

**PROSPECTUS DATED 12 SEPTEMBER 2023**

**LEONE ARANCIO RMBS S.R.L.**

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

€ 480,000,000 Class A1 Residential Mortgage-Backed Floating Rate Notes due October 2083  
€ 6,600,000,000 Class A2 Residential Mortgage-Backed Floating Rate Notes due October 2083

*Issue Price: 100 per cent.*

*This document constitutes a "Prospetto Informativo" for all the Notes pursuant to article 2, paragraph 3 of Italian Law number 130 of 30 April 1999 (as amended from time to time, the "**Securitisation Law**") and a "Prospectus" (the "**Prospectus**") for the purposes of article 6, paragraph 3 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council (as amended from time to time, the "**Prospectus Regulation**"), and contains information relating to the issue by Leone Arancio RMBS S.r.l., a limited liability company (società a responsabilità limitata) incorporated under the laws of the Republic of Italy, with registered office at Corso Vercelli 40, 20145 Milan, Italy fiscal code and enrolment with the companies' register of Milan no. 07013020966, 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. 33656.0, having as its sole corporate object the realisation of securitisation transactions pursuant to the Securitisation Law (the "**Issuer**"), of the € 480,000,000 Class A1 Residential Mortgage Backed Floating Rate Notes due October 2083 (the "**Class A1 Notes**"), the € 6,600,000,000 Class A2 Residential Mortgage Backed Floating Rate Notes due October 2083 (the "**Class A2 Notes**" and, together with the Class A1 Notes, the "**Senior Notes**" or the "**Rated Notes**"), and the € 920,000,000 Class J Residential Mortgage Backed Notes due October 2083 (the "**Junior Notes**" and, together with the Rated Notes, the "**Notes**"), in the context of a securitisation transaction (the "**Securitisation**") carried out by the Issuer.*

*Application has been made to the Commission de Surveillance du secteur financier (the "**CSSF**"), in its capacity as competent authority under the Luxembourg Act dated 16 July 2019 relating to prospectuses for securities (the "**Luxembourg Act**"), for the approval of this Prospectus for the purposes of the Prospectus Regulation, relevant implementing measures in Luxembourg and Article 6(4) of the Luxembourg Act. By approving this Prospectus, in accordance with Article 20 of the Prospectus Regulation, the CSSF does not engage in respect of the economic or financial opportunity of the Securitisation or the quality and solvency of the Issuer in accordance with the provisions of Article 6(4) of the Luxembourg Act. Application has also been made to the Luxembourg Stock Exchange for the Rated 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 Directive 2014/65/EU.*

*This Prospectus has been approved, in compliance with the Prospectus Regulation, by the CSSF, as the competent authority in the Grand Duchy of Luxembourg under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. In accordance with article 7.7 of the Luxembourg Act, by approving this Prospectus, the CSSF assumes no responsibility as to the economic and financial opportuneness of the operation or the quality or solvency of the Issuer. Such approval relates only to the Rated Notes which are to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange.*

*In connection with the issue of the Rated Notes, the Issuer will also issue the Junior Notes. No application has been made to list the Junior Notes on any stock exchange. The Junior Notes are not being offered pursuant to this Prospectus, nor will this Prospectus be approved by the CSSF in relation to the Junior Notes.*

*Investors should make their own assessment as to the suitability of investing in the Notes.*

*This Prospectus will be published on the website of the Luxembourg Stock Exchange (being, as at the date of this Prospectus, [www.luxse.com](http://www.luxse.com)) and will remain available for inspection on such website for at least 10 (ten) years.*

*Pursuant to Articles 12(1) and 21(8) of the Prospectus Regulation, this Prospectus will remain valid until the expiry of 12 (twelve) months from the date on which it will obtain the CSSF's approval (i.e. 12 September 2023). Consequently, the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply once this Prospectus is no longer valid.*

*The Notes will be issued on the Issue Date.*

*The Notes will be issued on a partly paid basis by the Issuer, pursuant to the terms provided in the terms and conditions of the Notes (the "**Conditions**"). On the Issue Date, the Notes will be issued in an amount equal to the Total Nominal Amount and the Notes Initial Payment will be paid by the Noteholders, in accordance with the Conditions and the relevant Subscription Agreements) as initial payment on the Notes in order to finance the purchase of the Initial Portfolio. During the Revolving Period, Notes Further Payments may be paid by the Noteholders with respect to the Notes, and those funds will form part of the Issuer Available Funds, in order to provide the Issuer with the necessary funds to proceed with the purchase of Subsequent Portfolios, subject to and in accordance with the Conditions and the terms of the Transaction Documents. Notes Further Payments on the Notes may be paid with respect to the Notes during the Revolving Period up to the Total Nominal Amount.*

*The principal source of payment of interest and repayment of principal on the Notes will be the collections and recoveries made in respect of monetary claims and connected rights arising out of residential mortgage loan agreements entered into by ING Bank N.V., Milan Branch (the "**Originator**"), in the course of its business, and purchased by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement. The Issuer has purchased the Initial Portfolio on 1 September 2023 and during the Revolving Period will purchase, on a revolving basis, further Subsequent Portfolios from the Originator.*

*By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, (i) the Issuer's right, title and interest in and to the Master Portfolio and (ii) any claim of the Issuer which has arisen in the context of the Securitisation, and their collections will, by operation of law, be segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law in the context of further securitisations) and any cash-flow deriving therefrom (to the extent identifiable) will be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation, in priority to the Issuer's obligations to any other creditors.*

*Interest on the Notes will be payable by reference to successive Interest Periods. Interest on the Notes will accrue on a daily basis and will be payable in arrears in euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of each Class of Notes will be due on the Payment Date falling in October 2023 in respect of the period from (and including) the Issue Date to (but excluding) such date. The Class A1 Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at 0.8 per cent per annum above Euribor for three months deposits in Euro, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero). The Class A2 Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at 0.9 per cent per annum above Euribor for three months deposits in Euro, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero). The Class J Notes will not bear any interest on their Principal Amount Outstanding.*

*The Class A1 Notes are expected, on issue, to be rated "AAA (sf)" by DBRS and "AAsf" by Fitch and the Class A2 Notes are expected, on issue, to be rated "AAA (sf)" by DBRS and "AAsf" by Fitch.*

*It is not expected that the Junior Notes will be assigned a credit rating.*

***A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation.*** *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 "**EU CRA Regulation**"), unless such rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or such rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. As at 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 (ESMA) on its website (being, as at the date of this Prospectus, [www.esma.europa.eu](http://www.esma.europa.eu)).*

*The Rated Notes have been structured in a manner so as to allow Eurosystem eligibility. However, this does not necessarily mean that the Rated Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.*

*Before the Final Maturity Date (being the Payment Date falling in October 2083), the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances provided for by Condition 9.2 (Mandatory Redemption). Unless previously redeemed in full or cancelled in accordance with the Conditions, the Notes will be redeemed on the Final Maturity Date. The Notes will be subject to mandatory redemption in full (or in part pro rata within each Class) on each Payment Date on or after the Initial Amortisation Date, in accordance with Condition 9.2 (Mandatory redemption), if and to the extent that on each such Payment Date there will be sufficient Principal Available Funds which may be applied towards redemption of the Notes pursuant to the applicable Priority of Payments.*

*As at the date of this Prospectus, payments of interest and other proceeds in respect of the Notes may be subject to withholding or deduction for or on account of Italian substitute tax, in accordance with Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time, and any related regulations. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, whether or not in the form of a substitute tax, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of Notes. For further details see the section entitled "Taxation".*

*The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Dutch Account Bank, the Expenses Account Bank, the Liquidity Facility Provider, the Principal Paying Agent, the Corporate Services Provider, the Listing Agent, the Sole Arranger, the Swap Counterparty or the Quotaholder. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.*

*As of the Issue Date, the Notes are in bearer form (al portatore) and will be held in dematerialised form (in forma dematerializzata) on behalf of the ultimate owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes will at all times be evidenced by book-entries in accordance with the provisions of: (i) article 83-bis of the Financial Laws Consolidated Act; and (ii) Regulation 13 August 2018 no. 201 of the Bank of Italy and CONSOB. No physical document of title will be issued in respect of the Notes.*

*The Securitisation is intended to qualify as a simple, transparent and standardised securitisation (STS-securitisation) within the meaning of article 18 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (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 (the "**EU STS Requirements**") and, prior to the Issue Date, will be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation (the "**STS Notification**"). Pursuant to article 27(2) of the EU Securitisation Regulation, the STS Notification includes an explanation by the Originator of how each of the EU STS Requirements has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Prospectus, <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>) (the "**ESMA STS Register**"). The Originator and the Issuer have used the service of Prime Collateralised Securities ("**PCS**") EU SAS (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 EU STS Requirements (the "**STS Verification**"). It is expected that the STS Verification prepared by PCS, will be available on the PCS website (being, as at the date of this Prospectus, <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. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on the ESMA STS Register. None of the Issuer, the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Account Banks, the Principal Paying Agent, the Corporate Services Provider, the Cash Manager, the Sole Arranger 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 as at the date of this Prospectus nor at any point in time in the future.*

*ING Bank N.V., Milan Branch, in its capacity as originator pursuant to the EU Securitisation Regulation, 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 (a) of article 6(3) of the EU Securitisation Regulation and the applicable*

*Regulatory Technical Standards; (ii) not change the manner in which the material 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 material net economic interest is held in accordance with paragraph (ii) above will be notified to the Calculation Agent to be disclosed in the Securitisation Regulation 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. 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. For further details see the section headed "Subscription, Sale and Selling Restrictions".*

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

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

*Sole Arranger*

**ING BANK N.V.**

## **Responsibility statements**

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

### **The Issuer**

*The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in respect of which each of ING Bank N.V. and TMF Trustee Limited accepts, jointly with the Issuer, responsibility in the paragraphs identified below has been obtained by the Issuer from each of them. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Notes, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.*

### **The Originator, the Servicer, the Swap Counterparty, the Liquidity Facility Provider, the Dutch Account Bank, the Calculation Agent, the Principal Paying Agent and the Cash Manager**

*ING Bank N.V. has provided information included in this Prospectus in the sections entitled "The Master Portfolio", "The Originator, the Servicer, the Swap Counterparty, the Reporting Entity, the Expenses Account Bank and the Liquidity Facility Provider" and "The Dutch Account Bank, the Calculation Agent, the Principal Paying Agent and the Cash Manager" and "Credit and Collection Policy" and any other information contained in this Prospectus relating to itself, the Receivables and the Mortgage Loan Agreements. To the best of the knowledge and belief of ING Bank N.V. (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 Representative of the Noteholders**

*TMF Trustee Limited has provided information included in this Prospectus in the sections entitled "The Representative of the Noteholders" and any other information contained in this Prospectus relating to itself. To the best of the knowledge and belief of TMF Trustee Limited (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 Corporate Services Provider***

*TMF Italy S.r.l. has provided information included in this Prospectus in the sections entitled "The Corporate Services Provider" and any other information contained in this Prospectus relating to itself. To the best of the knowledge and belief of TMF Italy S.r.l. (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.*

## ***General Responsibility Statement***

*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 Sole Arranger, the Representative of the Noteholders, the Issuer, the Quotaholders, ING Bank N.V., Milan Branch (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, under any circumstances, constitute a representation or imply that there has not been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or ING Bank N.V., or the information contained herein since the date hereof, or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.*

*The Notes constitute direct limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Master Portfolio will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes and to pay any costs, fees and expenses payable to the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Liquidity Facility Provider, the Principal Paying Agent, the Dutch Account Bank, the Swap Counterparty and to any third party creditor in respect of any costs, fees or expenses incurred by the Issuer to such third party creditors in relation to the Securitisation. Amounts derived from the Receivables will not be available to any other creditor of the Issuer. The Noteholders agree that the Issuer Available Funds will be applied by the Issuer in accordance with the relevant priority of payments as outlined in Condition 3 (Priority of Payments).*

## ***Selling Restrictions***

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

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THEREFORE MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT**

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

*Except with the prior written consent of the Originator and where such sale falls within the exemption provided by Section 20 of the final rules promulgated under section 15 of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**"), the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "U.S. Person" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). Prospective investors should note that the definition of "U.S. Person" in the U.S. Risk Retention Rules is different from the definition of "U.S. Person" in Regulation S, and persons who are not "U.S. Persons" under Regulation S may be U.S. Persons under the U.S. Risk Retention Rules. Each purchaser of Notes, including beneficial interests therein, will be deemed to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person (unless it has obtained a prior written consent of the Originator), (2) is acquiring such note or a beneficial interest therein for its own account and not with a view to distribute such Note, and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.*

*The 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 Grand Duchy of Luxembourg, 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 entitled "Subscription, Sale and Selling Restrictions" below.*

**IMPORTANT - EEA RETAIL INVESTORS** - *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: (a) a retail client as defined in point (11) of Article 4 (1) of MiFID II; (b) a customer within the meaning of Directive 2016/97/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (c) a person who is not a qualified investor as defined in article 2 of the Prospectus Regulation. Accordingly, none of the Issuer or the Sole Arranger expects to be required to prepare, and none of them has prepared, or will prepare, a "key information document" in respect of the Rated 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.*

**IMPORTANT - UK RETAIL INVESTORS** - *The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of article 2 of Commission Delegated Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*

**MiFID II product governance / target market** - *Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in 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 Rated 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.*

**UK MiFIR product governance / target market** - *Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.*

**Benchmark Regulation (Regulation (EU) 2016/1011)**



*Interest amounts payable in respect of the Rated Notes will be calculated by reference to Euribor, which is provided by the European Money Markets Institute, 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 authorized as benchmark administrator and is included in 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 "**Benchmarks Regulation**").*

*The Benchmark Regulation could have a material impact on the Rated Notes, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmark 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. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to the Rated Notes.*

### **Interpretation**

*The language of the 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. 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 conversions 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**", "**cents**" and "**€**" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended; references to "**Italy**" are to the Republic of Italy; references to laws and regulations are to the laws and regulations of Italy; and references to "**billions**" are to thousands of millions.*

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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. The Issuer believes that the factors described below represent the most material risks inherent in investing in the Notes, based on an assessment by the Issuer of their possible financial impact and likelihood of occurrence, but the inability of the Issuer to pay interest or principal on the Notes, or other amounts on or in connection with the Notes, may occur for other reasons not known to the Issuer or not deemed to be material enough.*

*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 any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Should any of such predictable or unpredictable events occur, the value of the Notes may decline, the Issuer may not be able to pay all or part of the interest or principal on the Notes and investors may lose all or part of their investment.*

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

### **1. RISKS RELATED TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES**

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

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of or guaranteed by any of the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Dutch Account Bank, the Expenses Account Bank, the Principal Paying Agent, the Liquidity Facility Provider, the Swap Counterparty, the Corporate Services Provider, the Listing Agent, the Sole Arranger or the Quotaholder. None of any such persons, 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 has a limited set of resources available to make payments on the Notes***

The Issuer will not as at the Issue Date have any significant assets to be used for making payments under the Notes other than the Initial Portfolio and its rights under the Transaction Documents to which it is a party. Consequently, following the service of a Trigger Notice or at the Final Maturity Date, the funds available to the Issuer may be insufficient to pay interest and Premium, as applicable on the Notes or to repay the Notes in full.

The Notes will be limited recourse obligations of the Issuer. If there are not sufficient funds available to the Issuer to pay in full all principal, interest, Premium (where applicable) 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.

There is no assurance that, over the life of the Notes or at the redemption date of any of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity

following the service of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest and Premium, as applicable on the Notes or to repay the Notes in full.

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. After the service of a Trigger Notice, the Issuer (or the Representative of the Noteholders on its behalf) could attempt to sell the Master Portfolio to third parties (for further details, see the section headed "*Description of the Transaction Documents - The Intercreditor Agreement*"). However, there is no assurance that a purchaser could be found nor that the proceeds of the sale of the Master Portfolio would be sufficient to pay in full all amounts due to the Noteholders.

***Any loss would be suffered by the holders of the Notes having a lower ranking in the Priority of Payments***

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, each Class of Notes will rank as set out in Condition 4.3 (*Ranking*) and Condition 7 (*Priority of Payments*), which provide that:

- (a) in respect of the obligations of the Issuer to pay interest or Premium (where applicable) on the Notes prior to the service of a Trigger Notice: (i) the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to payments of Premium and repayment of principal due on the Class J Notes; and (ii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Class A1 Notes and the Class A2 Notes;
- (b) in respect of the obligations of the Issuer to repay principal on the Notes, prior to the service of a Trigger Notice: (i) the Class A1 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to repayment of principal due on the Class A2 Notes and the Class J Notes; (ii) the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to repayment of principal due on the Class A1 Notes and in priority to repayment of principal due on the Class J Notes; and (iii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Class A1 Notes and the Class A2 Notes;
- (c) in respect of the obligations of the Issuer to pay interest or Premium (where applicable) on the Notes following the service of a Trigger Notice: (i) the Class A1 Notes and the Class A2 Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves and in priority to the Junior Notes; and (ii) the Junior Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves, but subordinated to payment in full of all amounts due under the Class A1 Notes and the Class A2 Notes;
- (d) in respect of the obligations of the Issuer to repay principal on the Notes following the service of a Trigger Notice: (i) the Class A1 Notes and the Class A2 Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to repayment of principal due on the Junior Notes; and (ii) the Junior Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves, but subordinated to payment in full of all amounts due under the Class A Notes.

Perspective Noteholders should have particular regard to the factors identified in the sections of this Prospectus headed "*Credit Structure*" and "*Priority of Payments*" in determining the likelihood or extent of any shortfall of funds available to the Issuer to meet payments of interest or Premium (where applicable) or repayment of principal due under the Notes.

