Redemption Amount.

8.3 Optional Redemption

(a) Unless previously redeemed in full and provided that no Trigger Notice has been served, the Issuer may at its option, having given not less than 30 (thirty) days' prior written notice to the Representative of the Noteholders (with copy to the Servicer, the Computation Agent and the Rating Agencies) and to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be

irrevocable), redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding, together with interest accrued but unpaid thereon, up to (and including) the date fixed for redemption, on any Payment Date falling after the Payment Date on which the Outstanding Senior Notes Ratio is equal to or lower than 10 per cent., provided that, on or prior to the delivery of the notice of redemption referred to above, the Issuer has provided evidence satisfactory to the Representative of the Noteholders that the Issuer will have the necessary funds (not subject to the interests of any other person) to discharge at least all of its outstanding liabilities in respect of the Senior Notes and any amount required to be paid, according to the applicable Priority of Payments, in priority to or *pari passu* with the Senior Notes.

(b) The Issuer may obtain the necessary funds in order to effect the above optional redemption of the Notes through the sale of the Portfolio subject to the terms and conditions of the Intercreditor Agreement. The relevant sale proceeds shall form part of the Issuer Available Funds.

8.4 Redemption for Taxation

Provided that no Trigger Notice has been served, if the Issuer at any time provides evidence satisfactory to the Representative of the Noteholders, immediately prior to giving the notice referred to below, that on the next Payment Date:

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

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

then the Issuer may at its option, on any such Payment Date having given not less than 30 (thirty) days' prior written notice to the Representative of the Noteholders (with copy to the Servicer, the Computation Agent and the Rating Agencies) and to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable), redeem the Notes of the Affected Class (if the Affected Class is the Senior Notes, in whole but not in part or, if the Affected Class is the Junior Notes, in whole or in part) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to (and including) the relevant Payment Date. In addition, following the occurrence of a Tax Event, the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Portfolio, or any part thereof, to finance the early redemption of the relevant Notes under this Condition 8.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*), subject to the terms and conditions of the Intercreditor Agreement.

8.5 Principal Payments on the Senior Notes, Redemption Amounts and Principal Amount Outstanding

(a) On each Calculation Date, the Issuer shall determine (or cause the Computation Agent to determine):

(i) the amount of the Issuer Available Funds;

(ii) the principal payment (if any) due on the Senior Notes on the next following Payment Date; and

(iii) the Principal Amount Outstanding of the Senior Notes on the next following Payment Date (after deducting any principal payment due to be made on such Payment Date).

(b) Each determination by (or on behalf of) the Issuer of the Issuer Available Funds, any principal payment on the Senior Notes and the Principal Amount Outstanding of the Senior Notes shall in each case (in the absence of wilful misconduct, gross negligence, bad faith or manifest error) be final and binding on all persons.

(c) The Issuer will, on each Calculation Date, notify (or cause the Computation Agent to notify) the determination of a principal payment on the Senior Notes (if any) and the Principal Amount Outstanding of the Senior Notes (through the Payments Report or the Post-Enforcement Report, as the case may be) to the Representative of the Noteholders, the Rating Agencies, the Paying Agent and the Luxembourg Stock Exchange. The Issuer will notify (or cause the Paying Agent to notify) each determination of a principal payment on the Senior Notes and of Principal Amount Outstanding of the Senior Notes to Monte Titoli and in accordance with Condition 16 (Notices).

(d) The principal amount redeemable in respect of each Senior Note shall be a *pro rata* share of the aggregate amount determined in accordance with Condition 8.2 (*Redemption, Purchase and Cancellation – Mandatory Redemption*) to be available for redemption of the Senior Notes on such date, calculated with reference to the ratio between (i) the then Principal Amount Outstanding of such Senior Note and (ii) the then Principal Amount Outstanding of all the Senior Notes (rounded down to the nearest cent), provided always that no such principal payment may exceed the Principal Amount Outstanding of the relevant Senior Note.

(e) If no principal payment on the Senior Notes or Principal Amount Outstanding of the Senior Notes is determined by or on behalf of the Issuer in accordance with the preceding provisions of this Condition 8.5, such principal payment on the Senior Notes and Principal Amount Outstanding of the Senior Notes shall be determined by the Representative of the Noteholders in accordance with this Condition 8.5 and each such determination or calculation shall be deemed to have been made by the Computation Agent.

8.6 Notice of redemption

Any notice of redemption, including those as set out in Condition 8.3 (*Redemption, Purchase and Cancellation – Optional Redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*), must be given to the Rating Agencies and to the Noteholders in accordance with Condition 16 (*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 8 (*Redemption, Purchase and Cancellation*).

8.7 No purchase by Issuer

The Issuer is not permitted to purchase any of the Notes.

8.8 Cancellation

(a) The Notes will be finally and definitively cancelled on the Cancellation Date, being the earlier of:

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

(ii) the Final Maturity Date; and

(iii) the date on which the Representative of the Noteholders has given notice in accordance with Condition 16 (*Notices*) that it has determined, in its sole opinion, on the basis of the information received from the Servicer, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents.

(b) Upon cancellation the Notes may not be resold or re-issued.

9. NON PETITION AND LIMITED RECOURSE

9.1 Non Petition

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

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

(b) until the date falling 2 (two) years and one day after the date on which all the Notes, all the Previous Notes and any other notes issued in the context of any other securitisation carried out by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Noteholders and only if the representatives of the noteholders of the Fourth Previous Securitisation and any Further Securitisations have been so directed by an extraordinary resolution of the noteholders under the relevant securitisation transaction) is entitled to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

(c) no Noteholder (nor any person on its behalf) shall be entitled to take or join in the taking of any corporate action, legal proceeding or other procedure or step that would result in the Priority of Payments not being complied with.

9.2 Limited recourse obligations of Issuer

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

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

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

(c) upon the Representative of the Noteholders giving notice in accordance with Condition 16 (*Notices*) that it has determined, in its sole opinion, on the basis of the information received from the Servicer, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

10. PAYMENTS

10.1 Payments through Monte Titoli, Euroclear and Clearstream

Payment of principal and interest in respect of the Senior Notes will be credited directly or indirectly according to the instructions of Monte Titoli by the Paying Agent on behalf of the Issuer to the accounts of those banks and authorised brokers whose Monte Titoli accounts are credited with such Senior Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of such Senior Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of such Senior Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be. As payment is made through Euroclear and Clearstream the financial services are carried out also in Luxembourg.

10.2 Payments subject to tax laws

Payments of principal and interest in respect of the Senior Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

10.3 Variation of Paying Agent

The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Paying Agent and to appoint another paying agent. The Issuer will cause at least 30 (thirty) days' prior notice of any replacement of the Paying Agent to be given to the Noteholders in accordance with Condition 16 (*Notices*) and to the Rating Agencies.

11. TAXATION

All payments in respect of the Senior Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Decree 239 Deduction or any other withholding or deduction which may be required to be made by applicable law. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any holder of Notes on account of such withholding or deduction.

12. PRESCRIPTION

Claims against the Issuer for payments in respect of the Senior Notes shall be prescribed and shall become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

13. TRIGGER EVENTS

13.1 Trigger Events

The occurrence of any of the following events will constitute a Trigger Event:

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

(i) any amount of interest due on the Senior Notes, provided that such default remains unremedied for 5 (five) Business Days; or

(ii) any amount of principal due on the Senior Notes on the Final Maturity Date, provided that such default remains unremedied for 5 (five) Business Day; or

(iii) any amount of principal due and payable on the Senior Notes on any Payment Date prior to the Final Maturity Date (to the extent the Issuer has sufficient Issuer Available Funds to make such repayment of principal in accordance with the applicable Priority of Payments), provided that such default remains unremedied for 5 (five) Business Days (it being understood that, prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), if the Servicer fails to deliver the Quarterly Servicer's Report to the Computation Agent in a timely manner in accordance with the provisions of the Cash Allocation, Management and Payment Agreement, no amount of principal will be due and payable in respect of the Notes); or

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

(c) *Breach of Representations and Warranties by the Issuer*: any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party is, or proves to have been, incorrect or erroneous (in any respect deemed to be material by the Representative of the Noteholders) when made or repeated, unless it has been remedied within 15 (fifteen) days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where, in the sole opinion of the Representative of the Noteholders, such breach is not capable of remedy in which case no term of 15 (fifteen) days 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 (in any respect deemed to be material by the Representative of the Noteholders) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party.

13.2 Trigger Notice

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

(i) in the case of a Trigger Event under paragraph (a), (d) or (e) of Condition 13.1 (*Trigger Events*) above, shall; and/or

(ii) in the case of a Trigger Event under paragraph (b) or (c) of Condition 13.1 (*Trigger Events*) above, may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders),

serve a Trigger Notice on the Issuer (with copy to the Servicer, the Computation Agent and the Rating Agencies). Upon the service of a Trigger Notice, the Notes shall (subject to Condition 9 (*Non Petition and Limited Recourse*)) become immediately due and repayable at their Principal Amount Outstanding, together with any accrued but unpaid interest thereon, without any further action, notice or formality, and the Issuer Available Funds shall be applied in accordance with the Post-Enforcement Priority of Payments.

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

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

14. ACTIONS FOLLOWING THE SERVICE OF A TRIGGER NOTICE

14.1 Actions of the Representative of the Noteholders

At any time after a Trigger Notice has been served, the Representative of the Noteholders may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure repayment of the Senior Notes and payment of accrued but unpaid interest thereon in accordance with the Priority of Payments set out in Condition 6.2 (*Priority of Payments – Post-Enforcement Priority of Payments*).

14.2 Notifications, determinations and liability of the Representative of the Noteholders

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 13 (Trigger Events) or this Condition 14 (*Actions following the service of a Trigger Notice*) by the Representative of the Noteholders shall (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Issuer and all Senior Noteholders and (in such absence as aforesaid) no liability to the Senior Noteholders or the Issuer shall attach to the Representative of the Noteholders in connection with the exercise or non-exercise by it of its powers, duties and discretion hereunder.

14.3 Actions against the Issuer

No Noteholder shall be entitled to proceed directly against the Issuer save as provided in these Senior Notes Conditions and the Rules of the Organisation of the Noteholders.

14.4 Limited claims against the Issuer

If the Representative of the Noteholders takes action to ensure the Noteholders' rights in respect of the Portfolio and the Issuer's Rights and after payment of all other claims ranking in priority to the Senior Notes under these Senior Notes Conditions and the Intercreditor Agreement, if the remaining proceeds of such action (the Representative of the Noteholders having taken action to ensure the Noteholders' rights in respect of the entire Portfolio and all the Issuer's Rights) are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Senior Notes and all other claims ranking *pari passu* therewith, then the Senior Noteholders' claims against the Issuer will be limited to their *pro rata* share of such remaining proceeds (if any) and the obligations of the Issuer to the Senior Noteholders will be discharged in full and any amount in respect of principal, interest or other amounts due under the Senior Notes will be finally and definitively cancelled.

14.5 Disposal of the Portfolio

Following the service of a Trigger Notice, the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Portfolio (in full or in part), subject to the terms and conditions of the Intercreditor Agreement.

15. THE REPRESENTATIVE OF THE NOTEHOLDERS

15.1 The Organisation of the Noteholders

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

15.2 Appointment of the Representative of the Noteholders

Pursuant to the Rules of the Organisation of the Noteholders, for so long as any Senior 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 by the initial holder of the Senior Notes at the time of the issue of the Senior Notes, subject to and in accordance with the provisions of the Senior Notes Subscription Agreement. Each Senior Noteholder is deemed to accept such appointment.

16. NOTICES

16.1 Notices

Any notice regarding the Senior 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, in relation to the Senior Notes and as long as the Senior Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, if published on the website of the Luxembourg Stock Exchange (being, as at the date of this Prospectus, www.bourse.lu) or in accordance with the rules of the

Luxembourg Stock Exchange and shall also be considered sent for the purposes of Directive 2004/109/CE, as amended. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in one of the manners referred to above.

16.2 Alternative methods of notice

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Senior Noteholders in such manner as the Representative of the Noteholders shall require and in accordance with the rules of the stock exchange on which the Senior Notes are then listed.

17. GOVERNING LAW AND JURISDICTION

17.1 Governing law of the Senior Notes

The Senior Notes and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of the Republic of Italy.

17.2 Governing law of the Transaction Documents

All the Transaction Documents, and all non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, the laws of the Republic of Italy.

17.3 Jurisdiction

Any dispute arising from the interpretation and execution of these Senior Notes Conditions or from the legal relationships established by these Senior Notes Conditions will be submitted to the exclusive jurisdiction of the Courts of Milan.

SCHEDULE 1

TO THE SENIOR NOTES CONDITIONS

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

PART 1

GENERAL PROVISIONS

1. GENERAL

1.1 Establishment

The Organisation of the Noteholders is created concurrently with the issue by Media Finance S.r.l. and subscription for the Euro 422,000,000 Class A Asset Backed Floating Rate Notes due April 2062 and the Euro 88,900,000 Class B Asset Backed Fixed Rate and Variable Return Notes due April 2062 and is governed by these Rules of the Organisation of the Noteholders (the **Rules**).

1.2 Validity

These Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 Integral part of the Notes

These Rules are deemed to be an integral part of each Note issued by the Issuer.

2. DEFINITIONS AND INTERPRETATIONS

2.1 Interpretation

(a) Unless otherwise provided in these Rules, any capitalised term shall have the meaning attributed to it in the Senior Notes Conditions.

(b) Any reference herein to an "Article" shall be a reference to an article of these Rules.

(c) Headings and subheadings used herein are for ease of reference only and shall not affect the construction of these Rules.

2.2 Definitions

In these Rules, the terms set out below shall have the following meanings:

Basic Terms Modification means any proposal to:

(a) change the date of maturity of the Notes of any Class;

(b) change any date fixed for the payment of principal or interest in respect of the Notes of any Class;

(c) reduce or cancel the amount of principal or interest payable on any date in respect of the Notes of any Class (other than any reduction or cancellation permitted under the Terms and Conditions) or alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(d) change the quorum required at any Meeting or the majority required to pass any Resolution;

(e) change the currency in which payments are due in respect of any Class of Notes;

(f) alter the priority of payments affecting the payment of interest and/or the repayment of principal in respect of any of the Notes of any Class;

(g) effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(h) a change to this definition.

Blocked Notes means Notes which have been blocked by an authorised intermediary in an account with a clearing system.

Block Voting Instruction means in relation to a Meeting, the document issued by the Paying Agent stating inter alia:

(a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting;

(b) that the Paying Agent has been instructed by the holder of the relevant Notes to cast the votes attributable to such Blocked Notes in a particular way on each resolution to be put to the relevant Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked; and

(c) authorising a Proxy to vote in accordance with such instructions.

Chairman means, in relation to any Meeting, the individual who takes the chair in accordance with Title II, Article 7 of these Rules.

Extraordinary Resolution means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 18.

Meeting means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment).

Monte Titoli Account Holder 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.

Ordinary Resolution means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 17.

Proxy means any person to which the powers to vote at a Meeting have been duly granted under a Voting Certificate or a Block Voting Instruction.

Resolution means an Ordinary Resolution and/or an Extraordinary Resolution, as the case may be.

Terms and Conditions means the Senior Notes Conditions and/or the Junior Notes Conditions, as the context may require and as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto, and any reference to a numbered **Condition** is to the corresponding numbered provision thereof.

Voter means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy;

Voting Certificate means, in relation to any Meeting, a certificate issued by the Monte Titoli Account Holder in accordance with Regulation 13 August 2018, as subsequently amended and supplemented, stating inter alia:

(a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting; and

(b) that the bearer of such certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

24 hours means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its specified office.

48 hours means 2 consecutive periods of 24 hours.

3. PURPOSE OF THE ORGANISATION

3.1 Membership

Each Noteholder is a member of the Organisation of the Noteholders.

3.2 Purpose

The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

PART 2

MEETINGS OF NOTEHOLDERS

4. VOTING CERTIFICATES AND VALIDITY OF THE PROXIES AND VOTING CERTIFICATES

4.1 Participation in Meetings

Noteholders may participate in any Meeting by obtaining a Voting Certificate or by depositing a Block Voting Instruction at the specified office of the Representative of the Noteholders not later than 24 hours before the relevant Meeting.

4.2 Validity

A Block Voting Instruction or a Voting Certificate shall be valid only if deposited at the specified office of the Representative of the Noteholders, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to discuss the items on the agenda. If the Representative of the Noteholders so requires, notarised copy of each Voting Certificate or Block Voting Instruction and satisfactory evidence of the identity of each Proxy named therein shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Voting Certificate, a Block Voting Instruction or the identity of any Proxy.