***Liquidity and credit risk arising from any delay or default in payment by the Debtors may impact the timely and full payment of amounts due under the Notes***

The Issuer is subject to a liquidity risk in case of delay between the Scheduled Instalment Dates and the actual receipt of payments from the Debtors. This risk is addressed in respect of the Notes through the support provided to the Issuer in respect of payments on the Notes by the Liquidity Facility.

The Issuer is also subject to the risk of default in payment by the Debtors and of the failure to realise or to recover sufficient funds in respect of the relevant Mortgage Loans in order to discharge all amounts due from such Debtors under the Mortgage Loan Agreements. This risk is mitigated by, in respect of the Rated Notes: (a) the subordination of the Junior Notes, and (b) by the liquidity support provided by, prior to the delivery of a Trigger Notice, the Liquidity Facility.

However, in each case, there can be no assurance that the levels of liquidity support provided by the Junior Notes and the Liquidity Facility will be adequate to ensure punctual and full receipt of amounts due under the Rated Notes.

Although the Issuer believes that the Master Portfolio has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes, there can, however, be no assurance that the level of collections and recoveries received from the Master Portfolio will be adequate to ensure timely and full receipt of amounts due under the Notes.

***Interest rate risk arising from the mismatch between the interest rate applicable on the Mortgage Loans and the Notes may affect the ability of the Issuer to meet its payment obligations under the Notes in case of termination of the Swap Agreement***

The Receivables comprised in the Master Portfolio include and will 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 Rated Notes.

The Issuer expects to meet its floating rate payment obligations under the Class A Notes primarily from the payments relating to the Collections and the Recoveries. 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 Rated Notes.

In order to mitigate the risk of the occurrence of a mismatch between the payments received from collections and recoveries made in respect of the Receivables and the floating rate payment obligations of the Issuer under the Rated Notes, the Issuer entered into the Swap Agreement in relation to the Securitisation with the Swap Counterparty which shall at all times be (or its credit support provider shall at all times be) an institution rated in accordance with the provisions of the Swap Agreement. Under the terms of the Swap Agreement, the notional amount by reference to which the floating rate amounts payable by the Swap Counterparty to the Issuer are determined is equal to the aggregate Principal Amount Outstanding of the Class

A Notes at the close of business on the first day of the relevant calculation period less the excess of (i) any balance standing to the debit of the Principal Deficiency Ledger at the close of business on the first day of the relevant calculation period over (ii) the Principal Amount Outstanding of the Junior Notes.

The Swap Agreement contains specific downgrade provisions aimed at maintaining the credit ratings of the Rated Notes, pursuant to which the Swap Counterparty will be required within a specified timeframe, in the event that it, or its credit support provider, is downgraded, to post collateral, provide a suitable guarantor or transfer its rights and obligations under the Swap Agreement to another suitably rated entity.

In the event of early termination of the Swap Agreement, including any termination upon failure by the Swap Counterparty to perform its obligations, there is no assurance that the Issuer will be able to meet its obligations under the Rated Notes in full or even in part.

In the event of early termination of the Swap Agreement, including any termination upon failure by the Swap Counterparty to perform its obligations, the Issuer will use its commercially reasonable efforts (but it will not guarantee) to find a replacement Swap Counterparty. However, in such case, there is no assurance that the Issuer will be able to meet its payment obligations under the Notes.

Prospective Noteholders should also note that, if the Swap Agreement is early terminated, then the Issuer may be obliged to pay the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement to the Swap Counterparty. Except in certain circumstances, such amount due to the Swap Counterparty by the Issuer will rank in priority to payments due on the Notes. Any additional amounts required to be paid by the Issuer as a result of the termination of the Swap Agreement (including any extra costs incurred if the Issuer cannot immediately enter into one or more, as appropriate, replacement interest rate swap agreements), may also rank in priority to payments due on the Notes. Therefore, if the Issuer is obliged to pay the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement to the Swap Counterparty or to pay any other additional amount as a result of the termination of the Swap Agreement, this may affect the funds which the Issuer has available to make payments on the Notes.

See for further details "*Description of the Transaction Documents - The Swap Agreement*".

Other than with respect to the collateral that may be posted by the Swap Counterparty for the benefit of the Issuer in accordance with the Swap Agreement entered into by the Issuer and the Swap Counterparty, in the event of the insolvency of the Swap Counterparty, the Issuer will be treated as a general and unsecured creditor of the Swap Counterparty. Consequently, the Issuer will be subject to the credit risk of the Swap Counterparty in addition to the risk of the debtors of the Receivables.

***Credit risk on ING Bank N.V., Milan Branch, 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 ING Bank N.V., Milan Branch, (in any capacity) and the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are parties. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of

the Servicer to service the Master Portfolio and to recover the amounts relating to Defaulted Receivables (if any). The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

For the purpose of compliance with article 20(2) of the EU Securitisation Regulation, the Originator and the Issuer confirm that the Dutch Bankruptcy Act (*Faillissementswet*) does not contain severe claw-back provisions as referred to in article 20(2) of the EU Securitisation Regulation and the Originator represents that (a) it has its COMI situated in the Netherlands and (b) it is not subject to any intervention, resolution or recovery measures described in Regulation (EU) No 806/2014 of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and Chapter 3a.2 of the Act on Financial Supervision ("**Wft**") and Chapter 6 of the Wft respectively and has not been dissolved (*ontbonden*) or declared bankrupt (*failliet verklaard*).

Furthermore, the Italian insolvency laws do not contain severe claw-back provisions within the meaning of Articles 20(1), 20(2) and 20(3) of the EU Securitisation Regulation.

It is not certain that a suitable alternative Servicer could be found to service the Master Portfolio if ING Bank N.V., Milan Branch, becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative Servicer were to be found it is not certain whether it would service the Master Portfolio on the same terms as those provided for in the Servicing Agreement.

In addition, the Issuer is subject to the risk that, in the event of insolvency of ING Bank N.V., Milan Branch, the Collections and the Recoveries then held by the Servicer are lost. For the purpose of reducing such risk, the Issuer has taken certain actions, such as, *inter alia*, requiring the Servicer to have communicated in writing to the Debtors new payment instructions in respect of the Receivables, so that payments are made on an account maintained with an Eligible Institution. In addition, under the Servicing Agreement, in the event where a credit rating of the Originator falls below the Commingling Risk Required Rating, the Servicer has undertaken to (i) open, as soon as reasonably practicable and in any event within 14 (fourteen) calendar days (or such other period as may be determined to be applicable by or acceptable to the Rating Agencies from time to time), an escrow account in the name of the Issuer, for its own account, with a party having at least the required Eligible Institution's credit ratings, and (ii) transfer to such escrow account an amount equal to the Commingling Risk Amount. The aforementioned deposit of Commingling Risk Amount shall no longer be required if the Originator has ensured that (i) the Borrowers shall be notified that they should immediately make their payments to the Main Transaction Account, (ii) the Servicer transfers the Collections within the Business Day immediately following the day on which any such Collections has been settled to the Main Transaction Account, (iii) payments to be made with respect to amounts received on the Main Transaction Account will be guaranteed by way of an unlimited and unconditional guarantee by a party having at least the required Eligible Institution's credit ratings, or, if (i), or (ii) or (iii) is not reasonably practicable, (iv) take such other action that would result in the Rating Agencies continuing the then current ratings of the Class A Notes. For the avoidance of doubt, the Commingling Risk Amount deposited as collateral, will only form part of the Issuer Available Funds to make good any shortfall in Collections as a result of corresponding interest or principal amounts having been trapped in

the estate of the Originator. Consequently, any part of the Commingling Risk Amount shall be applied:

- (a) with respect to the Interest Available Funds, as indemnity for losses as a result of commingling risk, to the extent not relating to principal; and
- (b) with respect to the Principal Available Funds, as indemnity for losses of scheduled principal on the Receivables as a result of commingling risk, to the extent relating to principal.

See for further details "*Description of the Transaction Documents - The Servicing Agreement*".

***Failure by any Noteholder or Other Issuer Creditor to comply with non-petition undertakings may affect the ability of the Issuer to meet its obligations under the Notes***

By operation of the Securitisation Law, the rights, title and interests of the Issuer in and to the Master Portfolio will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to the Securitisation Law in the context of other securitisation transactions) and any amounts deriving therefrom will be available both prior to and on a winding up of the Issuer only in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and in relation to any other unsecured costs of the securitisation of the Master Portfolio incurred by the Issuer. Amounts deriving from the Master Portfolio will not be available to any other creditor of the Issuer whose costs were not incurred in connection with the Securitisation. Under Italian law and the Transaction Documents, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders (on behalf of the Noteholders) and any third party creditors having the right to claim for amounts due in connection with the securitisation of the Master Portfolio would have the right to claim in respect of the Master Portfolio, even in a bankruptcy of the Issuer.

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

Each Other Issuer Creditor has undertaken in the Intercreditor Agreement not to petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the Issuer until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any further securitisations undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions.

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. Notwithstanding the foregoing, the corporate object of the Issuer as contained in its by-laws is limited and the Issuer has also agreed to certain covenants in the Intercreditor Agreement and the Conditions restricting the activities that may be carried out by the Issuer and has



furthermore covenanted not to enter into any transactions that are not contemplated in the Transaction Documents.

### ***Issuer's ability to meet its obligations under the Notes***

The Issuer will not, as of the date of this Prospectus, have any assets other than the Master Portfolio and the other Issuer's rights under the Transaction Documents.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on (i) the receipt by the Issuer of collections and recoveries made on its behalf by the Servicer from the Master Portfolio, (ii) the availability of the amounts to be drawn under the Liquidity Facility Agreement in order to cover any Interest Shortfall Amount; and (iii) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

## **2. RISKS RELATED TO THE UNDERLYING ASSETS**

### ***Prepayments under Mortgage Loan Agreements***

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

The Mortgage Loan Agreements have been entered, *inter alia*, into with Borrowers which are individuals or commercial entrepreneurs ("*imprenditore che esercita un'attività commerciale*"). In any case some of the Borrowers may fall within the scope of application of the Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented (the "**Bankruptcy Law**") or of Legislative Decree No. 14 of 12 January 2019 (*Codice della crisi d'impresa e dell'insolvenza*), as amended and supplemented from time to time (the "**Crisis and Insolvency Code**") and as such may be subject to insolvency proceedings ("*procedure concorsuali*") under the Bankruptcy Law or the Crisis and Insolvency Code.

In the event of insolvency of a Borrower (to the extent the same is subject to the Bankruptcy Law or the Crisis and Insolvency Code), the relevant payments or prepayments under a Mortgage Loan Agreement may be declared ineffective pursuant to articles 65 or 67 of the Bankruptcy Law or articles 164 or 166 of the Crisis and Insolvency Code.

In this respect, it should be noted that the Securitisation Law, provides that (i) the claw-back provisions set forth in article 67 of the Bankruptcy Law or article 166 of the Crisis and Insolvency Code do not apply to payments made by the Borrowers to the Issuer in respect of the securitised Receivables and (ii) prepayments made by the Borrowers under securitised Receivables are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law or article 164 of the Crisis and Insolvency Code. For further details, please see the section headed "*Selected aspects of Italian Law – The Securitisation Law*".

### ***Mortgage Loans' performance may deteriorate in case of default by the Debtors***

The Initial Portfolio is exclusively comprised of residential mortgage backed loans which were performing as at the Valuation Date (see section headed "*The Master 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 Master 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: (i) proceedings in certain courts involved in the enforcement of the Mortgage Loans and Mortgages may take longer than the national average; (ii) obtaining title deeds from land registries which are in process of computerising their records can take up to two or three years; (iii) further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant Debtor raises a defence to or counterclaim in the proceedings; (iv) and it takes an average of six to eight years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Real Estate Asset.

In this respect, it is to be taken into account that Italian Law No. 302 of 3 August 1998 ("*Norme in tema di espropriazione forzata e di atti affidabili ai notai*") (the "**Law No. 302**") has allowed notaries to conduct certain stages of the foreclosure procedures in place of the courts and that by means of Law No. 80 of 14 May 2005 ("*Conversione in legge, con modificazioni, del decreto-legge 14 marzo 2005, n. 35, recante disposizioni urgenti nell'ambito del Piano di azione per lo sviluppo economico, sociale e territoriale. Deleghe al Governo per la modifica del codice di procedura civile in materia di processo di cassazione e di arbitrato nonché per la riforma organica della disciplina delle procedure concorsuali*") extends such activity to lawyers, certified accountants and fiscal experts enrolled in a special register. The reforms are expected to reduce the length of foreclosure proceedings by between two (2) and three (3) years, although at the date of this Prospectus, the impact which the mentioned laws will have on the Mortgage Loans comprised in the Master Portfolio cannot be fully assessed.

### ***No independent investigation in relation to the Receivables***

None of the Issuer or the Sole Arranger nor any other party to the Transaction Documents (other than the Originator) has undertaken or will undertake any investigation, searches or other actions 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 investigations, searches or other actions to establish the creditworthiness of any Debtors.

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 damages deriving therefrom pursuant to the Warranty and Indemnity Agreement (see "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*", below). There can be no assurance that the Originator will have the financial resources to honour such obligations.

### ***Insurances may not cover losses in full***

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. As at the date of this Prospectus, there can be no assurance that all risks that could affect the value of the Real Estate Assets are or will be covered by the relevant Insurance Policy or that, if such risks are covered, that the insured losses will be covered in full. Any loss incurred in relation to the Real Estate Assets which is not covered (or which is not covered in full) by the relevant Insurance Policy could adversely affect the value of the Real Estate Assets and the ability of the relevant Debtor to repay the relevant Mortgage Loan.

### ***Rights of set-off and other rights of the Debtors***

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

The assignment of receivables under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provisions, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (ii) the date of registration of the notice of assignment in the competent companies' register. Consequently, Debtors may exercise a right of set-off against the Issuer on claims against 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. 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 Master Portfolio as a result of the exercise by any Debtor of a right of set-off.

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

### ***Renegotiation risk***

The Issuer is subject to the risk of any shortfall arising from the renegotiation requests made by those assigned Debtors who have availed themselves of the provisions of certain laws and other agreements executed by, without limitation, the Italian banking associations (*Associazione Bancaria Italiana*), unions and national consumer associations, for the protection of the consumers.

The Servicer shall deal with any such renegotiation request in accordance with the terms of the Servicing Agreement.

Despite that, the Issuer believes that the limits set out in the Servicing Agreement can mitigate this risk and allow the Issuer to effect any payments due and payable on the Notes. In this respect, under the Servicing Agreement, the Servicer is authorized to consent to the relevant renegotiation of performing Receivables within certain thresholds and up to an overall renegotiation limit of 30% of the aggregate Outstanding Principal Due at the Valuation Date.

### *Solidarity Fund (Fondo di solidarietà)*

The 2008 Budget Law provided for the right of borrowers under mortgage loans granted for the purpose of purchasing the primary residence ("*prima casa*") and unable to pay the relevant instalments, to request the suspension of payments of the instalments due under the relevant mortgage loans on a maximum of two occasions and for a maximum aggregate period of 18 months. In this respect the 2008 Budget Law provided for the establishment of a fund (so called "*Fondo di solidarietà*", the "**Fund**") created for the purpose of bearing certain costs deriving from the abovementioned suspension of payments. Pursuant to Ministerial Decree number 132 issued by the Ministry of Economics and Finance on 21 June 2010 and published in the Official gazette of the Republic of Italy on 18<sup>th</sup> of August 2010 (as amended from time to time, the "**Decree 132**"), the provisions relating to the requirements that the borrowers must comply with in order to have the right to the aforementioned suspension and the subsequent aid from the Fund and the formalities and operating procedures of the Fund, were enacted.

In light of the above, any Debtor who complies with the requirements set out in Decree 132, has the right to suspend the payment of the instalments of its Mortgage Loans up to 18 months and therefore there is the risk that Issuer will not receive the timely payment of the full amount of principal and interest expected to be received on the relevant Mortgage Loans.

In addition, Law Decree No. 18 of 17 March 2020 extended for a 9-month period starting from 17 March 2020 the provisions relating to the Fund - which initially applied exclusively to employees - to the self-employed and self-employed professionals. Eligibility is subject to completing a self-certification that in any quarterly period following 21 February 2020 – or, if shorter, the period between the date of the application and 21 February 2020 – the relevant individual has suffered a decrease in turnover of more than 33% in the last quarter of 2019 as a result of the closure or restriction of its activity due to Covid-19.

### **3. OTHER RISKS IN RELATION TO THE NOTES AND THE STRUCTURE**

#### *Investment in the Notes is only suitable for certain investors*

Structured securities, such as the Notes, are sophisticated financial instruments, which can involve a significant degree of risk. Prospective investors in any of the Notes should ensure that they understand the nature of such 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 any Note and that they consider the suitability of such Notes as an investment in light of their own circumstances and financial condition.

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

No communication (written or oral) received from the Issuer, the Servicer or the Originator 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.

### ***Yield and payment considerations***

The amount and timing of the receipt of Collections and the Receivables and the courses of action to be taken by the Servicer with respect to the servicing, administration, collection, operation and restructuring of and other recoveries on the Receivables, as well as other events outside the control of the Servicer and the Issuer, will affect the performance of the Master Portfolio and the weighted average duration of the Notes. The weighted average life of the Notes may be affected by the timing and amount of receipts in respect of the Receivables, which will be influenced by the courses of action to be followed by the Servicer with respect to the Receivables and decisions to alter such courses of action from time to time, as well as by economic, geographic, social and other factors including, *inter alia*, the availability of alternative financing and local, regional and national economic conditions. Settlement or sales of Receivables earlier or later or for different amounts than anticipated may significantly affect the weighted average life of the Notes. The stream of principal payments received by a Noteholder may not be uniform or consistent. No assurance can be given as to the yield to maturity which will be experienced by a purchaser of any Notes. The yield to maturity may be adversely affected by higher or lower rates of delinquency and default on the Receivables.

Italian Legislative Decree no. 141 of 13 August 2010, as subsequently amended ("**Legislative Decree 141**"), has introduced in the Consolidated Banking Act a new article 120-*quater*, which provides for certain measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of Italian Law Decree number 7 of 31 January 2007, as converted into law by Italian Law number 40 of 2 April 2007 and amended by Italian Law number 244 of 24 December 2007 (the "**2008 Budget Law**"), replicating though, with some additions, such repealed provisions. provides for certain new measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian mortgage loan market. The purpose of article 120-*quater* of the Consolidated Banking Act is to facilitate the exercise by the borrowers of their right of prepayment of the loan (the "**Prepayment**") and/or subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the "**Subrogation**"). In particular, with respect to the Prepayment, under article 125-*sexies* of the Consolidated Banking Act, a consumer (as qualified pursuant to article 121, paragraph 1, letter b), of the Consolidated Banking Act) is entitled to prepay the relevant loan, in whole or in part, at any time, with a prepayment fee not higher than 1 per cent. of the principal amount which is early repaid (if the loan has a residual life of more than one year), and not higher than 0.5 per cent. of the same amount (if the loan has a residual life shorter than one year).

The rate of prepayment of the Mortgage Loans cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing consumer and ordinary loans market interest rates and margins offered by the banking system, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayments that the Mortgage Loans will experience.

With respect to the Subrogation, article 120-*quater* of the Consolidated Banking Act provides that, in respect of a loan, overdraft facility or any other financing granted by a bank or financial intermediary, the relevant borrower can exercise the Subrogation, even if the borrower's debt towards the lender is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will

succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant loan agreement (or separately agreed) aimed at preventing the borrower from exercising such Subrogation or at rendering the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any expenses or commissions in connection with the Subrogation. Furthermore, paragraph 7 of article 120-*quater* of the Consolidated Banking Act provides that, in case the Subrogation is not perfected within 30 (thirty) working days from the date on which the original lender has been requested to cooperate for the conclusion of the Subrogation, the original lender shall indemnify the borrower for an amount equal to 1 per cent. of the loan or facility granted, for each month or fraction of month of delay. The original lender has the right to ask for indemnification from the subrogating lender, in case the latter is to be held liable for the delay in the conclusion of the Subrogation.

Law number 2 of 28 January 2009 which converted into law the Law Decree number 185 of 29 November 2008 ("*Misure urgenti per il sostegno a famiglie, lavoro, occupazione e impresa per ridisegnare in funzione anti-crisi sul quadro strategico nazionale*") (the "**Anti-crisis Decree**") has provided for a number of measures aimed at the alleviation of the effects of the global financial crisis on the Italian economy. Under article 2 of the Anti-crisis Decree, the amount of the instalments payable during 2009 by borrowers under mortgage loans granted prior to 31 October 2008 for the purchase, construction or renovation of their primary residence (*mutui prima casa*) (other than for villas, castles, luxury residences and residences with specific artistic or historical value (i.e. residences with cadastral code A1, A8 and A9)) is calculated by reference to the higher of 4% (without spread, expenses or any other form of margin) and the interest rate contractually agreed and applicable on the date of execution of the relevant mortgage loan agreement. The difference, if any, between the amount so calculated and the amount which would have been otherwise due according to the relevant mortgage loan agreement (the "**Difference**") will be paid by the lending institution and ultimately borne by the Italian State. Regulation number 117852 issued on 29 December 2008 by the Ministry of Economy and Finance has clarified that, in case of mortgage loans which have been the subject of a securitisation transaction, such Difference shall be paid to the relevant securitisation company by the relevant originator or by the relevant servicer in accordance with the Servicing Agreement. Regulation number 11434 issued on 13 February 2009 by the Ministry of Economy and Finance clarified that the Difference shall be paid on the date falling on the Scheduled Instalment Date of the relevant mortgage loan.

In principle, the provisions of the Anti-crisis Decree should have no effect on the cashflows deriving from the Master Portfolio; however, it must be noted that, to a certain extent, such cashflows may depend on the ability of ING Bank N.V., Milan Branch, to pay the Issuer the relevant Difference when due. See for further details sections entitled "*Credit risk on ING Bank N.V., Milan Branch, and the other parties to the Transaction Documents*" and "*Expected Weighted Average Duration of the Notes*" below.

### ***Individual Noteholders have 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. The Conditions and the Rules of the Organisation of the Noteholders limit the ability of each individual Noteholder to commence proceedings against the Issuer by conferring

on the holders of the Notes the power to determine whether any Noteholder may commence any such individual actions.

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to have regard to the interests of the Noteholders as regards all powers, authorities, duties and discretion of the Representative of the Noteholders but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of different Classes of Notes, to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding.

In some circumstances, the Notes may become subject to early redemption. Early redemption of the Notes in some cases may be dependent upon receipt by the Representative of the Noteholders of a direction from, or resolution of, a specified proportion of the Noteholders. If the economic interest of a Noteholder represents a relatively small proportion of the majority and its individual vote is contrary to the majority vote, its direction or vote may be of no practical effect and, if a determination is made by the requisite majority of the Noteholders to redeem the Notes, the minority Noteholders may face early redemption of the Notes against their will.

The right of the Noteholders to approve a resolution on certain matters (as specified in the Rules for the Organisation of the Noteholders) is exercisable through an Extraordinary Resolution of the Noteholders, in respect of which the quorum will be two or more persons holding or representing at least 75 per cent of the Principal Amount Outstanding of the Notes then outstanding, or at an adjourned meeting, two or more persons being or representing Noteholders whatever the Principal Amount Outstanding of the Notes so held or represented.

### ***Expected maturity dates of the Rated Notes***

In accordance with the mandatory redemption provisions applicable to the Notes, if there are sufficient Issuer Available Funds, full redemption of the Rated Notes is expected to be achieved on the Payment Date falling on October 2083 for the Rated Notes. There can be no assurance, however, that redemption in full, or at all, will be achieved on such Payment Date. See for further details section titled "*Expected Average Duration of the Rated Notes*".

In particular, the redemption in full of the Rated Notes may be achieved prior to such dates as a result of the occurrence of circumstances in which the Mortgage Loan Agreements may be terminated (by prepayment, early termination or otherwise) prior to their scheduled redemption dates.

### ***Projections, forecast and estimates***

Estimates of the expected maturity and expected average lives of the Rated Notes included herein, together with any projections, forecasts and estimates set out in this Prospectus, are forward looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, the projections are only estimates. Actual results may vary from projections and the variation may be material.

### ***Further Securitisation***

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Master Portfolio. It is a condition precedent to any such securitisation that such securitisation transaction would not adversely affect the then current rating of any of the Rated Notes and the Rating Agencies have been notified in respect of such further securitisation.

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company that purchases the assets. On a winding up of such a company such assets will only be available to holders of the notes issued to finance the acquisition of the relevant assets and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular 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.

### ***The Swap Agreement may be terminated in case of Tax Event***

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required (unless the relevant withholding or deduction relates to a FATCA Withholding Tax (as defined in the Swap Agreement)). The Swap Agreement will provide, however, that in case of a Tax Event (as defined in the Swap Agreement), the Swap Counterparty may transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event. If the Swap Counterparty is unable to transfer its rights and obligations under the Swap Agreement to another office, branch or affiliate, it will have the right to terminate the Swap Transaction. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party.

### ***Remedies available in case of ratings downgrade of the Swap Counterparty may not be necessarily available***

In the event that the Swap Counterparty is downgraded below certain levels as set out in the Swap Agreement, the Issuer may terminate the Swap Transaction if the Swap Counterparty fails to take (or fails to make endeavours to take, as applicable in accordance with the terms of the Swap Agreement) certain remedial measures within the timeframes stipulated in the Swap Agreement. Such remedial measures may include providing collateral for its obligations under the Swap Agreement, arranging for its obligations under the Swap Agreement to be transferred to an entity with the required ratings (or guaranteed by an entity with the required ratings) or procuring another entity with the required ratings to become guarantor in respect of its obligations under the Swap Agreement. Under the Intercreditor Agreement it is provided that, if the Swap Transaction is terminated early and no Trigger Event has occurred, the Issuer will use its best endeavours to replace the Swap Transaction with a replacement swap counterparty on substantially the same terms as the Swap Agreement. However, in the event that the Swap Counterparty is downgraded, there can be no assurance that a guarantor or replacement swap counterparty will be found or that the amount of collateral provided will be sufficient to meet



the Swap Counterparty's obligations. If the Issuer does not enter into a replacement interest rate swap, the Issuer may have insufficient funds to make payments due on the Notes, and the Rated Notes may also be downgraded.

***Noteholders may experience delays and/or reductions in the interest payments under replacement swap agreements***

If a replacement swap agreement is entered into following termination of the initial Swap Transaction, this may be on terms less favourable to the Issuer and therefore may mean that reduced amounts are available for distribution by the Issuer to the Noteholders and the Other Issuer Creditors. The Issuer may not be able to enter into a replacement interest rate swap with a replacement swap counterparty immediately or at a later date. If a replacement swap counterparty cannot be found, the risk of a difference between the rate of interest to be received by the Issuer on the Receivables and the rate of interest payable by the Issuer on the Notes will not be hedged, and so the funds available to the Issuer to pay any interest on the Notes may be insufficient. In these circumstances, the holders of Notes may experience delays and/or reductions in the interest payments to be received by them, and the Rated Notes may also be downgraded.

#### **4. COUNTERPARTY RISKS**

Conflict of interests may influence the performance by the transaction parties of their respective obligations under the Securitisation.

Conflict of interests may exist or may arise as a result of any transaction party (i) having previously engaged or in the future engaging in transactions with other parties to the Securitisation, (ii) having multiple roles in the Securitisation, and/or (iii) carrying out other transactions for third parties. Without limiting the generality of the foregoing, under the Securitisation ING will act as Originator, Servicer, Calculation Agent, Dutch Account Bank, Expenses Account Bank, Sole Arranger, Cash Manager, Liquidity Facility Provider, Principal Paying Agent, Reporting Entity, Swap Counterparty and Underwriter.

Even though under the Servicing Agreement ING, as Servicer, has undertaken to act in the interest of the Noteholders, it cannot be excluded that, in certain circumstances, a conflict of interest may arise with respect to other relationships with the Debtors. ING may also be involved in a broad range of transactions with other parties. Conflict of interests may influence the performance by the transaction parties of their respective obligations under the Securitisation and ultimately affect the interests of the Noteholders.

#### **5. MACRO-ECONOMIC AND MARKET RISKS**

***Lack of liquidity in the secondary market for the Notes may affect the market value of the Notes***

Although application has been made for the Rated Notes to be listed on the Luxembourg Stock Exchange and to trading on the regulated market "*Bourse de Luxembourg*", there is currently no market for the Rated Notes. The Notes have not been registered under the Securities Act and will be subject to significant restrictions on resale in the United States. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investments or that

any such liquidity will continue for the life of such Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until the Final Maturity Date.

Limited liquidity in the secondary market may continue to have an adverse effect on the market value of 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.

***Risks related to the United Kingdom leaving the European Union and political and economic decisions of EU and Euro-zone countries may affect the performance of the Securitisation***

The UK left the EU as of 31 January 2020 ("**Brexit**"), and the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK.

The exit of the UK from the European Union, and the possibility that other European Union countries could hold similar referendums to the one held in the UK and/or call into question their membership of the European Union or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of the pound and, more in general, increase in financial markets volatility, reduction of global markets liquidities. Any of these effects of Brexit, and others which cannot be anticipated, could adversely affect the Issuer's business, results of operations, financial condition and cash flows, and could negatively impact the value of the Rated Notes.

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

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

***Changes or uncertainty in respect of EURIBOR may affect the value or payment of interest under the Notes***

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. The Benchmark Regulation was published in the Official Journal of the European Union on 29 June 2016 and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmark Regulation could have a material impact on any Notes linked to EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmark Regulation stipulates

that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete.

Additionally, in March 2017, the European Money Markets Institute (formerly Euribor-EBF) (the "**EMMI**") published a position paper referring to certain proposed reforms to Euribor, which reforms aim to clarify the Euribor specification, to develop a transaction-based methodology for Euribor and to align the relevant methodology with the Benchmark Regulation, the IOSCO's proposed Principles for Financial Market Benchmarks (July 2013) (the "**IOSCO Principles**") and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current Euribor methodology to a fully transaction-based methodology following a seamless transition path". On 17 October 2018 the EMMI announced the publication of the second consultation paper on the hybrid methodology for Euribor (the "**Second Consultation Paper**"). This Second Consultation is part of EMMI's commitment to deliver a reformed and robust methodology for Euribor, which aims to meet regulatory and stakeholder expectations in a timely manner. The Second Consultation Paper presents a summary of EMMI's findings during the hybrid Euribor testing phase, and provides details on EMMI's proposals for the different methodological parameters. EMMI's summary of feedback on the Second Consultation has been published by EMMI on 12 February 2019. Subsequently, EMMI has started transitioning panel banks from the current Euribor methodology to the hybrid methodology, with a view of finishing the process before the end of 2019. On 2 February 2021, EMMI has published the outcome of the first annual review of the hybrid methodology for EURIBOR, which has been implemented on 19 April 2021.

Furthermore, in order to address systemic risk, on 2 February 2021 the Council of the European Union approved the final text of the Regulation (EU) 2021/168 amending the Benchmarks Regulation as regards the exemption of certain third-country spot foreign exchange benchmarks and the designation of replacements for certain benchmarks in cessation and amending EMIR. The new framework delegates the Commission to designate a replacement for benchmarks qualified as critical under the Benchmarks Regulation, where the cessation or wind-down of such a benchmark might significantly disrupt the functioning of financial markets within the European Union. In particular, the designation of a replacement for a benchmark should apply to any contract and any financial instrument as defined in Directive 2014/65/EU that is subject to the law of a Member State. In addition, with respect to supervised entities, Regulation (EU) 2021/168 extends the transitional period for the use of third-country benchmarks until 2023 and the Commission may further extend this period until 2025 by a delegated act to be passed before 15 July 2023. On 10 February 2021 the Council of the European Union adopted the Regulation (EU) 2021/168 that was published in the Official Journal on 12 February 2021 and entered into force on the following day.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or

otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

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

- (a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including EURIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be; and
- (b) if EURIBOR or any other relevant interest rate benchmark is discontinued or is otherwise unavailable, then the rate of interest on the Notes will be determined for a period by the relevant fallback provisions, although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks (in the Euro-zone interbank market in the case of EURIBOR), may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time).

Any amendments deemed necessary to change the Screen Rate applicable to the Notes (and any related or consequential amendments thereto) as a direct or indirect result of the Benchmark Regulation will need to be made in accordance with the provisions regarding amendments to the Transaction Documents contained in the Conditions and the Rules of the Organisation of the Noteholders. There can be no assurance however, that any such amendment (if made) would mitigate the interest rate risk or result in an effective replacement methodology for determining the reference rate on the Notes.

These reforms and other pressures may cause such benchmarks to disappear entirely or to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Generally, any such modification or potential consequence of the discontinuation of Euribor could have a material adverse effect on the value of and return on any of the Notes.

Based on the foregoing, prospective investors should in particular be aware that any of the reforms or pressures described above or any other changes to a relevant interest rate benchmark (including Euribor) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be.

Under Condition 8.5 (*Interest Rate*), if the Screen Rate is unavailable at the relevant time, then the fall-back rate for the relevant Interest Period will be the arithmetic mean of the rates provided by each of the Reference Banks (as defined below) to the Principal Paying Agent as the rate at which three month Euro deposits in a representative amount are offered by that Reference Bank to leading banks in the Euro-zone inter-bank market at the relevant time on that date. In certain circumstances, where none of the Reference Banks (or any reference banks which have been selected in accordance with Condition 5.2) provides the Principal Paying Agent with an offered quotation, the Interest Rate (as defined below) for the relevant Interest Period will be the rate in effect for the immediately preceding Interest Period when the Screen Rate (as defined below) was available.

In the event that any such fallback positions become applicable, any of the above described matters or any other significant change to the setting or existence of Euribor could affect the ability of the Issuer to meet its obligations under the Rated Notes and/or could have a material

adverse effect on the value or liquidity of, and the amount payable under, the Rated Notes. Changes in the manner of administration of Euribor could result in adjustment to the Conditions, early redemption, delisting or other consequences in relation to the Rated Notes. No assurance may be provided that relevant changes will not occur with respect to Euribor and/or that such benchmark will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

## **6. LEGAL AND REGULATORY RISKS**

### *Regulation affecting investors in securitisations*

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

### *The general framework established by the EU Securitisation Regulation*

The risk retention, transparency, due diligence and underwriting criteria requirements described above apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this 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 Sole 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 transaction described in this Prospectus 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 and transparency obligations imposed under Article 7 of the EU Securitisation Regulation. Non-compliance with final Regulatory Technical Standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard. With respect to the commitment of the Originator to retain a material net economic interest in the Securitisation in accordance with option set out in Article 6, paragraph 3(a) of the EU Securitisation Regulation and with respect to the information made available to the Noteholders and prospective investors in accordance with Article 7 of the EU Securitisation Regulation, please refer to the sections entitled "*Subscription, Sale and Selling*

*Restrictions - Regulatory Disclosure and Retention Undertaking" and "General Information - Transparency Requirements".*

*The STS framework established by the EU Securitisation Regulation*

The EU Securitisation Regulation applies to the fullest extent to the Notes. The Securitisation is intended to qualify as an STS-Securitisation within the meaning of Article 18 of the 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 it has been notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation. No assurance can be provided that the Securitisation does or continues 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.