4.3 Mutually exclusive

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.4 Blocking and release of Notes

References to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. CONVENING THE MEETING

5.1 Meetings convened by the Representative of the Noteholders

The Representative of the Noteholders may convene a Meeting at any time.

The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders.

The Representative of the Noteholders shall convene a Meeting at any time it is requested to do so in writing by (a) the Issuer, or (b) Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of all the Notes outstanding for the Class in respect of which the Meeting is to be convened.

5.2 Request from the Issuer

Whenever the Issuer requests the Representative of the Noteholders to convene a Meeting, it shall immediately send a communication in writing to that effect to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting and the items to be included in the agenda.

5.3 Time and place of the Meeting

Subject to what is provided for in Article 6.1 (*Notice of meeting*) below, every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

Meetings may be held in case Voters are located in different places and are connected via audio-conference or video-conference, provided that:

(a) the Chairman can ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

(b) the person drawing up the minutes can clearly hear the meeting events being the subject-matter of the minutes;

(c) each Voter attending via audio-conference or video-conference can follow and intervene in the discussions and vote the items on the agenda in real time;

(d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or videoconference equipment; and

(e) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be (such place being in the European Union).

6. NOTICE OF MEETING AND DOCUMENTS AVAILABLE FOR INSPECTIONS

6.1 Notice of meeting

At least 21 days' notice (exclusive of the day on which notice is delivered and of the day on which the relevant Meeting is to be held), specifying the date (falling no later than 30 days after the date of delivery of such notice), time and place (being in the European Union) of the Meeting, must be given by the Paying Agent (upon instruction from the Representative of the Noteholders) to the relevant Noteholders, with copy to the Issuer and the Representative of the Noteholders.

6.2 Content of the notice

The notice of any resolution to be proposed at the Meeting shall specify at least the following information:

(a) subject to what is provided for in Articles 6.1 (*Notice of meeting*), 9 (*Adjournment for lack of quorum*) and 10 (*Adjourned meeting*), the date, time and place of the Meeting, on first and second call;

(b) the agenda of the Meeting; and

(c) the nature of the Resolution.

6.3 Validity notwithstanding lack of notice

Notwithstanding the formalities required by this Article 6, a Meeting is validly held if the entire Principal Amount Outstanding of the relevant Class or Classes of Notes is represented thereat and the Issuer and the Representative of the Noteholders are present.

6.4 Documentation Available for Inspection

All the documentation (including, if possible, the full text of the resolution to be proposed at the Meeting) which is necessary, useful or appropriate for the Noteholders consciously to (a) determine whether or not to take part in the relevant Meeting and (b) exercise their right to vote on the items on the agenda, shall be deposited at the specified office of the Representative of the Noteholders at least 7 days before the date set for the relevant Meeting.

7. CHAIRMAN OF THE MEETING

7.1 Appointment of the Chairman

The Meeting is chaired by an individual (who may, but need not be, a Noteholder) appointed by the Representative of the Noteholders. If the Representative of the Noteholders fails to make such appointment or the individual so appointed declines or is not present within 15 minutes after the time fixed for the Meeting, the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman.

7.2 Duties of the Chairman

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate and defines the terms for voting.

7.3 Assistance

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

8. QUORUM

8.1 Quorum and Passing of Resolution

The quorum (*quorum costitutivo*) at any Meeting shall be:

(a) in respect of a Meeting convened to vote on an Ordinary Resolution:

(i) on first call, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or

(ii) on second call, following any adjournment pursuant to Article 9, such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;

(b) in respect of a Meeting convened to vote on an Extraordinary Resolution, other than in respect of a Basic Terms Modification:

(i) on first call, one or more Voters holding or representing at least two thirds of the Principal Amount Outstanding of the Notes outstanding for the Class in respect of which the Meeting is convened; or

(ii) on second call, following any adjournment pursuant to Article 9, such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;

(c) in respect of a Meeting convened to vote on an Extraordinary Resolution in respect of a Basic Terms Modification:

(i) on first call, one or more Voters holding or representing at least three quarters of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or

(ii) on second call, following any adjournment pursuant to Article 9, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened.

8.2 Passing of a Resolution

A Resolution shall be deemed validly passed if voted by the following majorities:

(a) in respect of an Ordinary Resolution, a majority of the votes cast; and

(b) in respect of an Extraordinary Resolution, a majority of not less than three quarters of the votes cast.

9. ADJOURNMENT FOR LACK OF QUORUM

If a quorum is not reached within 30 minutes after the time fixed for any Meeting:

(a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or

(b) in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place (being in the European Union) and time as the Chairman determines with the approval of the Representative of the Noteholders, provided however that no meeting may be adjourned more than once for want of quorum.

10. ADJOURNED MEETING

Except as provided in Article 9, 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 (being in the European Union). No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

11. NOTICE FOLLOWING ADJOURNMENT

11.1 Notice required

If a Meeting is adjourned in accordance with the provisions of Article 9, Articles 5 and 6 above shall apply to the resumed meeting except that:

(a) 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

11.2 Notice not required

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 9.

12. PARTICIPATION

The following categories of persons may attend and speak at a Meeting:

(a) Voters;

(b) the director(s) and the auditors of the Issuer;

(c) the Representative of the Noteholders;

(d) financial and/or legal advisers to the Issuer and the Representative of the Noteholders; and

(e) any other person authorised by the Issuer, the Representative of the Noteholders or by virtue of a resolution of the relevant Meeting.

13. VOTING BY SHOW OF HANDS

13.1 First instance vote

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hands.

13.2 Demand of poll

If, before the vote by show of hands, the Issuer, the Representative of the Noteholders, the Chairman or one or more Voters who represent or hold at least one-tenth of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes request to vote by poll, the question shall be voted on in compliance with the provisions of Article 14. No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

13.3 Approval of a resolution

A resolution is only passed on a vote by show of hands if the Meeting has been validly constituted and the relevant resolution is unanimously approved by all the Voters at the Meeting. The Chairman's declaration that on a show of hands a resolution has been passed or rejected shall be conclusive. Whenever it is not possible to approve a resolution by show of hands, voting shall be carried out by poll.

14. VOTING BY POLL

14.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-tenth of the Principal Amount Outstanding of the outstanding Notes entitled to vote at the Meeting. A poll may be taken immediately or after any adjournment as decided by the Chairman, but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

14.2 Conditions of a poll

The Chairman sets the conditions for voting by poll, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the conditions set by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

15. VOTES

15.1 Votes

Each Voter shall have:

(a) one vote, when voting by a show of hands; and

(b) one vote for each Euro 1,000 of Principal Amount Outstanding of each Note represented or held by the Voter, when voting by poll.

15.2 Exercise of multiple votes

Unless the terms of any Block Voting Instruction or Voting Certificate borne by a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes which he exercises in the same manner.

15.3 Voting tie

In case of a voting tie, the Chairman shall have the casting vote.

16. VOTING BY PROXY

16.1 Validity

Any vote by a Proxy appointed in accordance with the relevant Block Voting Instruction or Voting Certificate shall be valid even if such Block Voting Instruction or Voting Certificate or any other instruction pursuant to which it has been given had been amended or revoked provided that none of the Paying Agent, the Issuer, the Representative of the Noteholders or the Chairman has been notified in writing of such revocation at least 24 hours prior to the time set for the relevant Meeting.

16.2 Adjournment of Meeting

Unless revoked, the appointment of a Proxy in relation to a Meeting shall remain valid also in relation to a resumption of such Meeting following an adjournment, unless such Meeting was adjourned for lack of quorum pursuant to Article 9. If a Meeting is adjourned pursuant to Article 9, any person appointed to vote in such Meeting must be re-appointed by virtue of a Block Voting Instruction or Voting Certificate in order to vote at the resumed Meeting.

17. ORDINARY RESOLUTIONS

Save as provided by Article 18 and subject to the provisions of Article 19, a Meeting shall have the power exercisable by Ordinary Resolution to:

(a) waive (including to waive a prior breach) any breach by the Issuer of its obligations arising under the Transaction Documents or the Notes, or waive a Trigger Event, if such waivers are not previously authorised by the Representative of the Noteholders in accordance with the Transaction Documents;

(b) determine any other matters submitted to the Meeting, other than matters required to be subject of an Extraordinary Resolution, in accordance with the provisions of these Rules and the Transaction Documents; and

(c) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18. EXTRAORDINARY RESOLUTIONS

The Meeting, subject to Article 19, shall have power exercisable by Extraordinary Resolution to:

(a) approve any Basic Terms Modification;

(b) approve any proposal by the Issuer or the Representative of the Noteholders for any alteration or waiver of the rights of the Noteholders against the Issuer;

(c) approve any scheme or proposal related to the mandatory exchange or substitution of any Class of Notes;

(d) save as provided by Article 29, approve any amendments of the provisions of (i) these Rules, (ii) the Terms and Conditions, (iii) the Intercreditor Agreement, (iv) the Cash Allocation, Management and Payment Agreement, or (v) any other Transaction Document in respect of the obligations of the Issuer under or in respect of the Notes which is not a Basic Terms Modification be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

(e) discharge or exonerate (including prior or retrospective discharge or exoneration) the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Terms and Conditions or any other Transaction Document;

(f) grant any authority, order or sanction which, under the provisions of these Rules or of the Terms and Conditions, must be granted by Extraordinary Resolution (including the issue of a Trigger Notice as a result of a Trigger Event pursuant to Condition 13 (*Trigger Events*));

(g) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

(h) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(i) appoint and remove the Representative of the Noteholders; and

(j) authorise or object to individual actions or remedies of Noteholders under Article 23.

19. RELATIONSHIP BETWEEN CLASSES AND CONFLICT OF INTERESTS

19.1 Relationship between Classes

(a) 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 the other Class of Notes (if any).

(b) Any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the Most Senior Class of Notes shall be binding on the holders of the other Class of Notes irrespective of the effect thereof on their interests.

(c) No Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of a Class of Notes which is not the Most Senior Class of Notes shall be effective unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution, as the case may be, of the Most Senior Class of Noteholders.

19.2 Binding nature of the Resolutions

Any Resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting and, except in the case of Meeting relating to a Basic Terms Modification, any Resolution passed at a meeting of the then Most Senior Class of Noteholders duly convened and held

as aforesaid shall also be binding upon all the other Class of Noteholders. In each such case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly.

19.3 Conflict between Classes

If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of:

(a) different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only;

(b) the Noteholders and the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders.

19.4 Resolution of the Junior Noteholders

For the avoidance of doubt, amendments or modifications which do not affect the payment of interest and/or the repayment of principal in respect of any of the Senior Notes and/or any other interest or rights of the Senior Noteholders may be passed at a Meeting of the Junior Noteholders without any sanction being required by the holders of the Senior Notes.

19.5 Joint Meetings

Subject to the provisions of these Rules and the Terms and Conditions, if the Representative of the Noteholders considers it is not detrimental to the holders of any relevant Class of Notes, joint meetings of the Senior Noteholders and of the Junior Noteholders may be held to consider the same Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto.

19.6 Separate and combined Meetings of the Noteholders

Subject to the aforesaid provisions of this Article 19, the following provisions shall apply where outstanding Notes belong to more than one Class:

(a) business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

(b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes, as the Representative of the Noteholders shall determine in its absolute discretion; and

(c) business which, in the opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

In this paragraph **business** includes (without limitation) the passing or rejection of any Resolution.

19.7 Notice of Resolution

Within 14 days after the conclusion of each Meeting, the Issuer shall give notice, in accordance with Condition 16 (Notices), of the result of the votes on each resolution put to the Meeting. Such notice shall also be sent by the Issuer (or its agents) to the Paying Agent and the Representative of the Noteholders.

20. CHALLENGE OF RESOLUTION

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

21. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be prima facie evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

22. WRITTEN RESOLUTION

Notwithstanding the formalities required by Article 6, a Meeting is validly held if a resolution in writing is signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders (the **Written Resolution**).

A Written Resolution shall take effect as if it were an Extraordinary Resolution or an Ordinary Resolution, in respect of matters to be determined by Ordinary Resolution.

23. INDIVIDUAL ACTIONS AND REMEDIES

23.1 Individual actions of the Noteholders

Each Noteholder is deemed to have accepted and is bound by the limited recourse and non petition provisions of Condition 9. Accordingly, the right of each Noteholder to bring individual actions or use other individual remedies to enforce his/her rights under the Notes or the Transaction Documents will be subject to a Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his/her rights under the Notes or the Transaction Documents will notify the Representative of the Noteholders of his/her intention;

(b) the Representative of the Noteholders will, without delay, call a Meeting in accordance with these Rules at the expense of such Noteholder;

(c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

(d) if the Meeting of Noteholders authorises such individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

23.2 Individual actions subject to Resolution

No Noteholder will be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents unless a Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 23.

23.3 Breach of Condition 9

No Noteholder shall be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents in the event that such action or remedy would cause or result in a breach of Condition 9.

23.4 Exclusive power of the Representative of the Noteholders

Save as provided in this Article 23, only the Representative of the Noteholders may pursue the remedies available under the general law or the Transaction Documents to obtain payment of obligations and no Noteholder shall be entitled to proceed directly against the Issuer to obtain or enforce such remedies.

24. FURTHER REGULATIONS

Subject to all other provisions contained in these Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

PART 3

THE REPRESENTATIVE OF THE NOTEHOLDERS

25. APPOINTMENT, REMOVAL AND REMUNERATION

25.1 Appointment

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 25, except for the appointment of the first Representative of the Noteholders which will be Securitisation Services S.p.A.

25.2 Requirements for the Representative of the Noteholders

The Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

(b) a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act; or

(c) any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

25.3 Directors and auditors of the Issuer

The director/s and auditors of the Issuer cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

25.4 Duration of appointment

Unless the Representative of the Noteholders is removed by Extraordinary Resolution pursuant to Part 2 above or it resigns in accordance with Article 27, it shall remain in office until full repayment or cancellation of all the Notes.

25.5 Removal

The Representative of the Noteholders may be removed by Extraordinary Resolution of the Most Senior Class of Noteholders at any time.

25.6 Office after termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until a substitute Representative of the Noteholders, which shall be a subject among those listed in Article 25.2, paragraphs (a), (b) and (c) above, accepts its appointment, and the powers and authority of the Representative of the Noteholders whose appointment has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

25.7 Remuneration

The Issuer shall pay to the Representative of the Noteholders for its services as Representative of the Noteholders, an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the applicable Priority of Payments.

26. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

26.1 Legal representative of the Organisation of the Noteholders

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it pursuant to the Transaction Documents in order to protect the interests of the Noteholders.

26.2 Meetings and implementation of Resolutions

Subject to Article 28.9, the Representative of the Noteholders is responsible for implementing all resolutions of the Noteholders and has the right to convene Meetings to propose any course of action which it considers from time to time necessary or desirable.

26.3 Delegation

(a) The Representative of the Noteholders may also, whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) specific activities vested in it as aforesaid.

(b) The terms and conditions (including power to sub-delegate) of such appointment shall be established by the Representative of the Noteholders depending on what it deems suitable in the interest of the Noteholders.

(c) The Representative of the Noteholders shall not, other than in the normal course of its business, be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate (*culpa in eligendo*).

(d) As soon as reasonably practicable, the Representative of the Noteholders shall give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

26.4 Judicial proceedings

The Representative of the Noteholders is authorised to represent the Organisation of the Noteholders, inter alia, in any judicial proceedings.

27. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

27.1 Resignation

The Representative of the Noteholders may resign at any time by giving at least 3 (three) calendar months' written notice to the Issuer, with no need to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation.

27.2 Effectiveness

The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed by an Extraordinary Resolution of the Most Senior Class of Noteholders and such new Representative of the Noteholders has accepted its appointment provided that if the Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 25.2.

28. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

28.1 Limited obligations

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

28.2 Other limitations

Without limiting the generality of Article 28.1, the Representative of the Noteholders:

(a) shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document has occurred, and until the Representative of the Noteholders has

actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event has occurred;

(b) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in the Terms and Conditions and hereunder or, as the case may be, in any Transaction Document to which each such party is a party, and until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are carefully observing and performing all their respective obligations;

(c) except as otherwise required under these Rules or the Transaction Documents, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

(d) shall not be responsible for (or for investigating) the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(i) the nature, status, creditworthiness or solvency of the Issuer;

(ii) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith;

(iii) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and

(v) any accounts, books, records or files maintained by the Issuer, the Servicer, and the Paying Agent or any other person in respect of the Portfolio or the Notes;

(e) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

(f) shall have no responsibility to procure that the Rating Agencies or any other credit or rating assessment institution or any other subject maintain the rating of the Senior Notes;

(g) shall not be responsible for (or for investigating) any matter which is the subject of any recital, statement, warranty or representation by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating to thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

(h) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer 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;

(i) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

(j) shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

(k) shall not be obliged to evaluate the consequences that any modification of these Rules or any of the Transaction Documents or exercise of its rights, powers and authorities may have for any individual Noteholder;

(l) shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other party any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules and no Noteholder, Other Issuer Creditor or any other party shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;

(m) shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;

(n) 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;

(o) shall not be responsible for (except as otherwise provided in the Terms and Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Portfolio and the Notes; and

(p) shall not be deemed responsible for having acted pursuant to instructions received from the Meeting, even if it is later discovered that the Meeting had not been validly convened or constituted, and that such resolution had not been duly approved or was not otherwise valid or binding for the Noteholders.

28.3 Discretion

(a) The Representative of the Noteholders:

(i) save as expressly otherwise provided herein and in the Intercreditor Agreement, shall have absolute discretion as to the exercise, non-exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, cost, damage, expense or inconvenience resulting from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its wilful misconduct (*dolo*) or gross negligence (*colpa grave*);

(ii) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right – but not the obligation – to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities which it may incur by taking such action;

(iii) may certify whether or not a Trigger Event is in its opinion prejudicial to the interest of the Noteholders and any such certification shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other subject party to the Transaction Documents;

(iv) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents;

(b) Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate.

28.4 Certificates

The Representative of the Noteholders:

(a) may act on the advice of or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not be responsible for any loss incurred by so acting in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders;

(b) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter, a certificate duly signed by the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless it has information which casts a doubt on the truthfulness of the certificates signed by the Issuer;

(c) shall have the right to call for (or have the Issuer call for) and to rely on written attestations issued by any one of the parties to the Intercreditor Agreement or by any Other Issuer Creditor. The Representative of the Noteholders shall not be required to seek additional evidence and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so.

28.5 Ownership of the Notes

(a) In order to ascertain ownership of the Notes, the Representative of the Noteholders may fully rely on the certificates issued by any authorised institution listed in accordance with article 83-*bis* of the Financial Laws Consolidated Act and Regulation 13 August 2018, which certificates are conclusive proof of the statements attested to therein.

(b) The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

28.6 Certificates of 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 Regulation 13 August 2018, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

28.7 Certificates of Clearing Systems

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

28.8 Rating Agencies

The Representative of the Noteholders shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules, that such exercise will not be materially prejudicial to the interest of the Noteholders if, along with other factors, the Rating Agencies have confirmed that the then current rating of the Senior Notes would not be adversely affected by such exercise, or have otherwise given their consent. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the valuation of the Rating Agencies regarding how a specific act would affect the rating of the Senior Notes, the Representative of the Noteholders shall so inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders, unless the Representative of the Noteholders wishes to seek and obtain the valuation itself.

28.9 Illegality

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend or otherwise risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretion, and the Representative of the Noteholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

29. AMENDMENTS TO THE TRANSACTION DOCUMENTS

29.1 Consent of the Representative of the Noteholders

The Representative of the Noteholders may agree to any amendment or modification to these Rules or to any of the Transaction Documents, without the prior consent or sanction of the Noteholders if in its opinion:

(a) it is expedient to make such amendment or modification in order to correct a manifest error or an error of a formal, minor or technical nature; or

(b) save as provided under paragraph (a) above, such amendment or modification (which shall be other than in respect of a Basic Terms Modification or any provision in these Rules which makes a reference to the definition of Basic Terms Modification) is not materially prejudicial to the interest of the Most Senior Class of Noteholders.

29.2 Binding nature of amendments

Any such amendment or modification shall be binding on the Noteholders and the Other Issuer Creditors and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such amendment or modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter.

30. INDEMNITY

30.1 Indemnification

Pursuant to the Subscription Agreements, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, receivables and demand (including, without limitation, legal fees and any applicable tax, value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or any subject to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authority and discretion and the performance of its duties under and otherwise in relation to these Rules and the Transaction Documents, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under these Rules, the Notes or the Transaction Documents, except insofar as the same are incurred because of the fraud, gross negligence or wilful misconduct of the Representative of the Noteholders or the abovementioned appointed persons. It remains understood and agreed that such costs, expenses and liabilities shall be reasonably incurred.

30.2 Liability

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

In connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the relevant Noteholders.

PART 4

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF A TRIGGER NOTICE

31. POWERS

It is hereby acknowledged that, upon the occurrence of a Trigger Event, 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 interest of the Other Issuer Creditors, pursuant to articles 1411 and 1723 of the Italian Civil Code – to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative

of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the 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.

PART 5

GOVERNING LAW AND JURISDICTION

32. GOVERNING LAW AND JURISDICTION

32.1 Governing law

These Rules and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of the Republic of Italy.

32.2 Jurisdiction

Any dispute arising from the interpretation and execution of these Rules or from the legal relationships established by these Rules will be submitted to the exclusive jurisdiction of the Courts of Milan.

SELECTED ASPECTS OF ITALIAN LAW

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and subsequently amended and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

It applies to securitisation transactions involving the "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with Article 3 of the Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such receivables and all costs and expenses associated with the securitisation transaction.

As at the date of this Prospectus, no interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority, except for: (a) regulations issued by the Bank of Italy concerning*, inter alia,* the accounting treatment of securitisation transactions for special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of companies which carry out collection and recovery activities in the context of a securitisation transaction; (b) the Circular No. 8/E issued by *Agenzia delle Entrate* on 6 February 2003 on the tax treatment of the issuers (see paragraph "*Tax Treatment of the Issuer*" in the section headed "*Risk Factors*"); (c) the Decree of the Italian Ministry of Treasury dated 14 December 2006 No. 310 on the covered bonds, as provided by article 7-*bis* of the Securitisation Law; (d) the Decree of the Italian Ministry of Economy and Finance No. 29 of 17 February 2009 on the terms for the registration of the financial intermediaries in the registers held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act and the Legislative Decree 13 August 2010 No. 141 which has, *inter alia*, entirely replaced, as from 19 September 2010, Title V of the Consolidated Banking Act, even though the implementing regulations with respect to the amended provisions on the registration of financial intermediaries have not yet been issued by the Bank of Italy; (e) the Law Decree No. 145 of 23 December 2013 converted into law by Law No. 9 of 21 February 2014 (the **Decree No. 145**) (for key feature of Decree No. 145, please see the next paragraph "*The Law Decree No. 145 of 23 December 2013*"); (f) the Law Decree No. 91 of 24 June 2014 (the **Decree No. 91**) (for key feature of Decree No. 91, please see the next paragraph "*The Law Decree No. 91 of 24 June 2014*"), which amended the Securitisation Law and (g) Law No. 96 of 21 June 2017, which further amended the Securitisation Law.

Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus.

The Law Decree No. 145 of 23 December 2013

General

The following paragraphs set out a summary of the key features of the amendments to the Securitisation Law introduced by Decree No. 145 which are relevant to securitisations transactions.

Transaction accounts

Decree No. 145 has provided for the main key features to open in the context of each securitisation transaction bank accounts:

(a) in the name of the SPV to be held with the account bank or the servicer (the **SPV Accounts**), for the deposit of the collections of the receivables and any other amounts paid or belonging to the SPV under the securitisation (pursuant to the relevant transaction documents).

(b) in the name of the servicer (or any sub-servicer) (the **Servicer Accounts**) to be held with any bank, for the deposit of the collections of the securitised receivables.

Such provisions have been amended and supplemented by Decree No. 91, as described in paragraphs below "SPV accounts" and "Servicer accounts".

Assignment pursuant to Factoring Law

Decree No. 145 has simplified the assignments under the Securitisation Law of receivables falling within the scope of the Italian Factoring Law, these being the receivables arising out of contracts entered into by the relevant assignor in the course of its business.

More in particular, it has been provided that the transfer of above-mentioned type of receivables, which do not need to be identifiable as a pool *(in blocco)*, can be perfected also applying certain provisions of the Italian Factoring Law.

In addition, Decree No. 145 has established that if the transaction parties choose to use the Italian Factoring Law as described above, then the relevant notice of assignment to be published in the Italian Official Gazette will need to set out only the details of the assignor, the assignee (i.e. the SPV) and the date of the relevant assignment.

Limitation to the set-off rights of the assigned debtors

Decree No. 145 has provided that, with effect from the date of the Publication and Registration (or of the purchase price payment, as the case may be, as described in the preceding paragraph headed "*Assignment pursuant to Factoring Law"*), in derogation of any other provision of law, the assigned debtors of the relevant securitised receivables are not entitled to exercise the set-off between such securitised receivables and their claims against the assignor arisen after such date of the Publication and Registration (or of the payment of the purchase price payment, as the case may be).

Exemption of claw-back of prepayments

The Securitisation Law stated that payments made by the assigned debtors benefit from an exemption from the claw-back provided for by article 67 of the Italian Bankruptcy Law. However, nothing was said under the Securitisation Law in relation to the claw-back action pursuant to article 65 of the Italian Bankruptcy Law, being the claw-back in respect of any prepayments. Decree No. 145 has established an express exemption also in respect of such claw-back action under article 65 of the Italian Bankruptcy Law.

Simplified procedures for assignment of receivables owed by public entities

Decree No. 145 has simplified the procedure for the assignments of receivables owed by public entities in the context of securitisations governed by the Securitisation Law.

In fact, the assignments of receivables owed by public entities are subject to certain special perfection formalities which, prior to Decree No. 145, applied also to securitisations governed by the Securitisation Law. Such formalities include the need to execute the relevant receivables' transfer agreement in notarised form and to have the assignment notified to the relevant public entity trough a court bailiff (and, in some cases, be formally accepted by such public entity).

The assignments of receivables owed by public entities made under the Securitisation Law securitisations will now be subject only to the formalities contemplated by the Securitisation Law (i.e. the Publication and Registration (or of the purchase price payment, as the case may be) and no other formalities, including those described above, shall apply.

It has also been established that if the SPV appoints as Servicer of the receivables an entity other the seller, then the relevant assigned public debtors shall be notified of such appointment through a notice on the Italian Official Gazette and a registered letter with return receipt.

Securitisation of Bonds

Decree No. 145 has clarified that, in addition to monetary receivables, also bonds, similar securities and financial drafts *(cambiali finanziarie)* are capable of being securitised under the Securitisation Law (with the exception of bonds representing company equity, exchangeable, hybrids and convertible bonds). Decree No. 145 has also established that the above-mentioned securities may be, not only purchased, but also directly subscribed, by the relevant SPV.

Sole investor

Decree No. 145 has clarified that where the notes issued by the SPV are subscribed by qualified investors, the underwriter can also be a sole investor.

Assignment of receivables arising from overdraft facilities

Decree No. 145 has expressly regulated the assignability of receivables arising from overdraft facilities under securitisation transactions. In particular, according to Decree No. 145, the assignment of all the receivables arising from the agreements relating to such overdraft facilities, including all the relevant future receivables, may now be made enforceable simply through the formalities provided for by the Securitisation Law (i.e. the Publication and Registration (or of the purchase price payment, as the case may be).

Asset management companies (SGR) allowed to act as servicers

Decree No. 145 has clarified that in case of securitisations contemplating the assignment of receivables to investment funds in accordance with article 7, paragraph 2-*bis*, of the Securitisation Law, the relevant asset management companies will be entitled to act as servicer of the transaction.

The Law Decree No. 91 of 24 June 2014

General

The following paragraphs set out a summary of the key features of the amendments to the Securitisation Law introduced by Decree No. 91 which are relevant to securitisations transactions.

Decree No. 91 has been published on the Official Gazette on 24 June 2014 and is to be converted into Law within sixty days from its publication on the Official Gazette.

The conversion Law may provide amendments to the provisions set out by Decree No. 91 as described in this Prospectus.

Financings granted by SPVs

Decree No. 91 has allowed SPVs to grant financings to entities different form individuals and microenterprises (as defined by article 2, paragraph 1, of the Annex to the European Commission recommendation of 6 May 2003) in the context of securitisation transactions, provided that the following conditions are met:

(a) the borrower is identified by a bank or financial intermediary registered in the general register held by the Bank of Italy pursuant to articles 106 of the Consolidated Banking Act;

(b) the notes issued under the securitisation transaction are to be subscribed for by qualified investors pursuant to article 100 of the Financial Laws Consolidated Act; and

(c) the above bank/financial intermediary retains a significant economic interest in the transaction, in accordance with the rules laid down in the implementation provisions of the Bank of Italy.

Morevoer, Decree No. 91 has established that from the date (to be certain at law) in which the loan is drawn (in whole or in part), no action is permitted on the receivables and on any sums paid by the assigned debtors other than in satisfaction of the rights of the noteholders and to cover the other costs of the securitisation.

In the context of such securitisation transactions of receivables arising out of financings granted by SPVs, the servicer of the securitisation is to be responsible to verify the correctness of the transaction and the relevant compliance with the applicable legislation.

Extension of segregation effects

Decree No. 91 has also extended the segregation effects provided for under article 3, paragraph 2, of the Securitisation Law.

In particular, it has been specified that the receivables relating to each transaction (meaning both (i) the receivables towards the assigned debtors and (ii) any other claims owed to the SPVs in the context of the transaction), as well as (iii) any relevant collections and (iv) financial assets purchased through the proceeds of the receivables form separate assets from the assets of the SPV and those relating to other transactions.

On each such assets no actions are permitted by creditors other than the holders of the notes issued to finance the purchase of the same receivables.

SPV accounts

Decree No. 91 has amended the provisions in relation to the SPV Accounts, for the deposit of the collections of the receivables and any other amounts paid or belonging to the SPV under the securitisation (pursuant to the relevant transaction documents).

In particular, the sums standing to the credit of the SPV Accounts (i) are capable of being seized and attached only by the relevant noteholders and the relevant other issuer's creditors; and (ii) can be used exclusively to satisfying the claims of such noteholders, hedging counterparty and to pay the relevant transaction's costs.

Moreover, in the event that the bank holding the SPV Account becomes subject to any proceedings under Title IV of the Consolidated Banking Act or any insolvency proceedings, the sums deposited on such accounts also pending such proceedings (i) are not subject to suspension of payments and (ii) will be immediately and fully returned to the relevant SPV without the need for the filing of any petition in the relevant proceeding and outside any distribution plan.

Servicer accounts

Decree No. 91 has also amended the provisions in relation to the Servicer Accounts, for the deposit of the collections of the securitised receivables.

The sums standing to the credit of the Servicer Accounts are capable of being seized and attached by the creditors of the relevant servicer (or sub-servicer, as the case may be) only within the limits of the amounts exceeding the sums collected and due to the SPV.

In the event that the relevant servicer (or sub-servicer, as the case may be) become subject to any insolvency proceedings, the sums deposited on such accounts also pending the insolvency proceedings, for an amount equal to the amounts pertaining to the SPV, will be immediately and fully returned to the relevant SPV without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

ABS Notes as eligible assets to cover technical provisions of insurance companies

Decree No. 91 has also broadened the scope of article 5, paragraph 2-*bis*, of the Securitisation Law, providing that the notes issued in the context of securitisation transactions, and not only those issued in the context of securitisations carried out by way of subscription or purchase of bonds and similar securities (so-called "mini-bonds") or commercial papers by the SPVs, even if not intended to be traded on a regulated market or through multilateral trading facilities and even with no credit rating by third parties, may be accepted as cover for technical provisions of insurance companies under article 38, Legislative Decree no. 209 of 7 September 2005, as subsequently amended.

Ring-fencing of the assets

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

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 is governed by Article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the assignor, the debtors in respect of the receivables and third party creditors by way of publication of the relevant notice in the Official Gazette of the Republic of Italy and registration in the Companies Register, so avoiding the need for notification to be served on each debtor.