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

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

- (a) that institutional investor has verified that:
  - (i) for certain originators, certain credit-granting standards were met in relation to the origination of the underlying exposures;
  - (ii) the risk retention requirements set out in Article 6 of the EU Securitisation Regulation are being complied with; and
  - (iii) information required by Article 7 of the EU Securitisation Regulation has been made available; and
- (b) that institutional investor has carried out a due diligence assessment which enables it to assess the risks involved, which shall include at least (among other things) the risk characteristics of its securitisation position and the underlying exposures of the securitisation, and all the structural features of the transaction that can materially impact the performance of its securitisation position.

In addition, under Article 5(4) of the EU Securitisation Regulation, an institutional investor (other than the originator, sponsor or original lender) holding a securitisation position shall at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to the institutional investor's trading and non-

trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures. Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and possibly criminal sanctions. In the case of those institutional investors subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant institutional investor. The institutional investors due diligence requirements described above apply in respect of the Notes. Relevant institutional investors are required to independently assess and determine the sufficiency of the information contained in this 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.

#### *Application of the Securitisation Law has a limited interpretation*

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

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

The Issuer has been established so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**").

The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds.

Under the Volcker Rule, unless otherwise jointly determined by specified federal regulators, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the U.S. Investment Company Act and that is not a "commodity pool" that meets certain conditions under the U.S. Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**"). The Issuer has not offered and sold, and does not intend to offer or sell, any securities to U.S. Persons in a manner that would cause it to become subject to jurisdiction of the Investment Company Act, and therefore does not need to rely on an exemption or exclusion from registration thereunder. However, the Issuer has also been structured such that, if it were subject to the Investment Company Act, it would be able to rely on the exclusion contained in Section 3(c)(5) thereof, although there may be additional exclusions or exemptions available to the Issuer. Further, the Issuer has not engaged in any activities that would cause it to constitute a "commodity pool" for purposes of the Commodity Exchange Act. Consequently, the Issuer has been structured such that it does not constitute a covered fund for purposes of the Volcker Rule. The general effects of the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

***European Market Infrastructure Regulation***

Regulation (EU) number 648/2012, known as the European Market Infrastructure Regulation, as amended by Regulation (EU) number 834/2019, including any implementing and/or delegating regulation, technical standards and official guidance related thereto, in each case published by ESMA or the European Commission from time to time (the "**EMIR**") first entered into force on 16 August 2012. Certain changes to EMIR are introduced pursuant to Regulation (EU) number 834/2019 and references to "EMIR" below are construed accordingly.



Among other things, EMIR imposes on “*financial counterparties*” a general obligation (the “**Clearing Obligation**”) to clear through a duly authorised or recognised central counterparty all “*eligible*” OTC derivative contracts entered into with other counterparties subject to the Clearing Obligation. They must also report the details of all derivative contracts to a trade repository (the “**Reporting Obligation**”) and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures (the “**Risk Mitigation Obligations**”). Non-cleared OTC derivatives entered into by financial counterparties must also be marked to market and collateral must be exchanged.

Non-financial counterparties are excluded from the Clearing Obligation and certain Risk Mitigation Obligations provided that the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its “group” (as defined in EMIR), excluding eligible hedging transactions, do not exceed certain thresholds. If the Issuer is considered to be a member of such a “group” (as defined in EMIR) and if the notional value of derivative contracts entered into by the Issuer or other non-financial counterparties within any such group exceeds the applicable threshold, the Issuer would be subject to the clearing obligation. Whilst the Swap Agreement entered into by the Issuer is expected to be treated as a hedging transaction and deducted from the total in assessing whether the notional value of derivative contracts entered by the Issuer or its “group”, the regulator may take a different view.

If the Issuer exceeds the applicable clearing thresholds, it would also be subject to the relevant risk mitigation obligations and would be required to post collateral in respect of non-cleared OTC derivative contracts. The Issuer may be unable to comply with such requirements, which could result in the termination of the Swap Agreement. Any termination of the Swap Agreement as a result of non-compliance with such requirements or as a result of the Issuer becoming a financial counterparty as described above or otherwise could expose the Issuer to costs and increased interest rate risk.

Notwithstanding the above, it should also be noted that the EU Securitisation Regulation, among other things, makes provisions for the development of technical standards in connection with the EMIR regime specifying (i) an exemption from clearing obligations and (ii) a partial exemption from the collateral exchange obligations for non-cleared OTC derivatives, in each case for OTC derivatives entered into in connection with securitisation transactions meeting the EU STS Requirements. The technical standards have been published on 3 September 2020 on the Official Journal of the European Union.

### ***Default Risks in relation to the EU Securitisation Regulation***

In the event that the Originator breaches its undertaking to retain on an ongoing basis a material net economic interest in the Securitisation of not less than 5% in accordance with the requirements of the EU Securitisation Regulation, the Securitisation would cease to be compliant with the EU Securitisation Regulation which may result in penalties including fines, other administrative sanctions and possibly criminal sanctions being imposed and would also affect the liquidity of the Notes.

### ***Risk from reliance on verification by PCS***

The Originator may use the services of PCS, a third party authorised pursuant to article 28 of the EU Securitisation Regulation, to verify whether the Securitisation complies with articles 19 to 22 of the EU Securitisation Regulation and the compliance with such requirements has been verified by PCS.

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

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

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

Therefore, no investor should rely on such assessment in determining the status of any securitisation in relation to capital requirements and must make its own determination. Non-compliance with the status of an STS Securitisation may result in higher capital requirements for investors, as well as in various administrative sanctions and/or remedial measures being imposed on the Issuer or the 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.

None of the parties involved have verified whether the securitisation transaction described in this Prospectus is compliant with the UK Securitisation Regulation. Potential investors should take note (i) that the securitisation transaction described in this Prospectus is in compliance with the EU Securitisation Regulation, and (ii) of the differences between the UK Securitisation Regulation and the EU Securitisation Regulation. Potential investors located in the United Kingdom should make their own assessment as to whether the Originator as the Reporting Entity shall (i) make available information which is substantially the same as that which it would have made available in accordance with point (e) of article 5 of the UK Securitisation Regulation and (ii) do so with such frequency and modalities as are substantially the same as those with which it would have made information available in accordance with point (e) of article 5 of the UK Securitisation Regulation if it had been so established.

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

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a 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 Sole Arranger nor 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.

Investors should note in particular that the Basel Committee on Banking Supervision ("**BCBS**") has approved a series of significant changes to the Basel framework for prudential regulation (such changes being referred to by the BCBS as Basel III, and referred to, colloquially, as Basel III in respect of reforms finalised prior to 7 December 2017 and Basel IV in respect of reforms finalised on or following that date). The Basel III/IV reforms, which include revisions to the credit risk framework in general and the securitisation framework in particular, may result in increased regulatory capital and/or other prudential requirements in respect of securitisation positions. The BCBS continues to work on new policy initiatives. National implementation of the Basel III/IV reforms may vary those reforms and/or their timing. It should also be noted that changes to prudential requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

These changes may affect the regulatory treatment applicable to the Notes. Investors in the Notes are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Notes and should consult their own advisers in this respect.

***ING Bank may be subject to recovery, resolution and intervention frameworks, whereby the application of any measures thereunder could result in losses under the Notes***

The Originator may be declared insolvent.

The insolvency of any of such parties could affect such party's contractual relations with the Originator according to the applicable insolvency regulations.

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") and Regulation (EU) No 806/2014 of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the "**SRM Regulation**") have introduced a harmonised European framework for the recovery and resolution of banks and large investment firms (and certain affiliated entities) which are failing or likely to fail. If an institution like ING Bank N.V. would be deemed to fail or likely to fail and the other resolution conditions would also be met, the resolution authority will most likely decide to place ING Bank N.V. under resolution. It may decide to apply certain resolution tools. These resolution tools include the sale of business tool, the bridge institution tool and the asset separation tool, each of which, in summary, provides for a transfer of certain assets and/or liabilities of the institution under resolution to a third party. In addition, the BRRD and the SRM Regulation provide for the bail-in tool, which may result in the write-down or conversion into shares of capital instrument and eligible liabilities.

To this regard, only the Dutch authorities and/or the relevant resolution authority will be able to adopt the measures foreseen by the BRRD regarding ING Bank N.V. and ING Bank N.V., Milan Branch and their national regulations.

In the event of insolvency of the Originator, as a result of the implementation into Dutch law of BRRD, the Italian courts will not be empowered to decide on the implementation of one or more reorganisation or winding up measures since these powers will be vested on the administrative or judicial authorities of the home Member State (i.e., The Netherlands) of the credit institution (including for branches established in other Member States) (i.e. the Originator).

Any transfer of rights or assets or any payments contemplated by the Transaction Documents may be challenged by an insolvency administrator (*curator*) of the Originator in accordance with Dutch Law, although pursuant to (the Dutch rules implementing) Directive 2001/24 the beneficiary of these acts can provide proof that (i) these transfers and payments are subject to the law of another Member State and (ii) that law does not allow any means of challenging these acts in the case in point. As a result of the foregoing, the Issuer as beneficiary of the credit rights derived from the Mortgage Loans, may provide proof to the insolvency administrator (*curator*) of the Originator that (i) the transfer of the credit rights is subject to the application of Italian law, and (ii) as far as Italian law is concerned, as set forth in article 95-*ter* of the Consolidated Banking Act, in that case such a valid and effective assignment of the Receivables cannot be subject to any challenge in accordance with Italian law.

#### ***Italian Usury Law has been subject to different interpretations over the time***

Italian Law number 108 of 7 March 1996 (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a Decree issued by the Italian Treasury (the last such Decree having been issued on 27 June 2018). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

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

The Italian Government intervened in this situation with Law Decree number 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law number 24 by the Italian Parliament on 28 February 2001, which provides, *inter alia*, that interest is to be deemed

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

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

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

The Italian Supreme Court (*Corte di Cassazione*), under decision No. 350/2013, as recently confirmed by decision number 23192/17 and no. 19597/2020, has clarified, for the first time, that the default interest rates are relevant for the purposes of determining if an interest rate is usurious. That interpretation is in contradiction with the current methodology for determining the Usury Thresholds, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates. In addition, the Italian Supreme Court, under decision No. 602/2013, has held that, with regard to loans granted before the entry into force of Usury Law, an automatic reduction of the applicable interest rate to the Usury Thresholds applicable from time to time shall apply.

***Rules on compounding of interest (anatocismo) have been subject to different interpretation over the time***

Pursuant to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a three monthly basis on the grounds that such practice could be characterised as a customary practice ("*uso 37ormative37*"). However, a

number of recent judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) number 2374/99 and number 2593/2003) have held that such practices may not be defined as customary practices ("*uso 38ormative38*").

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 Loans.

In this respect, it should be noted that article 25, paragraph 3, of Italian Legislative Decree no. 342 of 4 August 1999, enacted by the Italian Government under a delegation granted pursuant to Italian Law no. 142 of 19 February 1992, has considered the capitalisation of accrued interest (*anatocismo*) made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of accrued interest will still be possible upon the terms established by a resolution of the Interministerial Committee of Credit and Saving (C.I.C.R.) dated 9 February 2000 and published on 22 February 2000. Italian Law no. 342 of 4 August 1999 was challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the legislative powers delegated under Italian Law no. 142 of 19 February 1992. By decision no. 425 of 9 October 2000, the Italian Constitutional Court declared as unconstitutional on these grounds article 25, paragraph 3, of Italian Law no. 342 of 4 August 1999.

It should be noted that paragraph 2 of article 120 of the 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 consequently undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge in respect of the interest on interest.

### ***Change of law may impact the Securitisation***

The structure of the transaction and, *inter alia*, the issue of the Notes and the ratings assigned to the Rated Notes are based on Italian law (or English law, in the case of the Swap Agreement and the Security Assignment), tax and administrative practice in effect at the date hereof, having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Italian law (or English law, as applicable), tax or administrative practice will not change after the Issue Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

### ***Risks related to the creation of pledges under the Dutch Deed of Pledge on the basis of the Parallel Debt***

Under Dutch law, it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledge under the Dutch Deed of Pledge in favour of the Representative of the Noteholders, the Issuer has in the Dutch Deed of Pledge, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Representative of the Noteholders amounts equal to the amounts due by it to the Noteholders and Other Issuer Creditors. The Issuer has been advised that such a parallel debt creates a claim of the Representative of the Noteholders thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Dutch Deed of Pledge.

### ***Forward-looking statements***

Words such as "intend(s)", "aim(s)", "expect(s)", "will", "may", "believe(s)", "should", "anticipate(s)" or similar expressions are intended to identify forward-looking statements and subjective assessments. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this 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 herein to reflect events or circumstances occurring after the date of this Prospectus.

## **7. TAX RISKS**

### ***No gross-up will be made by the Issuer in case withholding tax applies on the Notes***

Payments under the Rated Notes may be subject to withholding or deduction for, or on account of, tax or to a substitute tax in accordance with Decree 239 (see for further details also the section entitled "*Taxation*" below). Upon the occurrence of any withholding for or on account of tax, or substitute tax, from any payments under the Rated Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of Notes.

### ***The scope of application of FATCA is unclear in some respects***

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

withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

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



## TRANSACTION OVERVIEW INFORMATION

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

### 1. THE PRINCIPAL PARTIES

<b>Issuer</b>	Leone Arancio RMBS S.r.l., a company incorporated under the laws of the Republic of Italy as a limited liability company ( <i>società a responsabilità limitata</i> ), having its registered office at Corso Vercelli 40, 20145, Milan Italy, fiscal code and enrolment with the companies register of Milan number 07013020966, enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 with no. 33656.0, having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.
<b>Originator</b>	ING Bank N.V., a public company with limited liability ( <i>naamloze vennootschap</i> ) incorporated under the laws of The Netherlands, with official seat in Amsterdam, The Netherlands and with registered office address at Bijlmerdreef 106, 1102 CT Amsterdam, in Amsterdam, The Netherlands (" <b>ING Bank</b> ") acting through its Milan branch, with offices in Viale Fulvio Testi 250, Italy, fiscal code and enrolment with the companies register of Milan number 11241140158, enrolled under number 5229 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act (" <b>ING Bank N.V., Milan Branch</b> ").
<b>Servicer</b>	ING Bank N.V., Milan Branch will act as such pursuant to the Servicing Agreement.
<b>Representative of the Noteholders</b>	TMF Trustee Limited, a company whose principal place of business is One Angel Court, 13 <sup>th</sup> floor, EC2R 7HJ London, United Kingdom, will act as such pursuant to, <i>inter alia</i> , the Subscription Agreements, the Intercreditor Agreement and the Mandate Agreement.
<b>Cash Manager</b>	ING Bank N.V., will act as such pursuant to, <i>inter alia</i> , the Cash Allocation, Management and Payments Agreement.
<b>Expenses Account Bank</b>	ING Bank N.V., Milan Branch, will act as such pursuant to, <i>inter alia</i> , the Cash Allocation, Management and Payments Agreement.

<b>Calculation Agent</b>	ING Bank N.V., will act as such pursuant to, <i>inter alia</i> , the Cash Allocation, Management and Payments Agreement.
<b>Dutch Account Bank</b>	ING Bank N.V., will act as such pursuant to, <i>inter alia</i> , the Cash Allocation, Management and Payments Agreement.
<b>Principal Paying Agent</b>	ING Bank N.V., will act as such pursuant to, <i>inter alia</i> , the Cash Allocation, Management and Payments Agreement.
<b>Liquidity Facility Provider</b>	ING Bank N.V., Milan Branch, will act as such pursuant to, <i>inter alia</i> , the Liquidity Facility Agreement.
<b>Swap Counterparty</b>	ING Bank N.V., Milan Branch, will act as such pursuant to, <i>inter alia</i> , the Swap Agreement.
<b>Reporting Entity</b>	ING Bank N.V., Milan Branch. The Reporting Entity is designated as such under the Intercreditor Agreement. The Reporting Entity will act as such pursuant to and for the purposes of article 7(2) of the EU Securitisation Regulation.
<b>Quotaholder</b>	Stichting Leone Arancio, a Dutch foundation ( <i>stichting</i> ) incorporated under the laws of The Netherlands, having its registered office at Luna ArenA, Herikerbergweg 238, Amsterdam 1101 CM, The Netherlands, enrolled with the chamber of commerce of Amsterdam under number 34.389.665.
<b>Sole Arranger</b>	ING Bank N.V., will act as such pursuant to, <i>inter alia</i> , the Intercreditor Agreement.
<b>Underwriter</b>	ING Bank N.V., Milan Branch, will act as such pursuant to, <i>inter alia</i> , the Subscription Agreements.
<b>Listing Agent</b>	The Bank of New York Mellon (Luxembourg) S.A., a bank incorporated under the laws of Grand Duchy of Luxembourg, having its registered office at Vertigo Building – Polaris 2-4 rue Eugène Ruppert – L-2453, Luxembourg.

## 2. THE PRINCIPAL FEATURES OF THE NOTES

<b>The Notes</b>	The Notes will be issued by the Issuer on the Issue Date in the following Classes:
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**Rated Notes** Euro 480,000,000 Class A1 Residential Mortgage-Backed Floating Rate Notes due October 2083 (the "**Class A1 Notes**").

Euro 6,600,000,000 Class A2 Residential Mortgage-Backed Floating Rate Notes due October 2083 (the "**Class A2 Notes**").

**Junior Notes** Euro 920,000,000 Class J Residential Mortgage-Backed Notes due October 2083 (the "**Class J Notes**").

**Nominal amount** The Notes will be entirely issued on the Issue Date for the following nominal amounts:

- Euro 480,000,000 for the Class A1 Notes (the "**Class A1 Notes Nominal Amount**");
- Euro 6,600,000,000 for the Class A2 Notes (the "**Class A2 Notes Nominal Amount**"); and
- Euro 920,000,000 for the Class J Notes (the "**Class J Notes Nominal Amount**" and together with the Class A1 Notes Nominal Amount, the Class A2 Notes Nominal Amount, the "**Total Nominal Amount**").

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

<i>Class</i>	<i>Issue Price</i>
Class A1	100 per cent.
Class A2	100 per cent.
Class J	100 per cent.

**Partly Paid Notes** The Notes will be issued on a partly paid basis, pursuant to the terms provided in Condition 5 (*Partly Paid Notes*). On the Issue Date, the Notes will be issued in an amount equal to the Total Nominal Amount and the Notes Initial Payment will be paid by the Underwriter, in accordance with the Conditions and the Subscription Agreements as initial payment on the Notes in order to finance the purchase of the Initial Portfolio, crediting the initial Retention Amount on the Expenses Account, and to make provision in the Main Transaction Account for funding the payment of the Purchase Price for Subsequent Portfolios on the First Payment Date. Subject to and in accordance with the procedures set forth in Condition 5

(*Partly Paid Notes*) and in the relevant Subscription Agreement, during the Revolving Period the Issuer may deliver to the Noteholders a Notes Further Payment Request requesting to pay the relevant Notes Further Payments and to increase, up to the Total Nominal Amount, the Principal Amount Outstanding of the Notes in order to finance the purchase of Subsequent Portfolios, in accordance with the relevant Priority of Payments.

**Notes Initial Payment**

The Notes Initial Payment will be paid on the Issue Date to the Issuer in the amount of: (i) Euro 389,400,000 with respect to the Class A1 Notes, (ii) Euro 5,354,200,000 with respect to the Class A2 Notes, and (iii) Euro 746,400,000 with respect to the Class J Notes, as set forth under the relevant Subscription Agreement.

**Notes Further Payments**

During the Revolving Period, the Issuer, in accordance with the Conditions and the Transaction Documents, may request the Noteholders to pay the Notes Further Payments, in respect of the relevant Class of Notes, up to the Total Nominal Amount. The Notes Further Payments will provide the Issuer with the necessary funds to proceed with the purchase of Subsequent Portfolios, subject to and in accordance with the Conditions and the terms of the Transaction Documents. Each Notes Further Payment may be requested, provided that (i) the Issuer may request the payment of the Notes Further Payments for an amount not higher than the aggregate of the Class A1 Notes Nominal Amount, the Class A2 Notes Nominal Amount and the Class J Notes Nominal Amount, (ii) the Issuer may request the payment of the Notes Further Payments once every three months, (iii) the total amount of Notes Further Payments in any twelve month period shall not exceed Euro 750,000,000, (iv) the Issuer shall request to pay the Notes Further Payments *pro rata* among all Classes of Notes in order to maintain the initial proportion among all Classes of Notes as of the Issue Date (rounding up the decimals to the benefit of the Class J Notes, if so required), and (v) the maximum aggregate amount of Notes Further Payments shall not exceed Euro 1,510,000,000 during the Revolving Period of the Securitisation.

**Interest on the Notes**

The Class A1 Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at 0.8 per cent. per annum above Euribor for three months deposits in Euro.

The Class A2 Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at 0.9 per cent. per annum above Euribor for three months deposits in Euro.

Interest in respect of each of the Rated Notes will accrue on a daily basis and will be payable in arrears in euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of each Class of Notes will be due on the Payment Date falling in October 2023 in respect of the period from (and including) the Issue Date to (but excluding) such date.

The Interest Rate shall never be less than zero.

The Class J Notes will not bear any interest on their Principal Amount Outstanding.

**Premium on the Junior Notes**

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

**Junior Notes Conditions**

Except for Junior Notes Conditions 8 (*Premium*) and 9.13 (*Early redemption through the disposal of the Portfolio following full redemption of the Rated Notes*) the Junior Notes Conditions are the same, *mutatis mutandis*, as the Rated 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 are issued in bearer (*al portatore*) and dematerialised form (*emesse in forma dematerializzata*) and will be held by Monte Titoli in such form on behalf of the relevant Noteholders until redemption and cancellation thereof for the account of each relevant Monte Titoli Account Holder. The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of the Financial Laws Consolidation Act and the Joint Regulation, as subsequently amended and supplemented from time to

time. No physical document of title will be issued in respect of the Notes.

### **Status and subordination**

In respect of the obligation of the Issuer to pay interest and Premium (where applicable) on the Notes, prior to the delivery of a Trigger Notice: (i) the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to payments of Premium and repayment of principal due on the Class J Notes; and (ii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Class A1 Notes and the Class A2 Notes.

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

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

Following the service of a Trigger Notice, in respect of the obligations of the Issuer to repay principal on the Notes: (i) the Class A1 Notes and the Class A2 Notes will rank *pari passu* and *pro rata* without any preference or

priority amongst themselves and in priority to repayment of principal due on the Class J Notes; and (ii) the Junior Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves, but subordinated to payment in full of all amounts due under the Class A1 Notes and the Class A2 Notes.

**Withholding on the Notes**

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

**Mandatory Redemption**

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

**Optional redemption**

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date, the Issuer may redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Post Trigger Notice Priority of Payments, subject to the Issuer:

- (i) giving not more than 60 (sixty) days and not less than 30 (thirty) days' notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes;
- (ii) delivering to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge all of its outstanding liabilities in respect of the Rated Notes and any other payment in priority to or *pari passu* with the Rated Notes in accordance with the

Post Trigger Notice Priority of Payments and all its outstanding liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders' having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Post Trigger Notice Priority of Payments; and

- (iii) having notified such redemption to the Rating Agencies prior to the relevant Payment Date on which such redemption shall occur.

**Final Maturity Date**

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

**Segregation of Issuer's rights**

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

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

Neither the Master Portfolio nor any moneys or deposits standing to the credit of the accounts held by or on behalf of the Issuer, may be seized or attached in any form by creditors of the Issuer other than the Noteholders, the Other Issuer Creditors and any other creditor of the Issuer



in respect of costs, fees and expenses incurred in relation to the Securitisation, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents within 10 (ten) days from notification of such failure, to exercise all the Issuer's rights, powers and discretion under the Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Master Portfolio and the Issuer's rights. Italian law governs the delegation of such power. In addition, security over certain rights of the Issuer arising out of certain Transaction Documents will be granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Dutch Deed of Pledge and the Security Assignment, for the benefit of itself, the Noteholders and the Other Issuer Creditors.

### **Trigger Events**

If any of the following events occurs:

*a) Non-payment*

the Issuer defaults in the payment of the amount of interest and/or principal due and payable on the Rated Notes and such default is not remedied within a period of 5 (five) Business Days from the due date thereof.

*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 to pay principal or interest in respect of the Notes) and such default (a) is in the opinion of the Representative of the Noteholders, incapable of being remedied or (b) being a default which is, in the opinion of the Representative of the Noteholders, capable of being remedied remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given

written notice of such default to the Issuer requiring the same to be remedied.

c) *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer.

d) *Unlawfulness*

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

then the Representative of the Noteholders, subject to Rated Notes Condition 13.3 (*Conditions to delivery of Trigger Notice*),

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

serve a Trigger Notice on the Issuer declaring the Notes to be due and repayable, whereupon they will become so due and repayable, following which (i) the Issuer will refrain from purchasing any Subsequent Portfolio and the Revolving Period shall terminate; (ii) all payments of principal, interest, Premium and other amounts due in respect of the Notes will become immediately due and payable without further action or formality and will be made according to the Post Trigger Notice Priority of Payments and on such dates as the Representative of the Noteholders may determine.

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

Furthermore, the Issuer will notify the Representative of the Noteholders and the Rating Agencies as soon as it becomes aware of the occurrence of a Trigger Event.

### **Non petition**

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

- (i) no Noteholder or Other Issuer Creditor is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security and no Noteholder or Other Issuer Creditor (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled to take any proceedings against the Issuer to enforce the Security;
- (ii) no Noteholder or Other Issuer Creditor (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;
- (iii) until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any further securitisations undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder or Other Issuer Creditor (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all the Noteholders and only if the representative of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

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

**Limited recourse obligations of Issuer**

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders and Other Issuer Creditor (including the Swap Counterparty in relation to all payments due to it under the Swap Agreement other than those in respect of any return of collateral posted by it (if any)), are limited in recourse as set out below:

- (i) each Noteholder and Other Issuer Creditor will have a claim only in respect of the Interest Available Funds, the Principal Available Funds or the Issuer Available Funds, as applicable, and at all times only in accordance with the applicable Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;
- (ii) sums payable to such Noteholder or Other Issuer Creditor in respect of the Issuer's obligations to such Other Issuer Creditor (including the Swap Counterparty in relation to all payments due to it under the Swap Agreement other than those in respect of any return of collateral posted by it (if any)), shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Other Issuer Creditor, (b) the Interest Available Funds, the Principal Available Funds, or the Issuer Available Funds, as the case may be, net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with sums payable to such Party; provided that, the Parties agree that if the Issuer Available Funds are insufficient to pay any amount due and payable to the Noteholders and the Other Issuer Creditors, the shortfall then occurring will not be due and payable until a subsequent Payment Date on which the Issuer Available Funds may be used for such purpose in accordance with the relevant Priority of Payments, provided however that any such shortfall will not accrue interest unless

otherwise provided in the Transaction Documents; and

- (iii) if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further proceeds in respect of the Master Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 17 (*Notices*) that there is no reasonable likelihood of there being any further proceeds in respect of the Master Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders and Other Issuer Creditors shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

**The Organisation of the Noteholders and the Representative of the Noteholders**

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

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who is appointed by the subscriber(s) of the Rated Notes in the Rated Notes Subscription Agreement and by the subscriber(s) of the Junior Notes in the Junior Notes Subscription Agreement. Each Noteholder is deemed to accept such appointment.

**Expected weighted average duration of the Rated Notes**

Class A1	3.6 years
Class A2	9.8 years

**Rating**

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

<i>Class</i>	<i>DBRS</i>	<i>Fitch</i>
Class A1	AAA(sf)	AAsf
Class A2	AAA(sf)	AAsf

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

**Listing**

Application has been made to the Luxembourg Stock Exchange for the Rated Notes to be admitted to the Official List and trading on its regulated market. The Prospectus has been approved by the CSSF, as competent authority under the Prospectus Regulation. The CSSF only approves the Prospectus as meeting the requirements imposed under Luxembourg and EU law pursuant to the Prospectus Regulation.

**Governing Law**

The Notes will be governed by Italian Law.

**Material Net Economic Interest in the Securitisation and other EU Securitisation Regulation requirements**

**Retention Option**

Under the Transaction Documents, ING, in its capacity as the Originator, has undertaken to, *inter alios*, the Issuer, and the Representative of the Noteholders to:

- (i) retain with effect from the Issue Date and maintain (on an ongoing basis) a material net economic interest of not less than 5 per cent. in the Securitisation in accordance with article 6, sub-paragraph 3, let. (a) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards (or any other permitted alternative method thereafter) until the Final Maturity Date;

- (ii) disclose that it continues to fulfil the obligation to maintain the material net economic interest in the Securitisation in accordance with article 6, subparagraph 3, let. (a) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and give such information to the Noteholders and prospective investors through the Securitisation Regulation Investor Report;
- (iii) ensure that Noteholders and prospective investors have readily available access to all information as it would be necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties under articles 6, 7 and 9 of the EU Securitisation Regulation;
- (iv) disclose through the Securitisation Regulation Investor Report any change to the manner in which the material net economic interest set out above is held, to the extent this is permitted under any applicable regulation; and
- (v) use its best endeavours to make available all such additional information in its possession which may be reasonably required by the regulatory authorities in connection with items (i) to (iv) above,

subject always to any requirement of law.

### **Reporting Entity**

Under the Intercreditor Agreement, the Originator and the Issuer have agreed that the Originator is designated and will act as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2 of the EU Securitisation Regulation. In such capacity as Reporting Entity, the Originator shall fulfil the information requirements pursuant to points letters (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1, of the EU Securitisation Regulation by making available the relevant information on the Securitisation Repository's web-site (<https://eurodw.eu/>).

## **3. ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS**

**Issuer Available Funds** The Issuer Available Funds, in respect of any Payment Date, are constituted by the aggregate of the Interest Available Funds and the Principal Available Funds.

**Interest Available Funds**

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

- (i) all amounts collected by the Servicer in respect of the Receivables on account of interest, fees and pre-payment penalties during the immediately preceding Collection Period and credited to the Main Transaction Account;
- (ii) all Recoveries collected by the Servicer during the immediately preceding Collection Period and credited to the Main Transaction Account;
- (iii) all amounts of interest accrued (net of any withholding or expenses, if due) and available on the Accounts during the immediately preceding Interest Period and all amounts of interest accrued and paid on the Liquidity Reserve Account;
- (iv) any amounts drawn down by the Issuer under the Liquidity Facility Agreement;
- (v) any payments to be received from the Swap Counterparty on or immediately prior to such Payment Date, pursuant to the Swap Agreement (excluding any Swap Collateral which the Swap Counterparty may be required to post pursuant the Swap Agreement);
- (vi) any amounts allocated on such Payment Date under item *First* of the Pre-Trigger Notice Principal Priority of Payments;
- (vii) any amounts allocated on such Payment Date under item *Tenth* of the Pre-Trigger Notice Principal Priority of Payments;
- (viii) on the Payment Date on which the Notes are to be redeemed in full, any amount standing to the credit of the Expenses Account;
- (ix) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement during the immediately preceding Collection Period;
- (x) any part of the Commingling Risk Amount to be applied as indemnity for losses as a result of



commingling risk, to the extent not relating to principal; and

- (xi) all other payments received from the Originator which do not qualify as Principal Available Funds and which have been credited to the Main Transaction Account during the immediately preceding Collection Period.

**Principal Available Funds**

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

- (i) all amounts collected by the Servicer in respect of the Receivables on account of principal during the immediately preceding Collection Period and credited to the Main Transaction Account;
- (ii) the Interest Available Funds, if any, to be credited to the Principal Deficiency Ledger on such Payment Date under item *Seventh* of the Pre Trigger Notice Interest Priority of Payments;
- (iii) any funds transferred under item *Eighth* of the Pre Trigger Notice Interest Priority of Payments;
- (iv) all the proceeds deriving from the sale, if any, of the Master Portfolio in accordance with the Transaction Documents;
- (v) any amounts (if any) paid by the Originator to the Issuer pursuant to the Warranty and Indemnity Agreement including any amount advanced as limited recourse loan pursuant to clause 6.1 of the Warranty and Indemnity Agreement;
- (vi) any amounts (other than the amounts already allocated under other items of the Principal Available Funds and the Interest Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (excluding any amount, if any, received as Swap Collateral under the Swap Agreement, but including any proceeds deriving from the enforcement of the Issuer's rights under the Transaction Documents);
- (vii) any part of the Commingling Risk Amount to be applied as indemnity for losses of scheduled principal on the Receivables as a result of

commingling risk, to the extent relating to principal; and

- (viii) the proceeds deriving from the Notes Initial Payment and any Notes Further Payments made in respect of the Notes.

**Pre-Trigger Notice  
Interest Priority of  
Payments**

Prior to the delivery of a Trigger Notice or upon full redemption of all the Notes pursuant to any provision of Rated Notes Condition 9 (*Redemption, purchase and cancellation*), other than Rated Notes Condition 9.3 (*Optional redemption*), the Interest Available Funds will be applied on each Payment Date in making the following payments in the following order of priority:

- (i) *First*, to pay (i) *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period) and (ii) to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;
- (ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;
- (iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Swap Counterparty, the Cash Manager, the Account Banks, the Calculation Agent, the Principal Paying Agent, the Corporate Services Provider and the Servicer;
- (iv) *Fourth*, to pay to the Liquidity Facility Provider *pari passu* and *pro rata*: (i) all amounts due and payable in respect of any commitment fee; (ii) all amounts due and payable in respect of any interest and principal on any Revolving Advances; and (iii) up to an amount equal to the interest accrued

and paid on the immediately preceding Quarterly Collection Period on the relevant Liquidity Reserve Account, all amounts due and payable in respect of any interest on any Reserve Advances, in accordance with the terms of the Liquidity Facility Agreement;

- (v) *Fifth*, to pay to the Swap Counterparty any amount due and payable under the Swap Agreement, including any hedging termination payments upon early termination of the Swap Agreement, except where the Swap Counterparty is the Defaulting Party or the Sole Affected Party;
- (vi) *Sixth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A1 Notes and on the Class A2 Notes on such Payment Date;
- (vii) *Seventh*, in or towards making good any shortfall reflected in the Principal Deficiency Ledger until the debit balance, if any, of the Principal Deficiency Ledger is reduced to zero by allocating the relevant amounts to the Principal Available Funds;
- (viii) *Eighth*, to transfer to the Principal Available Funds an amount equal to the amounts, if any, allocated on the immediately preceding Payment Date and on any preceding Payment Date as Interest Shortfall Amount;
- (ix) *Ninth*, to pay to the Liquidity Facility Provider all amounts of interest due and payable in respect of any Reserve Advances and not already paid under item *Fourth, limb(iii)* above;
- (x) *Tenth*, to pay to the Originator in respect of each Portfolio transferred to the Issuer in accordance with the Master Receivables Purchase Agreement, the portion of the Individual Purchase Price constituted by any Accrued Interest of the Receivables included in any such Portfolio;
- (xi) *Eleventh*, to pay any amounts due and payable to the Swap Counterparty under the Swap Agreement, in addition to the amounts paid under item *Third* and *Fifth* above;
- (xii) *Twelfth*, to pay all amounts of principal due and payable to the Liquidity Facility Provider under

the Liquidity Facility Agreement (other than any amount paid under item *Fourth* and *Ninth* above);

- (xiii) *Thirteenth*, to pay, *pari passu* and *pro rata*, the Premium on the Junior Notes.