On the date of publication of the notice in the Official Gazette of the Republic of Italy and registration in the Companies Register, the assignment becomes enforceable against:

(a) the debtors in respect of the receivables and any creditors of the assignor who have not commenced enforcement proceedings in respect of the relevant receivables prior to the date of publication of the notice and registration in the Companies Register, provided that following the registration of the assignment in the Companies Register and the publication of the notice in the Official Gazette, the claw-back provisions set forth in Article 67 of the Italian Bankruptcy Law will not apply to payments made by any debtor to the purchasing company in respect of the portfolio to which the registration of the assignment and the publication of the notice thereof relate;

(b) the liquidator or other bankruptcy official of the debtors in respect of the receivables (so that any payments made by such a debtor to the purchasing company may not be subject to any claw-back action pursuant to article 67 of the Italian Bankruptcy Law); and

(c) other permitted assignees of the assignor who have not perfected their assignment prior to the date of publication in the Official Gazette and of registration in the Companies Register.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned receivables will automatically be transferred to and perfected with the same priority in favour of the Issuer, without the need for any formality or annotation.

With effect from the date of publication of the notice of the assignment in the Official Gazette of the Republic of Italy and registration in the Companies Register, no legal action may be brought against the receivables assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction.

The transfer of the Receivables from the Originator to the Issuer has been (i) registered on the companies' register of Treviso-Belluno on 18 March 2019 and (ii) published in the Official Gazette no. 34 Part II of 21 March 2019.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under Article 67 of Royal Decree number 267 of 16 March 1942 but only in the event that the adjudication of bankruptcy of the relevant party is made within 3 (three) months of the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within 6 (six) months of the securitisation transaction. It is uncertain whether such limitation on claw-back would be applicable if the relevant insolvency procedure or claw-back action were not governed by the law of the Republic of Italy, as would probably the case if the seller were to become insolvent.

The Issuer

Under the regime normally prescribed for Italian companies under the Italian Civil Code, it is unlawful for any company (other than banks) to issue securities for an amount exceeding two times the company's share capital. Under the provisions of the Securitisation Law, the standard provisions described above are inapplicable to the Issuer.

Foreclosure proceedings

Mortgages may be "voluntary" ("*ipoteche volontarie*") if granted by a borrower or a third party guarantor by way of a deed or "judicial" ("*ipoteche giudiziarie*") if 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.

A mortgage lender (whose debt is secured by a mortgage) may commence enforcement proceedings by seeking a court order or injunction for payment in the form of an enforcement order ("*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, 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 an enforcement order ("*titolo esecutivo*") from the court. After the service of the title, a writ of execution ("*atto di precetto*") is notified to the debtor together with either the enforcement order ("*titolo esecutivo*") or the loan agreement, as the case may be.

After 10 (ten) days of filing, but not later than 90 (ninety) days from the date on which notice of the writ of execution ("*atto di precetto*") is served, the mortgage lender may request the attachment of the mortgaged property. The property will be attached by a court order, which must then be filed with the appropriate land registry ("*Conservatoria dei Registri Immobiliari*"). The court will, at the request of the mortgage lender,

appoint a custodian to manage the mortgaged property in the interest of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must 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. Not earlier than 10 (ten) days and not later than ninety days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property.

The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

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 (i.e. land registry) certificates ("*certificati catastali*"), which usually take some time to obtain. Law No. 302 should reduce the duration of the enforcement proceedings by allowing the mortgage lender to substitute such cadastral certificates with certificates obtained from public notaries and by allowing public notaries to conduct various activities which were before exclusively within the powers of the courts.

The court appoints an expert to estimate the property's value. Such estimate is useful for the sale with auction ("*vendita con incanto*") because, on the basis of the expert's evaluation, the court shall determine the minimum bid price for the property at the auction and for the sale without auction ("*vendita senza incanto*"), because on that basis, the Judge shall determine the validity of the bids (which in fact are not valid if it is lower than one-fourth or more of the price determined in the judge's order).

The sale without auction takes place before the sale with auction.

In the sale without auction, the bidders file their bids with the clerk office of the judge, in a closed envelope and the judge decides on the bid after hearing the parties. If the bid is equal to or higher than the minimum bid price, the same bid is granted; if the bid is lower than one-fourth or more of the price determined in the judge's order, the offer is not valid. If the bid is lower than the price determined in the judge's order but does not fall below one-fourth of such price, the judge may proceed with the sale if he believes that there is no real possibility to obtain a higher price with a new sale. In case there are more bids, the judge invites the bidders to make offers on the basis of the highest bid. Should no offer be made, the judge may order the sale in favour of the best bidder or order the auction; in case motions for assignment are filed and the best bid is lower than the value of the real estate as determined in the judge's order, the judge does not proceed with the auction and he shall proceed with the assignment.

When the sale without auction is not successful, the sale by auction takes place before the judge with public hearings. When the judge orders the auction, he establishes the followings: (a) if the sale shall be accomplished by one or more lots; (b) auction base price, (c) day and hour of the auction, (d) the time limit which shall run from the accomplishment of the publicity forms and the auction; (e) the bond amount no higher than one-tenth of the auction starting price and the time limit by which it shall be deposited by the bidders; (f) the minimum amounts of the bids' increases; (g) the term, no longer than 60 days running from the award, by which the price shall be deposited and the modalities of deposit.

The bids are not valid if they do not exceed the auction base price or the previous offer made by others bidders in the minimum amount indicated by the judge. Once the auction is adjudicated, bids may still be made by the final time limit of 10 (ten) days, but they are valid only if the price offered exceeds one fifth of the price reached 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. In the event that no offer is made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after deduction of the expenses of the enforcement proceedings and any expenses for the deregistration 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).

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 very variable and it can be between two and five 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. Law No. 302 has been passed with the aim of reducing the duration of enforcement proceedings.

Italian Law No. 302 of 3 August 1998, Italian Law No. 80 of 15 May 2005, Italian Law No. 263 of 28 December 2005 and the Italian Code of Civil Procedure as amended thereby have introduced certain rules according to which some of the activities to be carried on in a foreclosure procedure may be entrusted to a notary public, lawyers or chartered accountants duly registered with the relevant register as kept and updated from time to time by the chairman of the competent court ("*Presidente del Tribunale*").

In particular, if requested by a creditor, a notary public may issue a notarial certificate attesting the results of the searches with the "catasto" and with the appropriate land registry ("*Conservatoria dei Registri Immobiliari*"). Such notarial certificate replaces several documents that are usually required to be attached to the motion for the auction and reduces the timing normally required to obtain the documentation from the relevant public offices. Moreover, if appointed by the foreclosure judge, the notary public may execute the sale by auction by: (a) determining the value of the property; (b) deciding on the offers received after the auction and concerning the payment of the relevant price; (c) initiating further auctions or transfer; (d) executing certain formal documents relating to the registration and filing with the land registry of the transfer decree prepared by the same notary public and issued by the foreclosure judge; and (e) preparing the proceeds' distribution plan and forwarding the same to the foreclosure judge.

With regard to the above, the involvement of a notary public by the foreclosure judge is permitted when: (a) the foreclosure judge has not yet decided on the motion for an auction; (b) a sale without auction has not been performed successfully and the foreclosure judge after consultation with the creditors decides to proceed with an auction; and (c) a possible receivership has ceased and the foreclosure judge decides to proceed with a sale by auction. On the other hand, the involvement of a notary public does not seem to be possible both when a decree providing for the sale without auction has already been issued and when an auction before the foreclosure judge has already been fixed. If the auction is concluded without a sale, it is possible that the foreclosure judge may delegate the power to execute further auctions to the notary public

***Mutui fondiari* foreclosure proceedings**

The Mortgage Loans include *inter alia* mortgage loans qualifying as "*mutui fondiari"*. Enforcement proceedings in respect of "*mutui fondiari"* commenced after 1 January 1994 are currently regulated by article 38 *et seq.* of the Consolidated Banking Act in which several exceptions to the rules applying to enforcement proceedings in general are provided for. In particular, there is no requirement to serve a copy of

the loan agreement directly on the borrower and the mortgage lender of mutui fondiari is entitled to commence or continue enforcement proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

Moreover, the custodian appointed to manage the mortgaged property in the interest of the "*fondiario"* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the "*mutui fondiari"* lender's debt directly to the lender.

Pursuant to article 58 of the Consolidated Banking Act, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutuo fondiario* loan.

Enforcement proceedings for mutui fondiari commenced on or before 31 December 1993 are regulated by the Royal Decree No. 646 of 16 July 1905, which confers on the mutuo fondiario lender rights and privileges that are not provided for by the Consolidated Banking Act with respect to enforcement proceedings on mutui fondiari commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence enforcement proceedings against the borrower even after the real estate has been sold to a third party who has taken the place of the borrower as debtor under the mutuo fondiario provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of enforcement proceedings, at the value indicated in the mutuo fondiario agreement without having to have a further expert appraisal.

Attachment of Debtor's Credits

Attachment proceedings may be commenced also on due and payable credits of a borrower (such as bank accounts, salary etc.) or on a borrower's movable property which is located on a third party's premises.

Prepayment fees and subrogation under Law Decree of 31 January 2007 No. 7 (i.e. *Decreto Bersani*) and the Consolidated Banking Act

General

Italian Law Decree no. 7 of 31 January 2007 (**Decree No. 7**), converted into law No. 40 of 2 April 2007, has introduced certain provisions aimed at, inter alia, protecting consumers and promoting competitiveness in the banking sector. Decree No. 7 sets out also provisions affecting mortgage loans granted to individuals for the purpose of purchasing or restructuring real estate assets for residential use (*uso abitativo*), as is the case for the securitised Mortgage Loans. Such provisions deal also with (i) prepayment fees due by borrowers upon early repayment of the loan, (ii) prepayment of the loan by way of voluntary subrogation of the debtor *(surrogazione per volontà del debitore)* and (ii) simplification of the cancellation process of mortgages.

Pursuant to Italian Legislative Decree no. 141 of 13 August 2010 and Italian Legislative Decree no. 218 of 14 December 2010, the provisions of Decree No. 7 concerning prepayment of the loans and voluntary subrogation of the debtor have been repealed and are now regulated by articles 120-*ter* and 120-*quater* of the Consolidated Banking Act.

The key features of the above mentioned provisions are set out in the following paragraphs.

Prepayment fee

In relation to the prepayment fees due by the borrowers upon the early or partial repayment of the mortgage loan, articles 120-*ter* and 161 of the Consolidated Banking Act provide a different regime for (i) mortgage loan agreements entered into after 2 February 2007 (i.e. the date on which Decree No. 7 entered into force)

and (ii) mortgage loan agreements entered into before such date. The Portfolio comprises Mortgage Loans Agreements entered into both prior to and after 2 February 2007.

With reference to mortgage loan agreements entered into after 2 February 2007, articles 120-*ter* and 161 of the Consolidated Banking Act provide the nullity of any arrangements (even if subsequent to the execution of the relevant agreement) requiring the payment of any prepayment fee by the relevant borrower upon the early or partial repayment of the loan.

With reference to mortgage loan agreements entered into before 2 February 2007, articles 120-*ter* and 161, paragraph 7-*ter* of the Consolidated Banking Act provide that the maximum amount of the prepayment fee payable upon early or partial repayment of the loan is the amount defined under the agreement entered into pursuant to article 7 of Decree No. 7 between the Italian Banking Association and the national Consumers' Associations (such associations as determined pursuant to article 137 of Legislative Decree No. 206, 6 September 2005 (i.e. the Italian consumer code)) on 2 May 2007 setting out general rules for rendering the terms and conditions of such mortgage loan agreements fair ("*riconduzione ad equità*"). In particular, according to such agreement, the maximum amount of the prepayment fee payable upon early or partial repayment of the above mentioned loans shall be as follows:

(a) for mortgage loan agreements providing a floating rate of interest:

  (i) 0.50 point per cent.;

  (ii) 0.20 point per cent. if the prepayment is made during the third year before the maturity of the mortgage loan;

  (iii) nil if the prepayment is made during the last two years before the maturity of the mortgage loan;

(b) for mortgage loan agreements providing a fixed rate of interest executed before 1 January 2001:

  (i) 0.50 point per cent.;

  (ii) 0.20 point per cent. if the prepayment is made during the third year before the maturity of the mortgage loan; and

  (iii) nil if the prepayment is made during the last two years before the maturity of the mortgage loan; and

(c) for mortgage loan agreements providing a fixed rate of interest executed after 31 December 2000:

  (i) 1.90 points per cent. if the prepayment is made during the first half of the tenor of the mortgage loan;

  (ii) 1.50 points per cent. if the prepayment is made during the second half of the tenor of the mortgage;

  (iii) 0.20 point per cent. if the prepayment is made during the third year before the maturity of the mortgage loan; and

  (iv) nil if the prepayment is made during the last two amortisation years before the maturity of the mortgage loan; and

(d) for mortgage loans providing a mixed rate interest (ie a rate of interest which may change from fixed to floating and *vice versa*) one of the maximum amounts described under paragraphs (a), (b) and (c)

above depending on, inter alia, the date of granting of the relevant mortgage loan, the remaining term of, and type of interest rate applied to, the relevant mortgage loan as at the date when the prepayment is made.

The agreement between the Italian Banking Association and the national Consumers' Associations contemplates also some protection provisions (*clausola di salvaguardia*) for mortgage loans providing a prepayment fee equal to or lower than those established by the above agreement. The Italian Banking Association and the national Consumers' Associations undertook to set up a committee which shall meet every 3 (three) months with the purposes of verifying the enforcement of the agreement achieved pursuant to Decree No. 7.

Pursuant to the above mentioned provisions, lenders, such as BPPB (and, thus, also the relevant assignees, including the Issuer) cannot refuse the renegotiation of a mortgage loan agreement executed prior to 2 February 2007 if the relevant borrower proposes that the amount of the prepayment fee be reduced within the limits established by the Italian Banking Association and the national Consumers' Associations.

Prepayment of loans by voluntary subrogation of the debtor (surrogazione per volontà del debitore)

Pursuant to article 120-*quater* of the Consolidated Banking Act a borrower under a loan granted by a banking or financial intermediary is entitled to fund the repayment of such loan by obtaining a new loan from a third party without any charges, notwithstanding any provision to the contrary set out in the relevant loan agreement. In such case the lender of the new loan would be subrogated (*surrogazione per volontà del debitore*) in the rights relating to any guarantees securing the relevant subrogated claim (such as the Mortgages), without prejudice to any applicable tax benefits. Under article120-*quater* of the Consolidated Banking Act , the annotation of the subrogation can be requested to the relevant land registry through simplified formalities. Pursuant to article 120-*quater* of the Consolidated Banking Act, any arrangements preventing a debtor from the exercise of the above right of subrogation or providing that it may be exercised only subject to certain charges shall be deemed null. In the event that the provisions of such article 120-*quater* are not observed, the monetary penalties provided by article 144, paragraph 3-*bis*, of the Consolidated Banking Act will be applied.

Moreover, paragraph 7 of article 120-*quater* of the Consolidated Banking Act has amended Article 2 of Decree 185/2008 providing that, in case the subrogation proceeding is not perfected within 30 (thirty) days from the date on which co-operation between the original lender and the new lender has commenced, the original lender is obliged to indemnify the relevant borrower for an amount equal to 1% of the value of the loan, in respect of each month of delay or part of it. The original lender will have recourse to the new lender in case the latter is responsible for such delay.

Cancellation of mortgages

Article 40-*bis* of the Consolidated Banking Act provides for a simplified procedure for the cancellation of mortgages securing *mutui fondiari*, under which such mortgages are automatically discharged on the same date on which the relevant secured obligation has been discharged. Pursuant to article 40-*bis*, paragraph 2, of the Consolidated Banking Act, within 30 (thirty) days from the date of discharge of the secured obligation the relevant creditor shall be under the duty to (i) give the quittance to the relevant debtor evidencing the above date of discharge and (ii) communicate such discharge to the relevant land registry. Pursuant to article 40-*bis*, paragraph 3, of the Consolidated Banking Act, the discharge of the mortgage does not take place in case, on the basis of grounded reasons, the relevant creditor communicates to the *Agenzia del Territorio* that the mortgage must be maintained.

Pursuant to article 40-*bis*, paragraph 4, of the Consolidated Banking Act, in the absence of the above creditor's communication requesting the maintenance of the mortgage, upon expiration of 30 (thirty) days from the date of discharge of the secured obligation, within the following day, the land registry shall cancel

the relevant mortgage and make available to third parties the communication of discharge of the secured obligation provided by the relevant creditor.

Settlement of the crisis (*sovraindebitamento*) under Law 3/2012

Under Law No. 3/2012, in order to remedy to situations in which a debtor is definitively not able to fully and timely fulfil its obligations ("*sovraindebitamento*"), a debtor can enter into a Settlement Agreement in the context of a Settlement Procedure.