**Pre-Trigger Notice  
Principal Priority of  
Payments**

Prior to the delivery of a Trigger Notice or upon full redemption of all the Notes pursuant to any provision of Rated Notes Condition 9 (*Redemption, purchase and cancellation*), other than Rated Notes Condition 9.3 (*Optional redemption*), the Principal 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, or allocated, in full):

- (i) *First*, to pay any amount payable as Interest Shortfall Amount, to the extent that the Interest Available Funds (following application of the amounts drawn down by the Issuer under the Liquidity Facility Agreement under item (iv) of the definition of Interest Available Funds) are not sufficient on such Payment Date to make such payments in full;
- (ii) *Second*, to pay to the Originator - or to reserve such amount in satisfaction of -, in respect of each Subsequent Portfolio transferred to the Issuer in accordance with the Master Receivables Purchase Agreement, the portion of the Individual Purchase Price constituted by the Outstanding Principal Due of the Receivables included in any such Subsequent Portfolio;
- (iii) *Third*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Class A1 Notes until the Class A1 Notes are redeemed in full;
- (iv) *Fourth*, all amounts outstanding in respect of principal on the Class A2 Notes until the Class A2 Notes are redeemed in full;
- (v) *Fifth*, to pay to the Liquidity Facility Provider any other amounts due under the Liquidity Facility Agreement (other than those already paid under the Pre-Trigger Notice Interest Priority of Payments);

- (vi) *Sixth*, to pay to the Swap Counterparty any other amounts due under the Swap Agreement (other than those already paid under the Pre-Trigger Notice Interest Priority of Payments);
- (vii) *Seventh*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Junior Notes;
- (viii) *Eighth*, to pay to the Originator any Adjusted Purchase Price pursuant to clause 5 of the Master Receivables Purchase Agreement;
- (ix) *Ninth*, to pay any amount due and payable under the Transaction Document, to the extent not already paid or payable under other items of this Priority of Payments;
- (x) *Tenth*, to transfer to the Interest Available Funds any remaining amount after all the other payments under this Principal Priority of Payments have been made in full.

**Post Trigger Notice  
Priority of Payments**

At any time following the service of a Trigger Notice, or, should the Issuer exercise its right to early redeem Notes pursuant to Rated Notes Condition 9.3 (*Optional redemption*), all the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made or allocated in full):

- (i) *First*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);
- (ii) *Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (a) the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents; and (b) the remuneration and any indemnity amount due to any receiver and any proper costs and expenses incurred by it in

connection with the Security Assignment and the Dutch Deed of Pledge;

- (iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Swap Counterparty, the Cash Manager, the Account Banks, the Calculation Agent, the Principal Paying Agent, the Corporate Services Provider and the Servicer;
- (iv) *Fourth*, to pay to the Swap Counterparty any amount due and payable under the Swap Agreement, including any swap termination payments upon early termination of the Swap Agreement, except where the Swap Counterparty is the Defaulting Party or the Sole Affected Party;
- (v) *Fifth*, to pay to the Liquidity Facility Provider any amounts due under the Liquidity Facility Agreement;
- (vi) *Sixth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A1 Notes and on the Class A2 Notes on such Payment Date;
- (vii) *Seventh*, to pay, *pari passu* and *pro rata*, all amounts in respect of principal outstanding on the Class A1 Notes and on the Class A2 Notes;
- (viii) *Eighth*, to pay any amounts due and payable to the Swap Counterparty under the Swap Agreement, in addition to the amounts paid under item *Third* and *Fourth* above;
- (ix) *Ninth*, to pay to the Originator any Adjusted Purchase Price pursuant to clause 5 of the Master Receivables Purchase Agreement;
- (x) *Tenth*, to pay to the Originator any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;
- (xi) *Eleventh*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal due and payable on the Junior Notes; and

- (xii) *Twelfth*, to pay, *pari passu* and *pro rata*, the Premium on the Junior Notes.

#### 4. **TRANSFER OF THE INITIAL PORTFOLIO AND OF THE SUBSEQUENT PORTFOLIOS**

##### **The Master Portfolio**

The principal source of payment of interest and Premium and of repayment of principal on the Notes will be collections and recoveries made in respect of the Portfolios purchased from time to time during the Revolving Period by the Issuer pursuant to the terms of the Master Receivables Purchase Agreement.

In accordance with the Securitisation Law and subject to the terms and conditions of the Master Receivables Purchase Agreement, the Portfolios will be assigned and transferred to the Issuer without recourse (*pro soluto*) against the Originator in the case of a failure by any of the Debtors to pay amounts due under the Mortgage Loan Agreements.

The purchase price for each Portfolio will be funded by the Issuer (subject to the conditions set out in the Master Receivables Purchase Agreement being fulfilled) (i) upon transfer of the Initial Portfolio, through the Notes Initial Payment; and (ii) upon transfer of each Subsequent Portfolio, through, and within the limits of, the Principal Available Funds in accordance with the applicable Priority of Payments.

During the Revolving Period the Issuer will use the Principal Available Funds from the Initial Portfolio and from any Subsequent Portfolio and, if needed be, from the proceeds of any Notes Further Payments pursuant to the provisions of the Conditions and the Subscription Agreements, to purchase Subsequent Portfolios of Receivables from the Originator. It shall be noted that each Notes Further Payment may be requested, provided that: (i) the Issuer may request the payment of the Notes Further Payments for an amount not higher than the aggregate of the Class A1 Notes Nominal Amount, the Class A2 Notes Nominal Amount and the Class J Notes Nominal Amount, (ii) the Issuer may request the payment of the Notes Further Payments once every three months, (iii) the total amount of Notes Further Payments in any twelve month period shall not exceed Euro 750,000,000, (iv) the Issuer shall request to pay the Notes Further Payments *pro rata* among all Classes of Notes in order to maintain the initial proportion among all Classes of Notes

as of the Issue Date (rounding up the decimals to the benefit of the Class J Notes, if so required), and (v) the maximum aggregate amount of Notes Further Payments shall not exceed Euro 1,510,000,000 during the Revolving Period of the Securitisation.

The Receivables included in each Portfolio to be purchased by the Issuer have been, with respect to the Initial Portfolio, and will be, with respect to each Subsequent Portfolio, selected on the basis of the Common Criteria and Specific Criteria, pursuant to the Master Receivables Purchase Agreement.

See for further details "*The Master Portfolio*" and "*Description of the Transaction Documents - The Master Receivables Purchase Agreement*".

### **Servicing of the Master Portfolio**

On 1 September 2023, the Servicer and the Issuer entered into the Servicing Agreement, pursuant to which the Servicer has agreed to collect the Receivables and to administer and service the Master Portfolio on behalf of the Issuer in compliance with the Securitisation Law.

The Servicer has undertaken to prepare and submit, *inter alia*, to the Issuer, on or before each Servicer's Report Date, a Servicer's Report and no later than the Securitisation Regulation Report Date, a Loan Level Report, prepared in accordance with letter (a) of article 7, paragraph 1, of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, providing key information relating to the Master Portfolio and the Servicer's activity during the relevant Collection Period. In addition, under the terms of the Servicing Agreement, the Servicer will prepare and submit, *inter alia*, to the Issuer, the Cash Flow and Amortisation Report, on or before the date of delivery of the Loan Level Report, and the Inside Information and Significant Event Reports, if the Servicer becomes aware of (i) any event that, in the opinion of the Servicer constitutes inside information that shall be made public in accordance with Article 7(i)(g)) of the EU Securitisation Regulation, or (ii) a significant event (as referred to in Article 7(1)(g)) of the EU Securitisation Regulation (including, *inter alia*, the occurrence of Purchase Termination Events and/or Trigger Events, the delivery of any Trigger Notice to the Noteholders, any changes to the Priority of Payments and any material change occurred after the Issue Date to the Credit and Collections Policies).



See for further details "*Description of the Transaction Documents - The Servicing Agreement*".

**Warranties and indemnities**

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

5. **CREDIT STRUCTURE**

**Intercreditor Agreement**

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

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

**Cash Allocation, Management and Payments Agreement**

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

The Calculation Agent has agreed to prepare, on or prior to each Calculation Date, the Payments Report containing details of amounts to be paid by the Issuer on the Payment Date following such Calculation Date in accordance with the Priority of Payments. On each Payment Date, the Principal Paying Agent shall apply amounts transferred

to it out of the Main Transaction Account in making payments to the Noteholders in accordance with the Priority of Payments, as set out in the Payments Report.

In addition, pursuant to the terms of the Cash Allocation Management and Payments Agreement, starting from the month on which the First Payment Date falls, the Calculation Agent has agreed to prepare, (i) within each Securitisation Regulation Report Date and (ii) without delay in case any significant event in accordance with points (f) and (g) of article 7, paragraph 1 of the EU Securitisation Regulation occurs, a report substantially in the form set out under the respective Annex 'XII' of the Disclosure RTS or in any other form from time to time applicable in order to fulfil the investor reporting requirements under article 7, paragraph 1, letter (e) of the EU Securitisation Regulation and in compliance with Regulatory Technical Standards (the "**Securitisation Regulation Investor Report**").

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

### **Mandate Agreement**

Under the terms of the Mandate Agreement, the Representative of the Noteholders will be entitled to exercise its rights under the Transaction Documents within 10 (ten) days from the notification of such failure, and fulfilment of certain other conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party upon the occurrence of at least one of the following events: (i) a Trigger Notice has been sent to the Issuer according to Condition 13.2 (*Delivery of Trigger Notice*); or (ii) the Issuer fails to timely exercise any of its rights under the Transaction Documents and fails to fulfil certain conditions, provided that the notification of such failure is given by the Representative of the Noteholders to the Issuer and further provided that such failure is not remedied by the Issuer within 10 (ten) Business Days from the notification above.

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

### **Swap Agreement**

On 7 September 2023, the Issuer has entered into an interest rate swap agreement with the Swap Counterparty (intended to be effective as from the Issue Date), pursuant to which the Swap Counterparty will hedge certain risks

arising as a result of the interest rate mismatch between the rate of interest received by the Issuer in respect of the Receivables and the floating rate of interest payable by the Issuer under the Class A Notes (the "**Swap Transaction**"). The Swap Agreement comprises a 1992 ISDA Master Agreement and Schedule thereto, a 1995 ISDA Credit Support Annex thereto and the Swap Transaction.

See for further details "*Description of the Transaction Documents - The Swap Agreement*".

**Corporate Services Agreement**

Under the terms of the Issuer Corporate Services Agreement between the Issuer and the Corporate Services Provider, the Corporate Services Provider has agreed to provide certain corporate administrative services to the Issuer.

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

**Dutch Deed of Pledge**

Under the terms of the Dutch Deed of Pledge, the Issuer has granted to the Representative of the Noteholders a pledge over the Issuer's rights in respect of the Main Transaction Account and the Swap Collateral Account.

See for further details "*Description of the Transaction Documents - The Dutch Deed of Pledge*".

**Security Assignment**

Under the terms of the Security Assignment, the Issuer, *inter alia*, has assigned and will assign absolutely with full title guarantee to the Representative of the Noteholders (as trustee for the Noteholders and the Other Issuer Creditors) all the Issuer's present and future rights, title, benefit and interest arising from the Swap Agreement (subject to the netting and set-off provisions therein) and all payments due to it thereunder.

See for further details "*Description of the Transaction Documents - The Security Assignment*".

**Liquidity Facility Agreement**

Under the terms of the Liquidity Facility Agreement, the Liquidity Facility Provider has made available to the Issuer the Liquidity Facility in an initial amount equal to Euro 80,000,000 to be drawn down by the Issuer on each Payment Date in the amount of the Interest Shortfall Amount calculated on the Calculation Date preceding each such Payment Date and forming part of the Interest Available Funds, in order to make the payments under items from *First* to *Sixth* of the Pre Trigger Notice

Interest Priority of Payments, to the extent that the Interest Available Funds (excluding any amount drawn down from the Liquidity Facility on any such Payment Date under item (iv) of the Interest Available Funds) are not sufficient to make such payments in full on such Payment Date.

See for further details "*The Transaction Documents - the Liquidity Facility Agreement*".

**Principal Deficiency Ledger**

Under the Cash Allocation, Management and Payments Agreement, the Calculation Agent has agreed to manage and maintain the Principal Deficiency Ledger for and on behalf of the Issuer. The Issuer (or the Calculation Agent on its behalf) will record as a debit entry in the Principal Deficiency Ledger on any Payment Date an amount equal to any Realised Loss from time to time. The Issuer (or the Calculation Agent on its behalf) will record as a credit entry in the Principal Deficiency Ledger on any Payment Date any amount paid according to the item *Seventh* of the Pre-Trigger Notice Interest Priority of Payments.

6. **THE TRANSACTION ACCOUNTS**

**Main Transaction Account**

Pursuant to the Servicing Agreement and the Cash Allocation, Management and Payments Agreement, the Servicer shall credit to the Main Transaction Account established in the name of the Issuer with the Dutch Account Bank, all the amounts received or recovered in respect of the Master Portfolio during each Collection Period.

All amounts payable by the Issuer on each Payment Date will, on the same Payment Date, be transferred into the Main Transaction Account and paid out of the Main Transaction Account by the Issuer in accordance with the applicable Priority of Payments, in the amounts set out in the Payments Report.

The Main Transaction Account has been opened and will be maintained with the Dutch Account Bank, for as long as the Dutch Account Bank is an Eligible Institution.

**Expenses Account**

The Issuer has established with ING Bank N.V., Milan Branch the Expenses Account into which (i) on the Issue Date the Retention Amount will be credited, and (ii) on each Payment Date, in accordance with the Pre-Trigger Notice Interest Priority of Payments and subject to the

availability of sufficient Interest Available Funds, the amount necessary (if any) to replenish the Expenses Account up to (but not in excess of) the Retention Amount will be credited.

Any amounts standing to the credit of the Expenses Account will be used by the Issuer to pay any Expenses.

**Swap Collateral Account**

The Issuer has established with the Dutch Account Bank the Swap Collateral Account in accordance with the Intercreditor Agreement and the Cash Allocation Management and Payments Agreement. The Issuer may from time to time open additional cash and/or securities accounts for the purposes of depositing other forms of collateral which may be posted by the Swap Counterparty under the Swap Agreement. Should the Issuer fail to return, when due in accordance with the Swap Agreement, to the Swap Counterparty all or part of the Collateral standing to the credit of the Swap Collateral Account, the Swap Counterparty will have the right, and so is hereby authorised by the Issuer, to instruct, in the name and on behalf of the Issuer, the Dutch Account Bank to credit such Collateral to the Swap Counterparty.

**Liquidity Reserve Account**

The Issuer may establish with the Dutch Account Bank the Liquidity Reserve Account into which the Reserve Advance will be credited if (i) the Liquidity Facility Provider is not willing to extend the Expiry Date or (ii) if there has been a Downgrading, in each case pursuant to the terms of the Liquidity Facility Agreement.

**Equity Capital Account**

The Issuer has opened with ING Bank N.V., Milan Branch the Equity Capital Account, into which the quota capital account of the Issuer has been deposited.

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

7. OVERVIEW OF CREDIT RATING TRIGGERS

<b>Transaction Party:</b>	<b>Required Credit Ratings:</b>	<b>Contractual requirements on occurrence of breach of credit ratings trigger include the following:</b>
<b>Dutch Account Bank</b>	<p><b><u>In the case of Fitch:</u></b> an entity whose "Deposit Rating" or "Issuer Default Rating" is at least 'F1' or 'A-' (or such other rating which will not affect the rating of the Rated Notes), or which is guaranteed by an entity whose "Deposit Rating" or "Issuer Default Rating" is at least 'F1' or 'A-', and the relevant guarantee issued by such entity complies with the criteria then established for such purposes by Fitch.</p> <p><b><u>In the case of DBRS:</u></b> a minimum rating of 'A', where the rating of the relevant institution shall be calculated as the higher of:</p> <ul style="list-style-type: none"> <li>• the rating one notch below the relevant institution's DBRS Critical Obligation Rating (COR); and</li> <li>• the long-term senior unsecured debt rating or the long-term deposit rating assigned by DBRS to the relevant institution.</li> </ul>	<p>The Dutch Account Bank shall:</p> <p>(i) procure, within 60 (sixty) calendar days from the occurrence of such trigger, the transfer of the Accounts (other than the Expenses Account) to another bank selected by the Issuer (and approved by the Representative of the Noteholders) which is an Eligible Institution, and which shall assume the role of Account Bank upon the terms of the Cash Allocation, Management and Payments Agreement; or</p> <p>(ii) obtain, within 60 (sixty) calendar days from the occurrence of such trigger, a guarantee of its obligations under the Cash Allocation, Management and Payments Agreement on terms acceptable to the Representative of the Noteholders from a financial institution which is an Eligible Institution.</p>
<b>Servicer</b>	<p><b><u>In the case of Fitch:</u></b> an entity whose long-term "Issuer Default Rating" or "Deposit Rating" is at least 'A-' or whose</p>	<p>The Servicer shall (i) open, as soon as reasonably practicable and, in any event, within</p>

short-term "Issuer Default Rating" or "Deposit Rating" is at least 'F1'.

**In the case of DBRS:** an entity whose long term rating is at least 'BBB(low)' and whose short term rating is at least 'R-2(low)'.

14 (fourteen) calendar days from the occurrence of such trigger (or such other period as may be determined to be applicable by or acceptable to the Rating Agencies from time to time), an escrow account in the name of the Issuer, for its own account, with a party having at least the required Eligible Institution's credit ratings, and (ii) transfer to such escrow account an amount equal to the Commingling Risk Amount. The aforementioned deposit of Commingling Risk Amount shall no longer be required if the Servicer has ensured that (i) the Borrowers are notified that they should immediately make their payments to the Main Transaction Account, (ii) the Servicer transfers the Collections, within the Business Day immediately following the day on which any such Collections has been settled, to the Main Transaction Account, (iii) payments to be made with respect to amounts received by the Servicer will be guaranteed by way of an unlimited and unconditional guarantee by a party having at least the required Eligible Institution's credit ratings, or, if (i), or (ii) or (iii) is not reasonably practicable, (iv) take

such other action that would result in the Rating Agencies continuing the then current ratings of the Class A Notes. For the avoidance of doubt, the Commingling Risk Amount deposited as collateral, will only form part of the Issuer Available Funds to make good any shortfall in Collections as a result of corresponding interest or principal amounts having been trapped in the estate of the Originator. Consequently, any part of the Commingling Risk Amount shall be applied:

(a) with respect to the Interest Available Funds, as indemnity for losses as a result of commingling risk, to the extent not relating to principal; and

(b) with respect to the Principal Available Funds, as indemnity for losses of scheduled principal on the Receivables as a result of commingling risk, to the extent relating to principal.

**Liquidity  
Facility  
Provider**

**In the case of Fitch:** an entity whose "Issuer Default Rating" or "Deposit Rating" is at least 'F1' or 'A-' (or such other rating which will not affect the rating of the Rated Notes), or which is guaranteed by an entity, whose "Issuer Default Rating" or "Deposit Rating" is at

The Liquidity Facility Provider shall advance to the Issuer an amount equal to the amount of the Available Commitment or:



least 'F1' or 'A-', and the relevant guarantee issued by such entity complies with the criteria then established for such purposes by Fitch.

**In the case of DBRS:** a minimum rating of 'A', where the rating of the relevant institution shall be calculated as the higher of:

- the rating one notch below the relevant institution's DBRS Critical Obligation Rating (COR); and
- the long-term senior unsecured debt rating or the long term deposit rating assigned by DBRS to the relevant institution.

(i) a Substitute Liquidity Facility Provider, being a bank which has the Minimum Rating, the payments of interest due to which shall not be subject to withholding taxes in Italy and which is willing to provide a committed facility on the same terms as those of the Liquidity Facility Agreement, is appointed within 60 (sixty) calendar days for Fitch and 30 (thirty) for DBRS from the occurrence of such trigger, or

(ii) an unconditional and irrevocable guarantee is granted, within 60 (sixty) calendar days for Fitch and 30 (thirty) for DBRS from the occurrence of such trigger and in any case no later than 5 Business Days prior to the immediately following Payment Date, by an Eligible Institution guaranteeing the Liquidity Facility Provider's payment obligations under the Liquidity Facility Agreement.

**Swap  
Counterparty**

**In the case of Fitch:**

- First required ratings: A- (long-term rating) or F1 (short-term rating).
- Second required rating: BBB- (long-term rating) or F3 (short-term rating).

***Breach of first required rating:*** no later than 14 (fourteen) calendar days in the case of Fitch and no later than 30 Business Days in the case of DBRS, the Swap Counterparty shall, at its own expense, transfer Eligible Credit Support (as defined in the

**In the case of DBRS:**

- First required ratings: A.
- Second required ratings: BBB.

Schedule) to the Issuer in accordance with the terms of the Credit Support Annex and, following such transfer, maintain Swap Collateral as required under the Credit Support Annex and/or take such other action (which may, for the avoidance of doubt, include taking no action) provided that the Rating Agencies are given prior notification of such other action (or inaction) and the rating by the Rating Agencies of the Rated Notes following the taking of such action (or inaction) is maintained at, or restored to, the level at which it was immediately prior to such breach.

***Breach of second required rating:***

in respect of Fitch:

the Swap Counterparty shall, at its own expense, and within 60 (sixty) calendar days, use commercially reasonable efforts to:

- (i) provide, or cause to be provided, an Eligible Guarantee (as defined in the Schedule) to the Issuer from an Eligible Guarantor (as defined in the Schedule) meeting Fitch second required ratings in respect of all the Swap Counterparty's present and future

obligations under the Swap Agreement; or

(ii) transfer the Swap Counterparty's rights and obligations under the Swap Agreement and all Confirmations pursuant to a Qualifying Novation (as defined in the Schedule) to an Eligible Replacement (as defined in the Schedule) meeting Fitch second required ratings.

If, immediately prior to the breach of Fitch second required ratings, the Swap Counterparty is required to transfer and maintain Eligible Credit Support following a breach of Fitch first required ratings, the Swap Counterparty shall continue to maintain Eligible Credit Support under the Credit Support Annex and shall transfer any additional required Eligible Credit Support following a breach of Fitch second required ratings to the extent required under the Credit Support Annex.

If, immediately prior to breach of Fitch second required ratings, the Swap Counterparty is not required to transfer and maintain Eligible Credit Support following a breach of Fitch first required ratings, then the Swap Counterparty shall, in accordance with the

terms of the Credit Support Annex, transfer Swap Collateral within 14 (fourteen) calendar days of such breach and maintain Eligible Credit Support until the Swap Counterparty has provided to the Issuer an Eligible Guarantee (as defined in the Schedule) from an Eligible Guarantor (as defined in the Schedule) meeting Fitch second required ratings in respect of all Swap Counterparty's present and future obligations under the Swap Agreement or transferred its rights and obligations pursuant to a Qualifying Novation (as defined in the Schedule) to an Eligible Replacement (as defined in the Schedule) meeting the second required ratings in accordance with terms of the Schedule. In addition, the Swap Counterparty shall continue to use commercially reasonable efforts to either transfer its rights and obligations pursuant to a Qualifying Novation (as defined in the Schedule) or to provide an Eligible Guarantee (as defined in the Schedule) in accordance with terms of the Schedule.

In respect of DBRS:

no later than 30 Business Days following the

occurrence of breach of DBRS second required ratings, the Swap Counterparty shall, at its own expense and as soon as reasonably practicable, use commercially reasonable efforts to:

(i) provide, or cause to be provided, to the Issuer an Eligible Guarantee (as defined in the Schedule) from a guarantor meeting DBRS first required ratings in respect of all Swap Counterparty's present and future obligations under the Swap Agreement provided that DBRS may request a legal opinion to be given by a law firm and disclosed to it within 30 Business Days after the date of such Eligible Guarantee (as defined in the Schedule) confirming that none of the guarantor's payments to Issuer will be subject to deduction or withholding for tax; or transfer Swap Counterparty's rights and obligations under the Swap Agreement and all Confirmations pursuant to a Qualifying Novation (as defined in the Schedule) to an Eligible Replacement (as defined in the Schedule) meeting the DBRS first required ratings provided that DBRS may request a legal opinion to be given by a law firm and disclosed to it within 30

Business Days after the completion of any such transfer (A) confirming that none of Transferee's payments (as defined in the Schedule) to the Issuer will be subject to deduction or withholding for tax; (B) regarding the general capacity of the Transferee; and (C) confirming that the Swap Agreement constitutes Transferee's legal, valid, binding and enforceable obligations; or

(ii) take such other action (which may, for the avoidance of doubt, include taking no action) provided that the Rating Agencies are given prior notification of such action (or inaction) and the rating by the Rating Agencies of the Rated Notes following taking of such action (or inaction) is maintained at, or restored to, the level at which it was immediately prior to this breach.

If, immediately prior to the breach of DBRS second required ratings, the Swap Counterparty was required to deliver and maintain Eligible Credit Support following a breach of DBRS first required ratings, the Swap Counterparty shall continue to maintain Eligible Credit Support under the Credit Support Annex and shall transfer any additional required

Eligible Credit Support following a breach of DBRS second required ratings, in accordance with the Credit Support Annex.

If, immediately prior to the breach of DBRS second required ratings, the Swap Counterparty was not required to transfer and maintain Eligible Credit Support following a breach of DBRS first required ratings, then the Swap Counterparty shall, in accordance with the terms of the Credit Support Annex, transfer Eligible Credit Support within 30 Business Days of breach of DBRS second required ratings and maintain Eligible Credit Support until Swap Counterparty has provided an Eligible Guarantee (as defined in the Schedule) from a guarantor meeting the DBRS second required ratings in respect of all Swap Counterparty's present and future obligations under the Swap Agreement or has transferred its rights and obligations pursuant to a Qualifying Novation (as defined in the Schedule) to an Eligible Replacement (as defined in the Schedule) meeting the DBRS first required ratings in accordance with terms of the Schedule. In addition, the

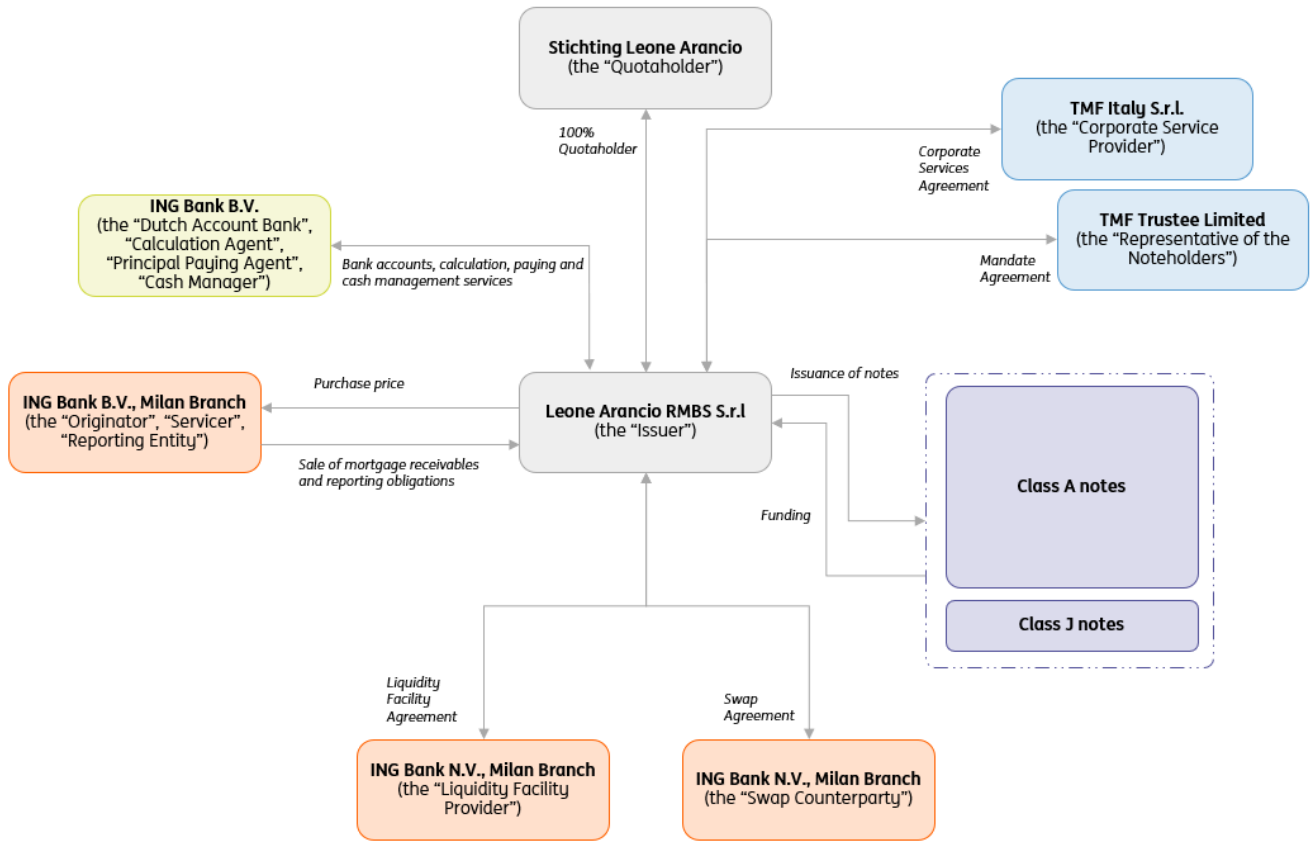
Swap Counterparty shall continue to use commercially reasonable efforts to either transfer its rights and obligations pursuant to a Qualifying Novation (as defined in the Schedule) or to provide an Eligible Guarantee (as defined in the Schedule) in accordance with terms of the Schedule.

The aforementioned Swap Counterparty's obligations shall cease, solely with respect to such occurrence, if (A) there is no breach of the DBRS second required ratings, or (B) the Swap Counterparty has either provided an Eligible Guarantee in respect of all Swap Counterparty's present and future obligations under the Swap Agreement or transferred its rights and obligations pursuant to a Qualifying Novation, in either case in accordance with the terms of the Schedule.



## TRANSACTION DIAGRAM

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



## THE MASTER PORTFOLIO

Pursuant to the Master Receivables Purchase Agreement, the Issuer has purchased the Initial Portfolio and, on a revolving basis, will purchase Subsequent Portfolios from the Originator together with any other rights of the Originator to guarantees or security interests and any related rights that have been granted to the Originator to secure or ensure payments under any of the Receivables.

The Receivables comprised in the Master Portfolio arise out of residential mortgage loan agreements (*mutui fondiari residenziali*) entered into by the Originator in the course of its business. The Receivables are classified as at the Valuation Date as performing by the Originator.

As at the Valuation Date, the aggregate of the Outstanding Principal due of all Receivables comprised in the Initial Portfolio amounted to € 6,488,075,506.45.

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

Pursuant to Article 22, paragraph 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 Initial Portfolio prior to the Issue Date by an appropriate and independent party and no significant adverse findings have been found.

### **The Eligibility Criteria**

The Receivables included in each Portfolio to be purchased by the Issuer have been, with respect to the Initial Portfolio, and will be, with respect to each Subsequent Portfolio, selected on the basis of the following Common Criteria and Specific Criteria, pursuant to the Master Receivables Purchase Agreement.

#### The Common Criteria

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

1. Mortgage Loans that were granted in accordance with the laws and regulations concerning *credito fondiario*;

2. Mortgage Loans that did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (*mutui agevolati*);
3. Mortgage Loans that are not *mutui agrari* pursuant to articles 43, 44 and 45 of the Consolidated Banking Act;
4. Mortgage Loans that are secured by a Mortgage (*ipoteca*) created over Real Estate Assets in accordance with applicable Italian laws and regulations and are located in the Republic of Italy;
5. Mortgage Loans in respect of which the payment is secured by a first ranking Mortgage (*ipoteca di primo grado economico*), such term meaning (i) a first ranking Mortgage or (ii) (A) a second or subsequent ranking priority Mortgage in respect of which the lender secured by the first ranking priority mortgage is ING Bank and with respect to which the obligations secured by the mortgage(s) ranking prior to such second or subsequent mortgage have been fully satisfied, or (B) a second or subsequent ranking priority Mortgage in respect of which the obligations secured by the mortgage(s) ranking prior to such second or subsequent Mortgage have been fully satisfied and the relevant lender has formally consented to the cancellation of the mortgage(s) ranking prior to such subsequent Mortgage;
6. Mortgage Loans secured by a Mortgage (*ipoteca*) on residential Real Estate Assets with cadastral codes which fall under Group A of the table of cadastral categories;
7. Mortgage Loans that are fully disbursed and in relation to which there is no obligation or possibility to make additional disbursements;
8. Mortgage Loans for which at least a Principal Instalment has been duly paid;
9. Mortgage Loans that did not have any Unpaid Instalment;
10. Mortgage Loans that are governed by Italian law;
11. Mortgage Loans that have not been granted to individuals that as of the disbursement date were managers, employees, officers or directors of ING Bank (including also loans granted to two or more individuals, one of which was a manager, employee, officer or director of ING Bank as of the relevant disbursement date) or any other company of the ING Group;
12. Mortgage Loans that are denominated in Euro;
13. Mortgage Loans which have been granted to one or more individuals (*persone fisiche o cointestatari*) resident, or if specified in the relevant Mortgage Loan Agreement, domiciled in the Republic of Italy;
14. Mortgage Loans disbursed exclusively by ING Bank;
15. Mortgage Loans not fractionated (*mutui non frazionati*);
16. Mortgage Loans that are paid by the relevant Borrower by way of direct debit from the Borrower's account held with the Originator;
17. Mortgage Loans that have been granted to Borrowers having not more than 1 (one) Mortgage Loan granted by ING Bank;

18. Mortgage Loans that do not give the relevant Borrower any right to have either (i) a total or a partial waiver; or (ii) a total or partial reduction of any Instalment due;
19. Mortgage Loans in respect of which the original Outstanding Principal Due granted to the Borrower is lower than or equal to Euro 2,000,000;
20. Mortgage Loans in respect of which the original Outstanding Principal Due granted to the Borrower is higher than or equal Euro 50,000;
21. Mortgage Loans which provide for the payment by the relevant Debtor of either monthly, bi-monthly or quarterly instalments;
22. Mortgage Loans in respect of which all the instalments include a principal component and an interest component (i.e. which are not bullet Mortgage Loans).
23. Mortgage Loans which do not have a ratio between (i) principal outstanding, and (ii) the related mortgaged real estate asset's indexed valuation based on the European Central Bank's index denominated "*ECB Residential Property Index*" taking into account all residential real estates in Italy (so called "*Current Loan to Indexed Market Value*") higher than 80%.
24. Mortgage Loans that do not have an original loan to market value higher than 80%;
25. Mortgage Loans with no payment holidays (*periodi di sospensione dei pagamenti*);
26. Mortgage Loans whose amortisation profile does not provide for a fixed Instalment and variable maturity, and whose rate is fixed for the first ten years and thereafter floating until maturity (*rata costante*);
27. Mortgage Loans in respect of which the relevant Debtors are not qualified as in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013.