In particular, the debtor can accede to the Settlement Procedure if it:

(a) cannot be subject to the insolvency procedures provided by the Italian Bankruptcy Law;

(b) has not benefited of any Settlement Procedure in the past 5 (five) years.

Pursuant to Law No. 3/2012, a Settlement Agreement may provide for a one-year period *moratorium* in respect of payments in favour of creditors who have not entered into the Settlement Agreement (*creditori estranei*), provided that:

(i) the debt restructuring plan is suitable to ensure payment of the relevant obligations within the relevant deadline provided for therein;

(ii) the execution of the debts restructuring plan has been entrusted to a liquidator appointed by the competent Court; and

(iii) the *moratorium* does not concern undistrainable (*impignorabili*) receivables.

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

The competent Court, in the absence of actions in prejudice of the creditors or fraud against them, provides that, for up to 120 days, the creditors cannot commence or continue foreclosure proceedings (*azioni esecutive*) and seizures (*sequestri conservativi*) and create pre-emption rights on the assets of the debtor.

The Settlement Agreement has to be agreed by creditors representing at least 70 per cent. of the debtor's debts and then be approved (*omologato*) by the competent Court. In case of approval (*omologazione*) the Settlement Agreement may produce the above mentioned preventive effects for a maximum period of one year starting from the date of such approval.

The provisions of Law No. 3/2012 have been amended by Law Decree No. 179 of 18 October 2012 converted into Law No. 221 of 17 December 2012 (**Law Decree 179**). Under Law Decree 179 the following main amendments have, *inter alia*, been introduced:

(a) a specific procedure is provided in relation to debtors who qualify as "consumers";

(b) a one-year *moratorium* can be provided in respect of payments in discharge of claims which enojoy privileged status (*crediti privilegiati*) or are secured by pledge or mortgage;

(c) more stringent eligibility requirements are set out for debtors in order to apply to the Settlement Procedures;

(d) the minimum threshold of creditors entering into the Settlement Agreements is reduced to 60 per cent of the debtor's debts and is limited to Settlement Agreements relating to debtors who do not qualify as "consumers";

(e) the Court may order that, until the date on which the decision of approval of the Settlement Agreement becomes irrevocable, creditors are not entitled to commence or continue foreclosure proceedings and seizures and create pre-emption rights on the debtor's assets.

TAXATION

The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules.

This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are subject to change potentially retroactively. This overview will not be updated to reflect changes in laws and if such a change occurs the information in this overview could become invalid. Prospective Noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Prospective Noteholders who may be unsure as to their tax position should seek their own professional advice.

Tax treatment of Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian companies incorporated pursuant to the Securitisation Law. Pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented (**Decree No. 917**). securities qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) if they (i) incorporate an unconditional obligation to pay at maturity an amount not less than that therein indicated and (ii) attribute to the holders no direct or indirect right to control or participate in the management of the Issuer.

Italian resident Noteholders

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; (b) a non-commercial partnership; (c) a non-commercial private or public institution other than companies, and trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or (d) an investor exempt from Italian corporate income taxation (unless the Noteholders under (a), (b) or (c) above opted for the application of the risparmio gestito regime – see under "Capital gains tax" below), interest, premium and other income relating to the Notes, are subject to a final withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in article 1 (88-114) of Law No. 232 of 11 December 2016 (the **Finance Act 2017**) as amended from time to time.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a non-Italian resident company to which the Notes are effectively connected, and

the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes are not subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), Law Decree No. 78 of 31 May 2010, converted into Law n. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended payments of interest, premiums or other proceeds in respect of the Notes deposited with an authorised intermediary made to Italian resident real estate investment funds established pursuant to article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and article 14-bis of Law No. 86 of 25 January 1994 or Italian real estate SICAFs (**Real Estate SICAFs**) to which the provisions of Decree No. 351 apply, are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund or the Real Estate SICAF. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favor of unitholders/shareholders of the real investment fund or the Real Estate SICAF.

If the investor is an Italian resident open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital) or a SICAV (an investment company with variable capital) established in Italy (together the **Fund**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are deposited with an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will neither be subject to *imposta sostitutiva* nor to any other income tax in the hands of the Fund. A withholding tax at a rate up to 26 per cent. will apply, in certain circumstances, to distributions made by the Fund in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain limitations and requirements (including a minimum holding period), interest, premium and other income under the Notes accrued by the pension fund may be excluded from the taxable basis if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017 as amended from time to time.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary or be a non-Italian resident entity or company, acting through a system of centralised administration of securities and directly connected with the Ministry of Economy and Finance having appointed an Italian representative for the purposes of Decree 239 and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the intermediary paying interest to a Noteholder (or by the Issuer should the interest be paid directly by this latter).

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to article 11(4)(c) of Decree 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the **White List**); or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor incorporated in a country included in the White List, even if it does not possess the status of taxpayer in its own country.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy or who do not comply with the above mentioned provisions.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in article 1(88-114) of Finance Act 2017 as amended from time to time.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of non-Italian resident intermediaries) and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351, Law Decree No. 78 of 31 May 2010, converted into Law n. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, apply or a Real Estate SICAF will be subject neither to imposta sostitutiva nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent..

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if

the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in article 1 (88-98) of Finance Act 2017 as amended from time to time.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is incorporated in a country included in the White List, even if it does not possess the status of taxpayer in its own country, and a proper documentation is filed. If the Noteholders described under letter (a) elect for the *risparmio gestito* regime or are subject to the *risparmio amministrato* 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.

If the conditions above are not met, capital gains realised by said non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. unless a reduced rate is provided for by an applicable double tax treaty, if any.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the 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 the sale or redemption of Notes.

Inheritance and Gift Tax

Italian Law No. 286 of 24 November 2006 (published on the Official Gazette No. 277 of 28 November 2006), which has converted into law, with amendments, article 2, paragraph 48 of Italian Law Decree No. 262 of 3 October 2006, has introduced inheritance and gift tax to be paid at the transfer of assets (such as the Notes) and rights by reason of death or gift.

As regards the inheritance and gift tax to be paid at the transfer of the Notes by reason of death or gift, the following rates apply:

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at the rate of 4% on the value of the inheritance or the gift exceeding Euro 1,000,000,00 for each transferee;

(b) transfers in favour of brothers and sisters are subject to an inheritance and gift tax at the rate of 6% on the value of the inheritance or the gift exceeding Euro 100,000.00 for each transferee;

(c) transfers in favour of relatives up to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at the rate of 6% on the entire value of the inheritance or the gift;

(d) any other transfer is subject to n inheritance and gift tax applied at the rate of 8% on the entire value of the inheritance or the gift;

(e) transfers in favour of seriously disabled persons are subject to a registration tax at the relevant rate as described above on the value of the inheritance or the gift exceeding Euro 1,500,000.00 for each transferee.

Transfer tax

According to article 37 of Italian Legislative Decree No. 248 of 31 December 2007, as converted with amendments into Law No. 31 of 28 February 2008, the transfer of the Notes is not subject to the Italian transfer tax.

The transfer of the Notes could be subject, in some specific cases, to the Italian registration tax at the fixed rate of 200,00 Euro.

Wealth Tax on foreign financial assets

According to article 19 of Decree of 6 December 2011, No. 201 (**Decree No. 201**), converted with Law of 22 December 2011, No. 214, Italian resident individuals holding certain financial assets – including the Notes – outside of the Italian territory are required to pay a wealth tax at the rate of 0.20 per cent. The tax applies on the market value at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value of such financial assets held outside of the Italian territory.

Stamp taxes and duties

According to article 19 of Decree No. 201, a proportional stamp duty applies on a yearly basis at the rate of 0.20 per cent. on the market value or – in the lack of a market value – on the nominal value or the redemption amount of any financial product or financial instruments. For investors other than individuals the stamp duty cannot exceed the amount of € 14.000,00. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Finance 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.

European Withholding Tax Directive

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

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

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

SUBSCRIPTION AND SALE

1. THE SENIOR NOTES SUBSCRIPTION AGREEMENT

Pursuant to the Senior Notes Subscription Agreement entered into on or about the Issue Date, the Senior Notes Underwriter has agreed to subscribe for the Senior Notes, subject to the terms and conditions set out thereunder.

The Senior Notes Subscription Agreement is subject to a number of conditions and may be terminated by the Senior Notes Underwriter in certain circumstances prior to payment for the Senior Notes to the Issuer. The Issuer has agreed to indemnify the Senior Notes Underwriter and the Arranger against certain liabilities in connection with the issue of the Senior Notes.

No commission, fee or concession shall be due by the Issuer to the Senior Notes Underwriter in respect of its subscription of the Senior Notes.

The Senior Notes Subscription Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Senior Notes Subscription Agreement (including a dispute relating to the existence, validity or termination of the Senior Notes Subscription Agreement or any non-contractual obligation arising out of or in connection with it).

2. THE JUNIOR NOTES SUBSCRIPTION AGREEMENT AND THE JUNIOR NOTES CONDITIONS

Pursuant to the Junior Notes Subscription Agreement, BPPB has agreed to subscribe and pay the Issuer for the Junior Notes, subject to the terms and conditions set out thereunder. Save for the rate of interest applicable to the Junior Notes and the Variable Return (if any) payable on the Junior Notes, the Junior Notes Conditions are substantially the same as the Senior Notes Conditions.

In respect of the obligation of the Issuer to make payment on the Notes, under the Terms and Conditions the payment obligations of the Issuer in respect of the Junior Notes are subordinated to its payment obligations in respect of the Senior Notes, the Other Issuer Creditors and any other creditors of the Issuer, as provided by the Priority of Payments. Therefore, in the event that the Issuer sustains losses and is unable to meet in full its obligations in respect of each of its creditors, the first creditors to bear any shortfall shall be the Junior Noteholders.

No commission, fee or concession shall be due by the Issuer to the Junior Notes Underwriter in respect of its subscription of the Junior Notes.

The Junior Notes Subscription Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Junior Notes Subscription Agreement (including a dispute relating to the existence, validity or termination of the Junior Notes Subscription Agreement or any non-contractual obligation arising out of or in connection with it).

3. RISK RETENTION

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

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

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

(iii) procure that any change to the manner in which such retained interest is held in accordance with paragraph (ii) above will be notified to the Computation Agent to be disclosed in the Investors Report; and

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

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

In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

4. SELLING RESTRICTIONS

4.1 General

Under the Senior Notes Subscription Agreement the Senior Notes Underwriter:

(a) **No action to permit public offering**

has acknowledged that no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Senior Notes, or possession or distribution of any offering material in relation to the Senior Notes, in any country or jurisdiction where action for that purpose is required.

(b) **Senior Notes Underwriter compliance with applicable laws**

has represented and warranted to the Issuer that it has complied and has undertaken to the Issuer that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Senior Notes or has in its possession, distributes or publishes such offering material, in all cases at its own expense.

(c) **Publicity**

has represented and warranted to the Issuer that it has not made or provided and has undertaken to the Issuer that it will not make or provide any representation or information regarding the Issuer or the Senior Notes save as contained in this Prospectus or as approved for such purpose by the Issuer or which is a matter of public knowledge.

4.2 United States

(a) No registration under the Securities Act

The Senior Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**). The Senior Notes are being offered and sold in offshore transactions in reliance on Regulation S under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of a U.S. person except in accordance with Regulation S or in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Senior Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations thereunder.

(b) Compliance by the Issuer with United States securities laws

Under the Senior Notes Subscription Agreement the Issuer has represented, warranted and undertaken to the Senior Notes Underwriter that:

(i) neither it nor any of its affiliates nor any other person acting on its or their behalf has, directly or indirectly, offered or sold, or will offer or sell, to any person any securities in any circumstances which would cause such securities to be integrated with the Senior Notes in a manner which would require the registration of any of the Senior Notes under the Securities Act or the qualification of any document related to the Senior Notes as an indenture under the United States Trust Indenture Act of 1939, as amended;

(ii) neither it nor any of its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts within the meaning of Rule 902 under the Securities Act with respect to the Senior Notes;

(iii) the Issuer is a "foreign issuer" (as defined in Regulation S) and reasonably believes that there is no "substantial U.S. market interest" (as defined in Regulation S) in the securities of the Issuer of the same class as the Senior Notes, and the Issuer and its affiliates have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act; and

(iv) the Issuer is not, and after giving effect to the offering and sale of the Senior Notes will not be, a company registered or required to be registered as an "investment company", as such term is defined in the United States Investment Company Act of 1940, as amended.

(c) Senior Notes Underwriter's compliance with United States securities laws in relation to the Senior Notes

Terms used in the following paragraphs have the meanings given to them in Regulation S under the Securities Act. The Senior Notes Underwriter has represented, warranted and undertaken to the Issuer, under the Senior Notes Subscription Agreement, as follows:

(i) it has offered and sold the Senior Notes, and will offer or sell the Senior Notes (i) as part of its distribution, at any time and (ii) otherwise until the expiration of the distribution compliance period of 40 days after the later of the commencement of the offering of the

Senior Notes and the Issue Date, only in accordance with Rule 903 of Regulation S under the Securities Act;

(ii) at or prior to the confirmation of each sale of Senior Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Senior Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect: The securities covered hereby have not been registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903(b)(2)(iii), (i) as part of their distribution, at any time or (ii) otherwise, until 40 days after the later of the commencement of the offering of the Senior Notes and the, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them in Regulation S;

(iii) it, its affiliates and any persons acting on its behalf have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act;

(iv) neither it, its affiliates nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts within the meaning of Rule 902 under the Securities Act with respect to the Senior Notes; and

(v) it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Senior Notes, except with its affiliates or with the prior written consent of the Issuer.

In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of the Senior Notes within the United States by any dealer, distributor or other person (whether or not participating in this offering) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

4.3 United Kingdom

Under the Senior Notes Subscription Agreement, the Senior Notes Underwriter has represented, warranted and undertaken to the Issuer that:

(a) **Financial promotion**

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Senior Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) **General compliance**

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Senior Notes in, from or otherwise involving the United Kingdom.

4.4 Italy

Under the Senior Notes Subscription Agreement, the Senior Notes Underwriter has represented, warranted and undertaken to the Issuer as follows:

(a) **No offer to public**

the offering of the Senior Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Senior Notes have been or may be offered, sold or delivered, nor may copies of this Prospectus or any other document relating to the Senior Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined under article 100 of the Financial Laws Consolidated Act and article 34-*ter*, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (**Regulation 11971**); or

(ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under article 100 of the Financial Laws Consolidated Act and Article 34-*ter*, first paragraph, of Regulation 11971;

provided that, in any case, the offer or sale of the Senior Notes in Italy shall be effected in accordance with all relevant Italian securities, tax and other applicable laws and regulations.

(b) **Offer to Professional Investors**

any offer, sale or delivery of the Senior Notes in the Republic of Italy or distribution of copies of this Prospectus or any other document relating to the Senior Notes in the Republic of Italy under paragraph (a), sub-paragraphs (i) and (ii) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Laws Consolidated Act, CONSOB Regulation no. 20307 of 15 February 2018 and the Consolidated Banking Act, as amended;

(ii) in compliance with article 129 of the Consolidated Banking Act and with the implementing instructions of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the offering or issue of securities in the Republic of Italy; and

(iii) in compliance with any other applicable laws and regulations including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

In accordance with article 100-bis of the Financial Laws Consolidated Act, where no exemption under paragraph (a), sub-paragraphs (i) or (ii) above applies, the subsequent distribution of the Senior Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Financial Laws Consolidated Act and Regulation 11971. Failure to comply with such rules may result, inter alia, in the sale of the Senior Notes being declared null and void and in the liability of the intermediary transferring the Senior Notes for any damages suffered by the investors.

The Junior Notes remain subject to the further selling restrictions provided for in the Junior Notes Subscription Agreement.

4.5 European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), the Senior Notes Underwriter has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), it has not made and will not make an offer of Senior Notes to the public in that Relevant Member State

from the time the Prospectus has been approved by the competent authority in Luxembourg and published in accordance with the Prospectus Directive as implemented in Luxembourg, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Senior Notes to the public in that Relevant Member State:

(i) to any legal entity which is qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

(iii) in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of Senior Notes shall require the Issuer or the Senior Notes Underwriter to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Senior Notes to the public** in relation to any Senior Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Senior Notes to be offered so as to enable an investor to decide to purchase or subscribe the Senior Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC as subsequently amended and includes any relevant implementing measure in each Relevant Member State. Any purchase, sale, offer and delivery of all or part of the Senior Notes shall be made in compliance with EU Securitisation Regulation.

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4 (1) of Directive 2014/65/EU (**MiFID II**); or (ii) a customer within the meaning of Directive (UE) 2016/97 (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. Accordingly, none of the Issuer or the Arranger expects to be required to prepare, and none of them has prepared, or will prepare, a "key information document" in respect of the Notes for the purposes of Regulation (EU) No 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the **PRIIPs Regulation**).

An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment. It should be remembered that the price of securities and the income from them can go down as well as up.

GENERAL INFORMATION

Listing and admission to trading

Application has been made to the CSSF, in its capacity as competent authority under the Luxembourg Act relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Directive 2003/71/EC and relevant implementing measures in Luxembourg. Application has also been made to the Luxembourg Stock Exchange for the Senior Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the regulated market "Bourse de Luxembourg", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. By approving this Prospectus, the CSSF shall give no undertaking as to the economic or financial opportuneness of the transaction or the quality and solvency of the Issuer. Any information in this Prospectus regarding the Class B Notes is not subject to the CSSF's approval. In connection with the listing application, the constitutional documents of the Issuer and a legal notice relating to the issue of the Senior Notes will be deposited prior to listing with the Listing Agent and the Representative of the Noteholders, where such documents will be available for inspection and where copies thereof may be obtained upon.

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The Issuer is managed by a Sole Director. Therefore, in accordance with Italian law, the issue of the Notes has been authorised by such Sole Director without the need of any formal meeting or resolution. However, the issue of the Notes was authorised also by the resolution of the Sole Quotaholder passed on 13 March 2019.

Clearing of the Notes

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

Classes	*ISIN*	*Common Code*
Class A	IT0005370280	200443420
Class B	IT0005370298	200443519

Financial statements available

The Issuer will produce financial statements in respect of each financial year. Such financial statements will be audited and the Issuer will not produce interim financial statements. So long as any of the Senior Notes remains outstanding, upon publication, copies of the Issuer's annual audited financial statements shall be made available in physical and/or electronic form for collection at the registered offices of the Issuer and of the Representative of the Noteholders.

Transparency requirements under the EU Securitisation Regulation

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents.

Under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that the Originator 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, the Originator shall fulfil the information

requirements pursuant to points (a), (b), (d), (e) and (f) of the first subparagraph of article 7(1) of the EU Securitisation Regulation by making available the relevant information through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu).

As to pre-pricing information, the Originator, as initial holder of the Notes, has confirmed that:

(a) it has been, before pricing, in possession of (i) data relating to each Mortgage Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation), as well as the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation in draft form, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(b) in case of transfer of any Notes by BPPB to third party investors after the Issue Date, the Originator has undertaken to make available through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) to such investors before pricing (i) the information under point (a) of the first subparagraph of article 7(1) upon request, as well as the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation in draft form, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

As to post-closing information, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows:

(i) the Servicer shall prepare the Loan by Loan Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report (simultaneously with the Investors Report) to the investors in the Notes by no later than one month after each Payment Date;

(ii) the Computation Agent shall prepare the Investors Report and deliver them to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Investors Report (simultaneously with the Loan by Loan Report) to the investors in the Notes by no later than one month after each Payment Date; and

(iii) the Issuer shall deliver to the Reporting Entity (A) 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 (B) 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 provided by other parties),

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

In addition, in case of transfer of any Notes by BPPB to third party investors after the Issue Date, the Originator has undertaken to make available (i) to investors in the Notes on an ongoing basis and to potential investors in the Notes, through the ESMA website, the information under point (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation in final form, and (ii) to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

The first Investors Report will be available or about the Investors Report Date immediately succeeding the First Payment Date.

Fees and expenses

The estimated annual fees and expenses payable by the Issuer in connection with the transaction described herein amount to approximately €80,000.00 (excluding servicing fees) and the estimated total expenses related to the admission to trading of the Senior Notes amount approximately to €22,200 (excluding VAT, if applicable).

No material litigation

Since the date of incorporation of the Issuer, there have been no pending or threatened governmental, legal or arbitration proceedings which may have, or which have had material effects on the Issuer's financial position or profitability.

No material adverse change

Since 31 December 2018, there has been no material adverse change in the financial position or prospects of the Issuer.

Documents available for inspection

For as long as any amount remains outstanding in respect of the Notes of any Class, copies of the following documents are available in physical and electronic form for inspection during normal business hours at the registered office of the Issuer and of the Representative of the Noteholders and, with respect to the documents under paragraphs (a) to (l) (included) below, also at the website of European DataWarehouse (being, as at the date of the Prospectus, www.eurodw.eu):

(a) Transfer Agreement;

(b) Warranty and Indemnity Agreement;

(c) Servicing Agreement;

(d) Back-Up Servicing Agreement;

(e) Intercreditor Agreement;

(f) Cash Allocation, Management and Payment Agreement;

(g) Mandate Agreement;

(h) Letter of Undertakings;

(i) Corporate Services Agreement;

(j) Monte Titoli Mandate Agreement; and

(k) Master Definitions Agreement;

(l) this Prospectus;

(m) Memorandum and Articles of Association of the Issuer;

(n) Monte Titoli Mandate Agreement.

The documents listed under paragraphs (a) to (l) (included) above constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, each of the documents referred to in point (b) of article 7(1) of the EU Securitisation Regulation.

Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 815600AA335E51233F89.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and form part of, this Prospectus, and may be inspected during normal business hours at the registered office of the Issuer and of the Representative of the Noteholders:

Documents	**Information contained**	**Reference Page**
Financial statement of the Issuer as of 31 December 2017	• Report of the Sole Director	Pages 3-12
	• Balance sheet as at 31 December 2017	Page 13
	• Income statement (Profit and Loss Account)	Page 13
	• Notes to financial statements	Pages 18-83
Financial statement of the Issuer as of 31 December 2018	• Report of the Sole Director	Pages 3-11
	• Balance sheet as at 31 December 2018	Page 12
	• Income statement (Profit and Loss Account)	Page 13
	• Notes to financial statements	Pages 19-64
Auditors' reports	• Auditors' report on financial statement as of 31 December 2017	Entire and separate document
	• Auditors' report on financial statement as of 31 December 2018	Entire and separate document

The Prospectus and the documents incorporated by reference will be available on the Luxembourg Stock Exchange website (being, as at the date of this Prospectus, www.bourse.lu).

Those parts of the documents incorporated by reference in this Prospectus which are not specifically mentioned in the cross-reference list above are either not relevant for prospective investors or covered elsewhere in this Prospectus.

GLOSSARY

Account Bank means BNYM, Milan branch or any other person from time to time acting as account bank under the Securitisation.

Account Bank Report means the monthly report to be prepared and delivered by the Account Bank on each Account Bank Report Date in accordance with the Cash Allocation, Management and Payment Agreement, setting out certain information with reference to the immediately preceding month in respect of the amounts standing to the credit of each of the Accounts held with the Account Bank, the interest accrued thereon and any applicable withholding or expenses accrued and paid thereon.

Account Bank Report Date means the 5th (fifth) day of each month or, if such day is not a Business Day, the immediately following Business Day.

Accounts means the Collection Account, the Payments Account, the Cash Reserve Account, the Expense Account, the Quota Capital Account, the Investment Account(s) (if any) and any other account that may be opened in the name of the Issuer in accordance with the Transaction Documents.

Accrued Interest means, as at any relevant date and in relation to any Receivable, the portion of the Interest Instalment falling due on the next Scheduled Instalment Date which has accrued as at that date.

Adjustment Purchase Price means in relation to any Receivable transferred to the Issuer pursuant to the Transfer Agreement, but for which no purchase price was agreed upon transfer, an amount calculated in accordance with clause 4 of the Transfer Agreement.

Adjustment Spread has the meaning ascribed to it in Condition 7.4 (*Fallback Provisions*).

Affected Class has the meaning ascribed to it in Condition 8.4 (*Redemption for Taxation*).

Agents means, collectively, the Computation Agent, the Paying Agent and the Account Bank.

AIFM Regulation means Regulation (EU) no. 231/2013, as amended, supplemented and/or replaced from time to time.

Alternative Rate has the meaning ascribed to it in Condition 7.4 (*Fallback Provisions*).

Arranger means Banca IMI.

Back-Up Servicer means Securitisation Services or any other person acting from time to time as back-up servicer under the Securitisation.

Back-Up Servicing Agreement means the back-up servicing agreement entered into on or about the Issue Date between the Servicer, the Issuer and the Back-Up Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

Banca IMI means Banca IMI S.p.A., a bank incorporated under the laws of the Republic of Italy, with registered office at Largo Mattioli, 3, 20121 Milan, share capital of euro 962,464,000.00 fully paid up, fiscal code and enrolment with the companies' register of Milan no. 04377700150, enrolled under no. 5570 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, subject to the activity of direction and coordination (*attività di direzione e coordinamento*) pursuant to article 2497 of the Italian civil code of its sole shareholder Intesa Sanpaolo S.p.A..

Benchmark Regulation means Regulation (EU) 2016/1011, as amended and/or supplemented from time to time.

BNYM, London branch means 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, Milan branch means The Bank of New York Mellon SA/NV, Milan branch, a bank incorporated under the laws of Belgium, having its registered office at 46 Rue Montoyer, Montoyerstraat 46 - B-1000 Brussels, Belgium, acting through its Milan branch at Via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies' register of Milan no. 09827740961, enrolled as a "*filiale di banca estera*" under no. 8070 and with ABI code 3351.4 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

BPPB means Banca Popolare di Puglia e Basilicata S.c.p.A., a bank incorporated under the laws of the Republic of Italy, having its registered office at Via Ottavio Serena 13, 70022 Altamura (BA), Italy, share capital equal to Euro 152,862,588 (fully paid up), fiscal code and enrolment with the companies' register of Bari no. 00604840777, registered under no. 05293.6 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

Business Day means any day on which the banks are open to public in Milan, London and Luxembourg and on which the Trans-European Automated Real Time Gross Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (TARGET2), or any successor thereto, is open.

Calculation Date means the date falling 3 (three) Business Days prior to each Payment Date.

Cancellation Date means the earlier of:

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

(b) the Final Maturity Date; and

(c) the date on which the Representative of the Noteholders has given notice in accordance with Condition 16 (*Notices*) that it has determined, in its sole opinion, on the basis of the information received from the Servicer, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents.

Cash Allocation, Management and Payment Agreement means the cash allocation, management and payment agreement entered into on or about the Issue Date between the Issuer, the Computation Agent, the Account Bank, the Servicer, the Corporate Servicer, the Paying Agent and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Cash Manager means any entity which may be appointed as such pursuant to the Cash Allocation, Management and Payment Agreement and any other person from time to time acting as such under the Securitisation.

Cash Reserve Account means the Euro denominated Account with no. 580117 9780 opened in the name of the Issuer with the Account Bank or such other substitute account designated as such that may be opened in the name of the Issuer in accordance with the Cash Allocation, Management and Payment Agreement.

Cash Reserve Initial Amount means an amount equal to Euro 8,500,000.

Cash Trapping Condition means the circumstance that, on any Determination Date, the Cumulative Gross Default Ratio is equal to or higher than 5 per cent.

Class shall be a reference to a class of Notes, being the Class A Notes or the Class B Notes and **Classes** shall be construed accordingly.

Class A Noteholder means the Holder of a Class A Note and **Class A Noteholders** means all of them.

Class A Notes means the Euro 422,000,000 Class A Asset Backed Floating Rate Notes due April 2062.

Class A Notes Redemption Amount means, with reference to each Payment Date prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), an amount equal to the lower of:

(a) the greater of 0 (zero) and Target Amortisation Amount on such Payment Date;

(b) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the repayment of principal on the Class A Notes in accordance with the Pre-Enforcement Priority of Payments; and

(c) the Principal Amount Outstanding of the Class A Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

Class B Noteholder means the Holder of a Class B Note and **Class B Noteholders** means all of them.

Class B Notes means the Euro 88,900,000 Class B Asset Backed Fixed Rate and Variable Return Notes due April 2062.

Clearstream means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Collateral Portfolio means, on a given date, the aggregate of all the Receivables comprised in the Portfolio, other than any Defaulted Receivables.

Collateral Portfolio Outstanding Principal means the sum of the Outstanding Principal of all the Receivables comprised in the Collateral Portfolio.

Collateral Securities means the Guarantees and the Mortgages, and **Collateral Security** means each of them.

Collected Insurance Premia means any Insurance Premia accrued and paid by each relevant Debtor during the relevant Quarterly Collection Period.

Collection Account means the Euro denominated Account with no. 580111 9780 opened in the name of the Issuer with the Account Bank or such other substitute account designated as such that may be opened in the name of the Issuer in accordance with the Cash Allocation, Management and Payment Agreement.

Collection Period means either the Monthly Collection Period or the Quarterly Collection Period, as the case may be.

Collections means all amounts received or recovered by or on behalf of the Issuer in respect of the Instalments due under the Receivables and any other amounts whatsoever received or recovered by or on behalf of the Issuer in respect of the Receivables.

Computation Agent means BNYM, London branch or any other person acting from time to time as computation agent under the Securitisation.

Condition means a condition of the Senior Notes Conditions and/or the Junior Notes Conditions as the context may require.

CONSOB means *Commissione Nazionale per le Società e la Borsa*.

Consolidated Banking Act means Legislative Decree no. 385 of 1 September 1993, as amended and/or supplemented from time to time.

Corporate Servicer means Securitisation Services or any other person from time to time acting as corporate servicer under the Securitisation.

Corporate Services Agreement means the corporate services agreement entered into on or about the Issue Date between the Issuer and the Corporate Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Counterclaim has the meaning ascribed to the term "*Eccezione*" in clause 5.6 of the Warranty and Indemnity Agreement.

Counterclaim Amount has the meaning ascribed to the term "*Importo Eccepito*" in clause 5.6 of the Warranty and Indemnity Agreement.

Counterclaim Accepted Amount has the meaning ascribed to the term "*Importo Eccepito Accettato*" in clause 5.6 of the Warranty and Indemnity Agreement.

Counterclaim Disputed Amount has the meaning ascribed to the term "*Importo Eccepito Contestato*" in clause 5.6 of the Warranty and Indemnity Agreement.

CRA Regulation means Regulation (EU) no. 1060/2009, as amended and/or supplemented from time to time.

Credit and Collections Policies means the procedures for the origination, management, collection and recovery of the Receivables attached as schedule 4 to the Servicing Agreement.

Criteria means the objective criteria for the identification of the Receivables specified in schedule 2 of the Transfer Agreement and described in the section headed "*The Portfolio*".

CRR means Regulation (EU) no. 575/2013, as amended and/or supplemented from time to time.

CRR Amendment Regulation means Regulation (EU) no. 2401 of 12 December 2017 amending Regulation (EU) no. 575 of 26 June 2013 on prudential requirements for credit institutions and investment firms.

CSSF means *Commission de Surveillance du secteur financier*.

Cumulative Gross Default Ratio means, as at each Determination Date, the ratio between:

(a) the sum of the Outstanding Principal as at the Default Date of all the Receivables which have been classified as Defaulted Receivables from the Valuation Date up to (and including) such Determination Date; and

(b) the Collateral Portfolio Outstanding Principal as at the Valuation Date.

Debtor means any natural person (*persona fisica*) being a borrower and any other person or entity who or which entered into a Mortgage Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due under a Loan Agreement, as a consequence of having granted any Guarantee to BPPB or having assumed the borrower's obligation under an assumption (*accollo*), or otherwise.

Decree 239 Deduction means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree No. 239.

Decree No. 239 means Italian Legislative Decree no. 239 of 1 April 1996, as amended and/or supplemented from time to time and any related regulations.

Decree No. 351 means Italian Law Decree no. 351 of 25 September 2001, as amended and/or supplemented from time to time.

Default Date means the date on which a Receivable is classified as a Defaulted Receivable as indicated in the relevant Quarterly Servicer's Report.

Defaulted Receivables means any Receivables arising from Mortgage Loan Agreements where either: (a) (i) 2 (two) semi-annual or annual Instalments are past due and unpaid, (ii) 5 (five) quarterly Instalments are past due and unpaid or (iii) 7 (seven) monthly Instalments are past due and unpaid; or (b) the relevant Debtor has been classified as being "*in sofferenza*" or "*inadempienza probabile*" by the Servicer in accordance with the Credit and Collection Policies.

Delinquent Instalment means an Instalment which remains unpaid by the Debtor in respect thereof for 31 days or more after the Scheduled Instalment Date.

Delinquent Receivables means any Receivable related to a Mortgage Loan Agreement which is not a Defaulted Receivable and with respect to which there is at least one Delinquent Instalment.

Determination Date means in respect of any Payment Date, the last day of the immediately preceding Quarterly Collection Period.

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 and named "*Guidelines on the STS criteria for non-ABCP securitisation*".

Eligible Institution means:

(a) a depository institution organised under the laws of any state which is a member of the European Union or of the United States:

(i) with a "Baa2" long-term unsecured and unsubordinated rating by Moody's or, in the event of a depository institution which does not have a long-term rating by Moody's, a "P-2" short-term unsecured and unsubordinated rating by Moody's; and

(ii) with a long-term unsecured and unsubordinated rating of at least "A-" by S&P,

or such other rating as may be compliant with Rating Agencies' criteria applicable from time to time and which does not negatively affect the rating of the Senior Notes; or

(b) any other institution whose obligations under the Transaction Documents to which is a party are guaranteed by a first demand, irrevocable an unconditional guarantee issued by a depository institution meeting the requirements under paragraph (a) above, 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.

Eligible Investment means:

(a) euro-denominated senior (unsubordinated) debt securities or other debt instruments or time deposits provided that (I) such investments have a maturity date falling not later than the next following Eligible Investment Maturity Date; (II) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and (III) such investments have the ratings indicated below on items (i) and (ii):

(i) with respect to S&P's ratings:

(A) a short-term unsecured and unsubordinated rating of at least "A-1" for Eligible Investments maturing within 60 days or less, or a long-term unsecured and unsubordinated rating at least "AA-" or a short-term unsecured and unsubordinated rating at least "A-1+" for investment maturing within 365 days or less; or

(B) such other rating as may be compliant with S&P's criteria applicable from time to time and which does not negatively affect the rating of the Senior Notes;

(ii) with respect to Moody's ratings:

(A) either "Baa2" in respect of long term unsecured and unsubordinated rating or, in the event of an investment which does not have a long-term rating, "P-2" in respect of short term unsecured and unsubordinated rating; or

(B) such other rating as may be compliant with Moody's criteria applicable from time to time and which does not negatively affect the rating of the Senior Notes; and

(b) a euro-denominated bank account or deposit (excluding, for the avoidance of doubt, a time deposit) opened with an Eligible Institution provided that (i) such investments are immediately repayable on demand, disposable without any penalty or any loss and have a maturity date falling not later than the next following Eligible Investment Maturity Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and (iii) within 60 calendar days from the date on which the institution ceases to be an Eligible Institution, such investment has to be transferred to another Eligible Institution at no costs for the Issuer;

(c) repurchase transactions between the Issuer and an Eligible Institution in respect of euro-denominated debt securities or other debt instruments provided that (i) 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 the obligations of the relevant counterparty are not related to the performance of the underlying securities, (ii) such repurchase transactions have a maturity date falling not later than the next following Eligible Investment Maturity Date and in any case shorter than 60 days, and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

(d) Euro denominated money market funds which have at least the following ratings:

(i) a Moody's rating equal to "Aaa-mf"; and

(ii) a S&P's rating equal to "AAAm",

which permit daily liquidation of investments without penalty, provided that in case of disposal, the principal amount upon disposal is at least equal to the principal amount invested and provided that funds standing to the credit of the Debt Service Reserve Account cannot be invested in money market funds,

provided that, in any event, (A) none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time as being instruments in which funds underlying asset backed securities eligible as collateral for monetary policy operations sponsored by the European Central Bank may not be invested, and (B) such Eligible Investments are held directly with the Account Bank and/or through Euroclear or Clearstream or other clearing systems and registered in the name of the Issuer or, only to the extent registration in the name of the Issuer is not possible, in the name of the Account Bank and in no case Eligible Investments are held through a sub-custodian.

Eligible Investment Maturity Date means each day falling the 3° (third) Business Day immediately preceding each Payment Date.

EMU means the European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

ESMA means the European Securities and Markets Authority.

EU Insolvency Regulation means Regulation (EU) no. 848 of 20 May 2015 on insolvency proceedings, as amended and/or supplemented from time to time.

EU Securitisation Regulation means Regulation (EU) no. 2402 of 12 December 2017, as amended and/or 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 has the meaning ascribed to such term in Condition 7.2 (*Rate of Interest*).

Euro € and **cents** refer 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 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., with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

Euro-Zone means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by, *inter alia*, the Treaty on European Union (signed in Maastricht on 7 February 1992).

Expense Account means the account with IBAN IT 52 P 01030 61622 000001844015 opened by the Issuer with Banca Monte dei Paschi di Siena S.p.A. or such other substitute account designated as such that may be

opened in the name of the Issuer in accordance with the Cash Allocation, Management and Payment Agreement.

Expenses means any documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation.

Extraordinary Resolution means a resolution passed at a Meeting of the relevant Noteholders, duly convened and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders, by a majority of not less than three quarters of the votes cast.

Final Maturity Date means the Payment Date falling in April 2062.

Financial Laws Consolidated Act means the Italian Legislative Decree no. 58 of 24 February 1998, as amended and/or supplemented from time to time.

First Payment Date means the Payment Date falling on 31 October 2019.

First Previous Notes means the asset backed notes issued by the Issuer on 3 February 2005 in connection with the First Previous Securitisation.

First Previous Portfolio means the portfolio of residential mortgage loan receivables issued by the Issuer from BPPB in the context of the First Previous Securitisation.

First Previous Securitisation means the securitisation transaction carried out by the Issuer in February 2005, pursuant to which it has issued on 3 February 2005 four classes of asset backed notes with final maturity in October 2039, which have been redeemed in full and cancelled in April 2014.

Fourth Previous Notes means the asset backed notes issued by the Issuer on 12 April 2011 in connection with the Fourth Previous Securitisation.

Fourth Previous Portfolio means the portfolio of residential mortgage loan receivables purchased by the Issuer from BPPB in the context of the Fourth Previous Securitisation.

Fourth Previous Securitisation means the securitisation transaction carried out by the Issuer in April 2011, pursuant to which it has issued on 12 April 2011 two classes of asset backed notes with final maturity in July 2052, which have not been redeemed in full and/or cancelled yet.

FSMA means the Financial Services and Markets Act 2000.

Further Securitisation means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 5.2 (*Further Securitisations*).

GDPR means Regulation (UE) no. 679/2016, as amended and/or supplemented from time to time.

Guarantee means any guarantee (but does not include any Mortgages and any *fideiussione omnibus*) given to the Originator guaranteeing the repayment of the Receivables.

Guarantor means any person, other than a Mortgagor, who has granted a Guarantee.

Holder or **holder** of a Note means the beneficial owner of a Note.

Individual Purchase Price means the price of the Receivables relating to each Mortgage Loan, as indicated in schedule 3 of the Transfer Agreement, with the aggregate of the Individual Purchase Prices being equal to the Purchase Price.

Initial Interest Period means the first Interest Period, that shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

Inside Information Report means the report to be prepared and delivered, without undue delay, by the Servicer in accordance with the Servicing Agreement, setting out the information under letter f) of article 7(1) of the EU Securitisation Regulation, in compliance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

Insolvency Event means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*amministrazione straordinaria*" and "*provvedimenti di risanamento o risoluzione*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success (it being understood that an application for the commencement of any such proceeding in respect of the Issuer by an holder of the Previous Notes shall not in any event be considered by the Representative of the Noteholders as in good faith with a reasonable prospect of success); or

(c) such company or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under article 2484 of the Italian Civil Code occurs with respect to such company or corporation.

Instalment means, with respect to each Mortgage Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

Insurance Policy means an insurance policy taken out in relation to each Real Estate Asset having the Originator as beneficiary.

Insurance Premia means any amount to be paid as insurance premia under an Insurance Policy.

Intercreditor Agreement means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Originator, the Servicer, the Reporting Entity, the Back-Up Servicer, the Account Bank, the Corporate Servicer, the Senior Notes Underwriter, the Junior Notes Underwriter, the Paying Agent, the Computation Agent and the Sole Quotaholder, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Interest Determination Date means, with respect to the Initial Interest Period, the date falling 2 (two) Business Days prior to the Issue Date and 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 Instalment means the interest component of each Instalment.

Interest Payment Amount has the meaning given to it in Condition 7.3(b).

Interest Period means each period from (and including) a Payment Date to (but excluding) the immediately following Payment Date, provided that the first Interest Period will commence on (and include) the Issue Date and end on (but exclude) the Payment Date falling in October 2019.

Investment Account Bank means an Eligible Institution that may be appointed as such by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement or any other person from time to time acting as such under the Securitisation.

Investment Account(s) means one or more Euro denominated deposit accounts and one or more securities accounts that may be opened in the name of the Issuer with an Investment Account Bank for the purposes of making Eligible Investments in accordance with the Cash Allocation, Management and Payment Agreement.

Investors Report means the quarterly report to be prepared and delivered by the Computation Agent on each Investors Report Date in accordance with the Cash Allocation, Management and Payment Agreement, setting out certain information with respect to the Notes.

Investors Report Date means the 5° (fifth) Business Day after each Payment Date.

IRAP means the regional tax on productive activities.

IRES means *imposta sul reddito delle società* applied on the corporate taxable income.

Issue Date means 30 May 2019 or such other date on which the Notes are issued.

Issuer means Media Finance S.r.l., a company incorporated under the laws of the Republic of Italy, Fiscal Code and enrolment with the companies' register of Treviso-Belluno under no. 03839880261, quota capital Euro 10,000 (fully paid up) enrolled under no. 32905.2 with the register of securitisation vehicles (*elenco delle società veicolo*) held by Bank of Italy pursuant to its regulation (*provvedimento della Banca d'Italia*) of 7 June 2017, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy and having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law.

Issuer Available Funds means, in respect of any Payment Date, the aggregate amounts (without double counting) of:

(a) all Collections received or recovered in respect of the Receivables during the immediately preceding Quarterly Collection Period (but excluding any Collection to be applied towards repayment of any

Limited Recourse Loan advanced by the Originator pursuant to the Warranty and Indemnity Agreement);

(b) any other amount received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period (including, for the avoidance of doubt, any adjustment of the Purchase Price paid to the Issuer pursuant to the Transfer Agreement, any proceeds deriving from the repurchase of individual Receivables pursuant to the Intercreditor Agreement and the proceeds of any Limited Recourse Loan advanced or indemnity paid by the Originator pursuant to the Warranty and Indemnity Agreement);

(c) all amounts standing to the credit of the Cash Reserve Account on the immediately preceding Payment Date after making payments due under the Pre-Enforcement Priority of Payments on that date (or, in respect of the First Payment Date, the Cash Reserve Initial Amount);

(d) any interest paid on the amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period (net of any applicable withholding or expenses);

(e) all amounts on account of interest, premium or other profit received, up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments (if any) made in accordance with the Cash Allocation Management and Payment Agreement using funds standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period;

(f) all amounts received from any sale of the Portfolio (in whole or in part) following the service of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*);

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

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

provided that, prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), if the Servicer fails to deliver the Quarterly Servicer's Report to the Computation Agent in a timely manner in accordance with the provisions of the Cash Allocation, Management and Payment Agreement, only a portion of the Issuer Available Funds corresponding to the amounts necessary to make payments under items from (a) (*First*) to (c) (*Third*) (inclusive) of the Pre-Enforcement Priority of Payments will be applied in accordance with the Pre-Enforcement Priority of Payments.

Issuer's Rights mean the Issuer's rights under the Transaction Documents.

Italian Bankruptcy Law means Royal Decree no. 267 of 16 March 1942, as amended and/or supplemented from time to time.

Junior Noteholder means the Holder of a Junior Note and **Junior Noteholders** means all of them.

Junior Notes means the Class B Notes.

Junior Notes Conditions means the terms and conditions of the Junior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Junior Notes Subscription Agreement means the subscription agreement in relation to the Junior Notes entered into on or about the Issue Date between the Originator, the Junior Notes Underwriter, the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Junior Notes Underwriter means BPPB as underwriter for the Junior Notes under the Junior Notes Subscription Agreement.

LCR Amendment Regulation means Commission Delegated Regulation (EU) no. 1620 of 13 July 2018 amending the LCR Regulation.

LCR Regulation means Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) no. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions.

Letter of Undertakings means the letter of undertakings entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Sole Quotaholder, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereof.

Limited Recourse Loan means a limited recourse loan advanced by BPPB to the Issuer pursuant to clause 4.1 of the Warranty and Indemnity Agreement.

Listing Agent means The Bank of New York Mellon SA/NV, Luxembourg branch,Vertigo Building - Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.

Loan by Loan Report means the quarterly report to be prepared and delivered by the Servicer by no later than 1 (one) month after each Payment Date, setting out information relating to each Mortgage Loan in respect of the immediately preceding Quarterly Collection Period (including, *inter alia*, the information related to the environmental performance of the Real Estate Assets (if available)).

Luxembourg Stock Exchange means the regulated market named "*Bourse de Luxembourg*".

Management of the Defaulted Receivables means any activities related to the management of the Defaulted Receivables.

Mandate Agreement means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Master Definitions Agreement means the master definitions agreement entered into on or about the Issue Date between all the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Meeting means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

Monte Titoli means Monte Titoli S.p.A., with registered office at Piazza degli Affari, 6, 20123 Milan, Italy.

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.

Monte Titoli Mandate Agreement means the agreement entered into on or about the Issue Date between the Issuer and Monte Titoli, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Monthly Collection Period means each period commencing on (and including) the first calendar day of each month and ending on (and including) the last calendar day of each month, provided that the first Monthly Collection Period will commence on (and include) the Valuation Date and end on (and include) 31 May 2019.

Monthly Servicer's Report means the monthly report setting out certain information in relation to the performance of the Receivables and the Mortgages during the preceding Monthly Collection Period which shall be delivered by the Servicer on each Monthly Servicer's Report Date pursuant to the Servicing Agreement.

Monthly Servicer's Report Date means the 20th (twentieth) day of each month or, if such day is not a Business Day, the immediately following Business Day, provided that the first Monthly Servicer's Report Date is 20 June 2019.

Moody's means Moody's Investors Service Inc..

Mortgage Loan or **Loan** means a loan granted by BPPB to a borrower and secured by a mortgage qualifying as a *mutuo fondiario* for the purposes of Italian law and regulations in force as at the Transfer Date, from which the Receivables arise.

Mortgage Loan Agreements means the mortgage loan agreements pursuant to which the Mortgage Loans have been granted and **Mortgage Loan Agreement** means each of them.

Mortgage Loan Value means in respect of any Mortgage Loan, (a) the Outstanding Balance under the Mortgage Loan up to the date on which the Limited Recourse Loan is granted, plus (b) costs and expenses (including, but not limited to, legal fees and disbursement including any value added tax thereon) incurred by the Issuer in respect of the relevant Mortgage Loan up to the date on which the Limited Recourse Loan is granted, plus (c) damages and losses awarded against the Issuer as a consequence of a claim made by any third party in respect of the relevant Receivable up to the date on which the Limited Recourse Loan is granted, plus (d) an amount equal to the interest which would have accrued on the Outstanding Principal of the relevant Receivable (calculated at the rate of interest applicable to the Senior Notes according to the relevant Terms and Conditions) between the date on which the Limited Recourse Loan is granted and the final maturity date of the relevant Loan Agreement.

Mortgages means the mortgage securities (*ipoteche*) created on the Real Estate Assets pursuant to Italian law in order to secure claims in respect of the Receivables and **Mortgage** means each of them.

Mortgagor means any person, either a borrower or a third party, who has granted a Mortgage in favour of BPPB to secure the payment or repayment of any amounts payable in respect of a Mortgage Loan, and/or his/her successor in interest.

Most Senior Class of Noteholders means the holders of the Most Senior Class of Notes.

Most Senior Class of Notes means (a) until redemption in full of the Class A Notes, the Class A Notes; or (b) following redemption in full of the Class A Notes, the Class B Notes.

Net Balance means, in relation to any Defaulted Receivable, the Outstanding Balance of such Default Receivables, net of any depreciation (*svalutazione*), as resulting from the last available Monthly Servicer's Report.

Noteholders means, collectively, the Holders of the Senior Notes and the Junior Notes.

Notes means, collectively, the Senior Notes and the Junior Notes.

Official Gazette means the *Gazzetta Ufficiale della Repubblica Italiana*.

Option means the option provided for by Clause 21.3 of the Intercreditor Agreement pursuant to article 1331 of the Italian Civil Code, according to which the Originator may repurchase (in whole but not in part) the Portfolio then outstanding on any Payment Date falling after the date on which the Outstanding Senior Notes Ratio is equal to or lower than 10 per cent.

Organisation of the Noteholders means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

Originator means BPPB.

Other Issuer Creditors means the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Corporate Servicer, the Paying Agent, the Senior Notes Underwriter, the Junior Notes Underwriter, the Account Bank, the Back-Up Servicer and any other Issuer's creditor which, from time to time, will accede to the Intercreditor Agreement.

Outstanding Balance means, on any given date and in relation to any Receivable, the sum of (a) the Outstanding Principal and the Interest Instalments due but unpaid as at that date, (b) any outstanding penalties for accrued and unpaid Instalments with respect thereto, (c) the Accrued Interest as at that date, and (d) the other charges due but unpaid as at that date.

Outstanding Principal means, on any given date and in relation to any Receivable, the sum of (a) all Principal Instalments due on any subsequent Scheduled Instalment Date and (b) any Principal Instalments due but unpaid as at that date.

Outstanding Senior Notes Ratio means, with respect to any Payment Date, the ratio, calculated on the immediately preceding Calculation Date, between (a) the aggregate Principal Amount Outstanding of the Senior Notes as at such Payment Date (after deducting any principal payment due in respect of the Senior Notes on such Payment Date), and (b) the aggregate principal amount of the Senior Notes as at the Issue Date.

Paying Agent means BNYM, Milan branch or any other person acting from time to time as paying agent under the Securitisation.

Paying Agent Report means the report to be prepared and delivered by the Paying Agent on each Interest Determination Date in accordance with the Cash Allocation, Management and Payment Agreement, setting out certain information in respect of certain calculations to be made on the Notes.

Payment Date means (i) prior to the service of a Trigger Notice, 31 January, 30 April, 31 July and 31 October in each year (or, if such day is not a Business Day, the immediately following Business Day), provided that the first Payment Date will fall in October 2019; or (ii) following the service of a Trigger Notice, any such Business Day as determined by the Representative of the Noteholders on which payments

are to be made under the Securitisation.

Payments Account means the Euro denominated account opened in the name of the Issuer with the Account Bank with no. 580114 9780 or such other substitute account designated as such that may be opened in the name of the Issuer in accordance with the Cash Allocation, Management and Payment Agreement.

Payments Report means the report to be prepared and delivered by the Computation Agent on each Calculation Date before the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), in accordance with the Cash Allocation, Management and Payment Agreement, setting out all the payments to be made under the Pre-Enforcement Priority of Payments.

PCS means Prime Collateralised Securities (PCS) UK Limited.

Portfolio means the portfolio of residential mortgage loan receivables purchased by the Issuer from BPPB pursuant to the terms of the Transfer Agreement.

Post-Enforcement Report means the report to be prepared and delivered by the Computation Agent on each Calculation Date following the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), 8.3 (*Optional Redemption*) or 8.4 (*Redemption for Taxation*), in accordance with the Cash Allocation, Management and Payment Agreement, setting out all the payments to be made under the Post-Enforcement Priority of Payments.

Post-Enforcement Priority of Payments means the order of priority set out in Condition 6.2 (*Post-Enforcement Priority of Payments*), pursuant to which the Issuer Available Funds shall be applied following the service of a Trigger Notice or in case of redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*).

Pre-Enforcement Priority of Payments means the order of priority set out in Condition 6.1 (*Pre-Enforcement Priority of Payments*), pursuant to which the Issuer Available Funds shall be applied prior to the service of a Trigger Notice or the early redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*).

Previous Notes means the First Previous Notes, the Second Previous Notes, the Third Previous Notes and/or the Fourth Previous Notes, as the case may be.

Previous Portfolios means, collectively, the First Previous Portfolio, the Second Previous Portfolio, the Third Previous Portfolio and the Fourth Previous Portfolio, and **Previous Portfolio** means each of them.

Previous Securitisations means, collectively, the First Previous Securitisation, the Second Previous Securitisation, the Third Previous Securitisation and the Fourth Previous Securitisation, and **Previous Securitisation** means each of them.

Principal Amount Outstanding means, with respect to any Note on any date, 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 Instalment means the principal component of each Instalment.

Priority of Payments means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be.

Privacy Law means Legislative Decree no. 196 of 30 June 2003as amended and/or supplemented from time to time.

Privacy Rules means, collectively, (a) the Privacy Law, (b) the GDPR, (c) the regulation (*provvedimento*) issued by the "*Autorità Garante per la protezione dei Dati Personali*"dated 18 January 2007, and (d) any other legislative act or provision of an administrative or regulatory nature, adopted by the Privacy Authority and/or other competent Authority, in force from time to time.

Property Value means the estimated value of each Real Estate Asset as stated in each Mortgage Loan Agreement or the documents ancillary thereto.

Prospectus means the prospectus relating to the issuance of the Notes.

Prospectus Directive means Directive 2003/71/EC, as amended and/or supplemented from time to time.

Purchase Price means the purchase price paid to the Originator by the Issuer as consideration for the acquisition of the Portfolio pursuant to the Transfer Agreement equal to Euro 502,299,632.28.

Quarterly Collection Period means each period commencing on (and including) 1 January, 1 April, 1 July and 1 October of each year and ending respectively on (and including) 31 March, 30 June, 30 September and 31 December of each year, provided that the first Quarterly Collection Period will commence on (and include) the Valuation Date and end on (and include) 30 September 2019.

Quarterly Servicer's Report means the quarterly report to be prepared and delivered by the Servicer on each Quarterly Servicer's Report Date in accordance with the Servicing Agreement, containing details of the performance of the Receivables during the immediately preceding Quarterly Collection Period.

Quarterly Servicer's Report Date means the 10:00 a.m. (Italian time) of the day falling 6 (sixth) Business Days before each Payment Date.

Quota Capital Account means the account with no. 1202804 opened by the Issuer with Banca Monte dei Paschi di Siena S.p.A..

Rating Agency means each of Moody's and S&P and **Rating Agencies** means all of them.

Real Estate Assets means the real estate properties which have been mortgaged in order to secure payment of the Receivables pursuant to the Mortgage Loan Agreements and Real Estate Asset means each of them.

Receivables means each and every existing and future claim arising under or otherwise related to the Mortgage Loan Agreements (as renewed from time to time) meeting the Criteria, including but not limited to:

(a) any amount not yet due or due but unpaid by the relevant Debtor as at the Valuation Date (including any Instalments) in relation to the Mortgage Loan Agreements, including but not limited to:

  (i) principal not yet due or due but unpaid;

  (ii) interest (including default interest) and charges relating to suspensions of payments previously granted (identified by the instalment payment code (*codice di pagamento rata*) 405, 430 o 486) to accrue and already accrued but not already due or due but unpaid; and

  (iii) any penalties, indemnities and other sums due in case of early termination or withdrawal from the relevant Mortgage Loan Agreement, including payments due by the Debtors in case of early termination or withdrawal; and

(b) any amount due after the Valuation Date pursuant to a Collateral Security in respect of the Mortgage Loan Agreements of which the Originator is the beneficiary;

together with any right in respect of the security interests and any other type of guarantees granted in favour of the Originator, the liens and all the other ancillary rights related to such claims, including all rights and actions to which the Originator is entitled to pursuant to law or contract in relation to the Receivables, the Mortgage Loans, the Collateral Securities, the Insurance Policies and/or any other deed related to or connected with the same, to the extent such rights and actions are transferrable pursuant to the Securitisation Law, but excluding any reimbursement of costs and expenses (other than the charges under paragraphs (a)(ii) above) provided for by the Mortgage Loan Agreements (including, without limitation, collection costs and postage costs).

Regulation 13 August 2018 means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 13 August 2018, as amended and supplemented from time to time.

Regulatory Technical Standards means:

(i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation; or

(ii) 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 (i) above.

Reporting Entity means the originator in its capacity as reporting entity pursuant to article 7(2) of the EU Securitisation Regulation or any other person from time to time acting as such under the Securitisation.

Representative of the Noteholders means Securitisation Services or any other person from time to time acting as representative of the Noteholders under the Securitisation.

Required Cash Reserve Amount means, with reference to each Payment Date, an amount equal to 2% per cent. of the Principal Amount Outstanding of the Class A Notes on such Payment Date (before payments to be made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments), provided that on the earlier of (i) the Final Maturity Date, (ii) the Payment Date following the service of a Trigger Notice, and (iii) the Payment Date on which the Class A Notes (after having applied all the Issuer Available Funds relating to such Payment Date, including, for the avoidance of doubt, those under item (c) of the definition of Issuer Available Funds) will be redeemed in full or cancelled, such amount will be equal to 0 (zero).

Retention Amount means an amount equal to Euro 100,000.

Rules of the Organisation of the Noteholders means the Rules of the Organisation of Noteholders attached as Schedule 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereof.

S&P means S&P Global Ratings Europe Limited, Italy Branch, a division of the McGraw Hill Companies.

Scheduled Instalment Date means any date on which payment is due pursuant to each Mortgage Loan Agreement.

Second Previous Notes means the asset backed notes issued by the Issuer on 30 June 2008 in connection with the Second Previous Securitisation.

Second Previous Portfolio means the portfolio of residential mortgage loan receivables purchased by the Issuer from BPPB in the context of the Second Previous Securitisation.

Second Previous Securitisation means the securitisation transaction carried out by the Issuer in June 2008, pursuant to which it has issued on 30 June 2008 two classes of asset backed notes with final maturity in April 2057, which have been redeemed in full and cancelled in July 2015.

Securities Act means the U.S. Securities Act of 1933, as amended and/or supplement from time to time.

Securitisation means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, as described in this Prospectus.

Securitisation Law means Italian Law no. 130 of 30 April 1999, as amended and supplemented from time to time.

Securitisation Services means Securitisation Services S.p.A., a joint stock company with a sole shareholder (*società per azioni con socio unico*) incorporated under the laws of the Republic of Italy, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code, VAT code and enrolment with the companies' register of Treviso-Belluno under no. 03546510268, with a share capital of Euro 2,000,000.00 (fully paid-up), company registered under no. 50 in the register of the Financial Intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the banking group known as "*Gruppo Banca Finanziaria Internazionale*".

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 Noteholder means the holder of a Senior Note and **Senior Noteholders** means all of them.

Senior Notes means the Class A Notes.

Senior Notes Conditions means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Senior Notes Subscription Agreement means the subscription agreement in relation to the Senior Notes entered into on or about the Issue Date between the Issuer, the Arranger, the Representative of the Noteholders, the Originator and Senior Notes Underwriter, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Senior Notes Underwriter means BPPB as underwriter for the Senior Notes under the Senior Notes Subscription Agreement.

Servicer means BPPB or any other person acting from time to time as Servicer under the Securitisation.

Servicer Termination Event means any event referred to in Clause 9.1 of the Servicing Agreement.

Servicer's Reports mean the Monthly Servicer's Report and the Quarterly Servicer's Report, collectively, and **Servicer's Report** means each of them.

Servicing Agreement means the servicing agreement entered into on 14 March 2019 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Servicing Fee means:

(a) for the supervision, administration, management and collection of the performing Receivables (excluding the activities of recovery and compliance under paragraphs (b) and (c) below, respectively), on each Payment Date a fee equal to 0.10 per cent. per annum (plus VAT, if applicable) of the Collections made in respect of the Receivables (other than the Defaulted Receivables and the Collected Insurance Premia), during the Quarterly Collection Period immediately preceding the relevant Payment Date;

(b) for the supervision, administration, management and collection and recoveries of the Defaulted Receivables (excluding the activity of compliance under paragraph (c) below), on each Payment Date a fee equal to 0.05 per cent. per annum (including VAT, if applicable) of the Collections made in respect of the Defaulted Receivables during the Quarterly Collection Period immediately preceding the relevant Payment Date net of the expenses relating to such Collections;

(c) for the activity of compliance with duties imposed by the applicable regulation and/or reporting and communication duties, on each Payment Date a fee equal to Euro 5,000 (plus VAT, if applicable).

Sole Quotaholder means SVM.

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.

Solvency II Regulation means Regulation (EU) no. 35/2015, as amended and/or supplemented from time to time.

SSPE means a securitisation special purpose entity within the meaning of article 2(2) of the EU Securitisation Regulation.

STS Assessments means, collectively, (i) the STS Verification, and (ii) the verification of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation.

STS-securitisation means means a simple, transparent and standardised securitisation established and structured in accordance with the requirements of the EU Securitisation Regulation.

STS Verification means the assessment by PCS of the compliance of the Notes with the requirements of articles 19 to 22 of the EU Securitisation Regulation.

Subscription Agreements means, collectively, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

Substitute Servicer means any entity appointed as substitute servicer following the occurrence of a Servicer Termination Event in accordance with the provisions of the Servicing Agreement.

Successor Rate has the meaning ascribed to it in Condition 7.4 (*Fallback Provisions*).

Surveillance Report means the report prepared by the Rating Agencies related to the Senior Notes as required by the European Central Bank and/or the documentation of the European Central Bank on monetary policy instruments and procedures of the Eurosystem.

SVM means SVM Securitisation Vehicle Management S.r.l., a limited liability company with a sole quotaholder (*società a responsabilità limitata con socio unico*), incorporated under the laws of the Republic of Italy, fiscal code, VAT code and enrolment with the companies' register of Treviso-Belluno under no.

03546650262, quota capital Euro 30,000 fully paid-up, having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy.

Target Amortisation Amount means, in respect of any Payment Date prior to the service of a Trigger Notice or the redemption of the Notes pursuant to Condition 8.1 (*Final Redemption*), Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*), an amount calculated as follows:

(a) the Principal Amount Outstanding, as at the immediately preceding Calculation Date, of the Notes; *minus*

(b) the Collateral Portfolio Outstanding Principal as the end of the immediately preceding Quarterly Collection Period; *minus*

(c) the Required Cash Reserve Amount calculated with reference to the relevant Payment Date.

Tax Event has the meaning ascribed to it in Condition 8.4 (*Redemption for Taxation*).

Terms and Conditions or **Conditions** means the Senior Notes Conditions and/or the Junior Notes Conditions as the context may require.

Third Previous Notes means the asset backed notes issued by the Issuer on 23 December 2009 in connection with the Third Previous Securitisation.

Third Previous Portfolio means the portfolio of residential mortgage loan receivables purchased by the Issuer from BPPB in the context of the Third Previous Securitisation.

Third Previous Securitisation means the securitisation transaction carried out by the Issuer in December 2009, pursuant to which it has issued on 23 December 2009 two classes of asset backed notes with final maturity in July 2057, which have been redeemed in full and cancelled in October 2017.

Transaction Documents means the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Corporate Services Agreement, the Cash Allocation, Management and Payment Agreement, the Monte Titoli Mandate Agreement, the Intercreditor Agreement, the Mandate Agreement, the Letter of Undertakings, the Subscription Agreements, the Master Definitions Agreement, the Terms and Conditions, this Prospectus and any other deed, act, document or agreement executed in the context of the Securitisation.

Transfer Agreement means the transfer agreement entered into on 14 March 2019 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

Transfer Date means 14 March 2019.

Trigger Event means any of the events described in Condition 13 (*Trigger Events*).

Trigger Notice means the notice described in Condition 13 (*Trigger Events*).

UCITS means undertakings for the collective investment in transferrable securities.

UCITS Directive means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as lastly amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the

coordination of laws, regulations and administrative provisions relating to UCITS as regards depositary functions, remuneration policies and sanctions.

Usury Law means, collectively, Italian Law no. 108 of 7 March 1996, as amended and supplemented from time to time, and Italian Law no. 24 of 28 February 2001, which converted into law the Law Decree no. 394 of 29 December 2000 (including the provisions of articles 1, paragraph 2 and 3 of such decree).

Valuation Date means 28 February 2019 at 23:59 (Italian time).

Variable Return means any Issuer Available Funds remaining after making all payments due under items from (a) (*First*) to (j) (*Tenth*) (inclusive) of the Pre-Enforcement Priority of Payments or from (a) (*First*) to (h) (*Eighth*) (inclusive) of the Post-Enforcement Priority of Payments, as the case may be.

Warranty and Indemnity Agreement means the warranty and indemnity agreement entered into on 14 March 2019 between the Originator and the Issuer, as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereof.

Weighted Average Current LTV mens, on any given date and in relation to each Loan, the ratio between (i) the Outstanding Principal of the Receivables arising from such Loan, and (i) the Property Value weighted by the Outstanding Principal of the Receivables arising from such Loan.

ISSUER

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