In addition to the Common Criteria, the Receivables included in each Portfolio may meet the following Specific Criteria which may be from time to time selected or completed or filled in, as the case may be, by the Originator (and notified to the Issuer):

1. [Mortgage Loans originated [before] [●] [(included/excluded)] [and] [after] [●] [(included/excluded)]];
2. [Mortgage Loans in respect of which the number of Instalments not yet due is [higher than] [or equal to] [●] [and] [lower than] [or equal to] [●]];]
3. Mortgage Loans in respect of which the last Instalment falls [before] [●] [(included/excluded)] [and] after [●] [(included/excluded)];
4. Mortgage Loans that are secured by a Mortgage created over Real Estate Assets which are not located in the following [provinces [●], [●]] [and] [regions [●], [●]];]
5. Mortgage Loans granted for the purpose [of (i) purchasing the first house of residence (prima casa)], [or] [(ii) subrogation (*surroga*) or refinancing (secured by Mortgages on the first house of residence (prima casa))] [or (iii) general liquidity purpose (secured by Mortgages on the first house of residence (prima casa))] [or] [(iv) purchasing the second house of residence (*seconda*

*casa*), [or] (v) subrogation (*surroga*) or refinancing (secured by Mortgages on the second house of residence (*seconda casa*)));

6. Mortgage Loans in respect of which the disbursed amount, at the date of the disbursement, was [higher than] [or] [equal to] Euro [●] [and] [lower than] [or] [equal to] Euro [●];
7. Mortgage Loans in respect of which the Outstanding Principal is [higher than] [or] [equal to] Euro [●] [and] [lower than] [or] [equal to] Euro [●];
8. Mortgage Loans in respect of which the Original LTV at the date of the disbursement was [higher than] [or] [equal to] [●]% [and] [lower than] [or equal to] [●]%;
9. Mortgage Loans in respect of which the Current LTV is [higher than] [or] [equal to] [●]% [and] [lower than] [or] [equal to] [●]%;
10. Mortgage Loans originated through the following origination channels [●];
11. Mortgage Loans granted to a Borrower, or co-Borrower, as the case may be, having represented that: (i) [it was a self-employed as at the date of its disbursement] [or] (ii) [it was an employee with a long term employment contract as at the date of its disbursement];
12. Mortgage Loans in respect of which the relevant Borrower, or each of the relevant co-Borrower, has represented that it was not, as at the relevant disbursement date, resident in (i) [the Vatican City] or (ii) [the Republic of San Marino];
13. Mortgage Loans in respect of which the relevant Debtors are Italian citizens;
14. Mortgage Loans that have not been granted to the relevant Borrowers on [●], in respect of which at [●] the Outstanding Principal due is equal to Euro [●].

The Specific Criteria selected by the Originator for the transfer of the Initial Portfolio are the following:

1. Mortgage Loans disbursed before 31 May 2023 and after 22 April 2004 (included);
2. Mortgage Loans in respect of which the current Outstanding Principal Due granted to the Borrower is lower than or equal to Euro 2,000,000 and higher than or equal to Euro 1,000 on the date as of 31 May 2023 ;
3. Mortgage Loans that have not been granted to the relevant Borrowers on 10 November 2004, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 68,286.15;
4. Mortgage Loans that have not been granted to the relevant Borrowers on 19 December 2009, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 83,236.07;
5. Mortgage Loans that have not been granted to the relevant Borrowers on 1 September 2015, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 12,831.74;
6. Mortgage Loans that have not been granted to the relevant Borrowers on 1 September 2011, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 12,530.39;

7. Mortgage Loans that have not been granted to the relevant Borrowers on 26 July 2017, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 23,158.45;
8. Mortgage Loans that have not been granted to the relevant Borrowers on 19 March 2011, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 64,585.33;
9. Mortgage Loans that have not been granted to the relevant Borrowers on 22 November 2016, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 54,496.80;
10. Mortgage Loans that have not been granted to the relevant Borrowers on 18 July 2017, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 29,179.66;
11. Mortgage Loans that have not been granted to the relevant Borrowers on 19 December 2006, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 38,517.17;
12. Mortgage Loans that have not been granted to the relevant Borrowers on 1 October 2007, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 103,825.70;
13. Mortgage Loans that have not been granted to the relevant Borrowers on 23 April 2013, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 119,993.83;
14. Mortgage Loans that have not been granted to the relevant Borrowers on 30 September 2013, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 176,880.74;
15. Mortgage Loans that have not been granted to the relevant Borrowers on 28 September 2017, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 70,926.84;
16. Mortgage Loans that have not been granted to the relevant Borrowers on 24 September 2009, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 121,307.47;
17. Mortgage Loans that have not been granted to the relevant Borrowers on 8 July 2016, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 133,039.03;
18. Mortgage Loans that have not been granted to the relevant Borrowers on 12 November 2015, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 186,037.95;
19. Mortgage Loans that have not been granted to the relevant Borrowers on 19 September 2017, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 41,925.59;
20. Mortgage Loans that have not been granted to the relevant Borrowers on 13 December 2010, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 149,088.81;
21. Mortgage Loans that have not been granted to the relevant Borrowers on 9 May 2016, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 36,548.37;
22. Mortgage Loans that have not been granted to the relevant Borrowers on 22 November 2011, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 183,566.92;
23. Mortgage Loans that have not been granted to the relevant Borrowers on 13 June 2006, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 14,934.66;

24. Mortgage Loans that have not been granted to the relevant Borrowers on 10 January 2018, in respect of which at 31 May 2023 the Outstanding Principal due is equal to Euro 66,696.70.

### The Additional Criteria

Pursuant to the Master Receivables Purchase Agreement, the Originator and the Issuer may agree to identify additional criteria provided that such Additional Criteria shall have the purpose to supplement the Common Criteria and/or the Specific Criteria but not to amend any of the Common Criteria.

### **Characteristics of the Initial Portfolio**

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

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

#### 1. Summary

<b>Summary</b>		
All amounts in EURO	<b>Current</b>	<b>Initial</b>
Portfolio Cut off date	31-May-23	31-May-23
Initial Principal Balance	6,488,075,506.45	6,488,075,506.45
Of which Cash Available for Replenishment	0.00	0.00
Of which Realised Loss	0.00	0.00
Of which Principal in Arrears	0.00	0.00
Of which Active Outstanding Notional Amount	6,488,075,506.45	6,488,075,506.45
Number of Loans	68,598	68,598
Number of Borrowers	68,598	68,598
Average Principal Balance (Loanparts)	94,581.12	94,581.12
Average Principal Balance (Borrowers)	94,581.12	94,581.12
Coupon: Weighted Average	3.97%	3.97%
Minimum	0.00%	0.00%
Maximum	7.75%	7.75%
Weighted Average Original Loan to Market Value	66.93%	66.93%
Weighted Average Loan to Market Value	53.29%	53.29%
Seasoning (months): Weighted Average	72.85	72.85
Remaining Tenor (months): Weighted Average	242.42	242.42

#### 2. Product type

Product Type	Current					Initial				
	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
Adjustable Rate	1,979,644,662	30.51%	18,967	27.65%	2.82%	1,979,644,662	30.51%	18,967	27.65%	2.82%
Fixed	1,326,578,978	20.45%	16,190	23.60%	3.66%	1,326,578,978	20.45%	16,190	23.60%	3.66%
Floating (BCE)	107,640,790	1.66%	1,418	2.07%	4.88%	107,640,790	1.66%	1,418	2.07%	4.88%
Floating (EURIBOR)	3,074,211,076	47.38%	32,023	46.68%	4.80%	3,074,211,076	47.38%	32,023	46.68%	4.80%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

### 3. Loan Coupon

Coupon Loan Part (%)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
0.00% - 0.00%	205,920	0.00%	1	0.00%	0.00%	205,920	0.00%	1	0.00%	0.00%
0.01% - 0.50%	130,717	0.00%	1	0.00%	0.23%	130,717	0.00%	1	0.00%	0.23%
0.51% - 1.00%	3,892,879	0.06%	26	0.04%	0.94%	3,892,879	0.06%	26	0.04%	0.94%
1.00% - 1.50%	74,417,664	1.15%	752	1.10%	1.36%	74,417,664	1.15%	752	1.10%	1.36%
1.51% - 2.00%	371,945,303	5.73%	3,628	5.29%	1.83%	371,945,303	5.73%	3,628	5.29%	1.83%
2.01% - 2.50%	679,092,710	10.47%	7,302	10.64%	2.28%	679,092,710	10.47%	7,302	10.64%	2.28%
2.51% - 3.00%	682,080,381	10.51%	7,879	11.49%	2.74%	682,080,381	10.51%	7,879	11.49%	2.74%
3.01% - 3.25%	216,906,261	3.34%	2,547	3.71%	3.12%	216,906,261	3.34%	2,547	3.71%	3.12%
3.26% - 3.50%	172,494,576	2.66%	1,814	2.64%	3.35%	172,494,576	2.66%	1,814	2.64%	3.35%
3.51% - 3.75%	279,674,616	4.31%	2,398	3.50%	3.64%	279,674,616	4.31%	2,398	3.50%	3.64%
3.76% - 4.00%	433,056,503	6.67%	5,640	8.22%	3.86%	433,056,503	6.67%	5,640	8.22%	3.86%
4.01% - 4.25%	511,430,134	7.88%	4,779	6.97%	4.15%	511,430,134	7.88%	4,779	6.97%	4.15%
4.26% - 4.50%	617,337,084	9.51%	6,951	10.13%	4.39%	617,337,084	9.51%	6,951	10.13%	4.39%
4.51% - 4.75%	402,276,225	6.20%	3,876	5.65%	4.63%	402,276,225	6.20%	3,876	5.65%	4.63%
4.76% - 5.00%	495,927,894	7.64%	4,647	6.77%	4.86%	495,927,894	7.64%	4,647	6.77%	4.86%
5.01% - 5.25%	562,749,370	8.67%	5,654	8.24%	5.10%	562,749,370	8.67%	5,654	8.24%	5.10%
5.26% - 5.50%	414,577,141	6.39%	4,246	6.19%	5.39%	414,577,141	6.39%	4,246	6.19%	5.39%
5.51% - 5.75%	275,939,220	4.25%	2,897	4.22%	5.61%	275,939,220	4.25%	2,897	4.22%	5.61%
5.76% - 6.00%	142,560,497	2.20%	1,617	2.36%	5.88%	142,560,497	2.20%	1,617	2.36%	5.88%
6.01% - 6.25%	40,150,026	0.62%	494	0.72%	6.11%	40,150,026	0.62%	494	0.72%	6.11%
6.26% - 6.50%	29,129,914	0.45%	286	0.42%	6.38%	29,129,914	0.45%	286	0.42%	6.38%
6.51% - 6.75%	40,962,363	0.63%	500	0.73%	6.62%	40,962,363	0.63%	500	0.73%	6.62%
6.76% - 7.00%	23,817,166	0.37%	381	0.56%	6.86%	23,817,166	0.37%	381	0.56%	6.86%
7.01% - 7.25%	12,942,219	0.20%	207	0.30%	7.11%	12,942,219	0.20%	207	0.30%	7.11%
7.26% - 7.50%	3,297,277	0.05%	52	0.08%	7.34%	3,297,277	0.05%	52	0.08%	7.34%
7.51% - >	1,081,445	0.02%	23	0.03%	7.60%	1,081,445	0.02%	23	0.03%	7.60%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

### 4. Origination Year



Origination Year	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
2004	8,284,694	0.13%	263	0.38%	3.88%	8,284,694	0.13%	263	0.38%	3.88%
2005	42,703,844	0.66%	1,119	1.63%	3.92%	42,703,844	0.66%	1,119	1.63%	3.92%
2006	114,666,348	1.77%	1,973	2.88%	3.83%	114,666,348	1.77%	1,973	2.88%	3.83%
2007	193,309,966	2.98%	2,574	3.75%	3.63%	193,309,966	2.98%	2,574	3.75%	3.63%
2008	163,457,740	2.52%	2,414	3.52%	3.65%	163,457,740	2.52%	2,414	3.52%	3.65%
2009	135,050,422	2.08%	2,002	2.92%	4.41%	135,050,422	2.08%	2,002	2.92%	4.41%
2010	204,679,912	3.15%	2,574	3.75%	4.39%	204,679,912	3.15%	2,574	3.75%	4.39%
2011	494,427,607	7.62%	5,519	8.05%	4.30%	494,427,607	7.62%	5,519	8.05%	4.30%
2012	203,362,435	3.13%	2,336	3.41%	5.23%	203,362,435	3.13%	2,336	3.41%	5.23%
2013	161,782,239	2.49%	1,896	2.76%	5.40%	161,782,239	2.49%	1,896	2.76%	5.40%
2014	167,081,280	2.58%	2,089	3.05%	5.06%	167,081,280	2.58%	2,089	3.05%	5.06%
2015	239,429,382	3.69%	3,093	4.51%	4.34%	239,429,382	3.69%	3,093	4.51%	4.34%
2016	522,255,902	8.05%	6,380	9.30%	3.38%	522,255,902	8.05%	6,380	9.30%	3.38%
2017	488,974,400	7.54%	5,510	8.03%	4.03%	488,974,400	7.54%	5,510	8.03%	4.03%
2018	616,412,122	9.50%	6,274	9.15%	4.04%	616,412,122	9.50%	6,274	9.15%	4.04%
2019	422,895,636	6.52%	4,099	5.98%	3.41%	422,895,636	6.52%	4,099	5.98%	3.41%
2020	95,731,236	1.48%	885	1.29%	2.79%	95,731,236	1.48%	885	1.29%	2.79%
2021	568,175,979	8.76%	4,683	6.83%	2.68%	568,175,979	8.76%	4,683	6.83%	2.68%
2022	1,025,221,104	15.80%	8,113	11.83%	4.06%	1,025,221,104	15.80%	8,113	11.83%	4.06%
2023	620,173,260	9.56%	4,802	7.00%	4.41%	620,173,260	9.56%	4,802	7.00%	4.41%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

## 5. Maturity Year

Maturity Year	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
2023	1,568,506	0.02%	386	0.56%	4.13%	1,568,506	0.02%	386	0.56%	4.13%
2024	5,693,570	0.09%	636	0.93%	4.28%	5,693,570	0.09%	636	0.93%	4.28%
2025	18,696,764	0.29%	1,026	1.50%	4.08%	18,696,764	0.29%	1,026	1.50%	4.08%
2026	52,289,097	0.81%	2,090	3.05%	3.78%	52,289,097	0.81%	2,090	3.05%	3.78%
2027	53,366,236	0.82%	1,687	2.46%	3.85%	53,366,236	0.82%	1,687	2.46%	3.85%
2028	61,234,434	0.94%	1,529	2.23%	4.01%	61,234,434	0.94%	1,529	2.23%	4.01%
2029	56,705,186	0.87%	1,264	1.84%	4.24%	56,705,186	0.87%	1,264	1.84%	4.24%
2030	72,847,413	1.12%	1,444	2.11%	4.19%	72,847,413	1.12%	1,444	2.11%	4.19%
2031	154,330,875	2.38%	2,702	3.94%	3.80%	154,330,875	2.38%	2,702	3.94%	3.80%
2032	131,003,598	2.02%	2,137	3.12%	3.97%	131,003,598	2.02%	2,137	3.12%	3.97%
2033	124,649,420	1.92%	1,830	2.67%	4.18%	124,649,420	1.92%	1,830	2.67%	4.18%
2034	110,738,145	1.71%	1,544	2.25%	4.30%	110,738,145	1.71%	1,544	2.25%	4.30%
2035	124,336,745	1.92%	1,588	2.31%	4.21%	124,336,745	1.92%	1,588	2.31%	4.21%
2036	308,421,646	4.75%	3,765	5.49%	3.65%	308,421,646	4.75%	3,765	5.49%	3.65%
2037	304,869,425	4.70%	3,468	5.06%	3.91%	304,869,425	4.70%	3,468	5.06%	3.91%
2038	221,590,464	3.42%	2,556	3.73%	4.25%	221,590,464	3.42%	2,556	3.73%	4.25%
2039	176,134,508	2.71%	1,908	2.78%	4.27%	176,134,508	2.71%	1,908	2.78%	4.27%
2040	176,647,869	2.72%	1,759	2.56%	4.28%	176,647,869	2.72%	1,759	2.56%	4.28%
2041	357,991,306	5.52%	3,272	4.77%	3.83%	357,991,306	5.52%	3,272	4.77%	3.83%
2042	343,325,867	5.29%	3,280	4.78%	4.22%	343,325,867	5.29%	3,280	4.78%	4.22%
2043	294,814,368	4.54%	2,722	3.97%	4.65%	294,814,368	4.54%	2,722	3.97%	4.65%
2044	196,587,098	3.03%	1,780	2.59%	4.38%	196,587,098	3.03%	1,780	2.59%	4.38%
2045	153,594,758	2.37%	1,359	1.98%	4.41%	153,594,758	2.37%	1,359	1.98%	4.41%
2046	378,220,619	5.83%	3,175	4.63%	3.39%	378,220,619	5.83%	3,175	4.63%	3.39%
2047	485,345,392	7.48%	4,029	5.87%	3.88%	485,345,392	7.48%	4,029	5.87%	3.88%
2048	443,266,096	6.83%	3,652	5.32%	4.23%	443,266,096	6.83%	3,652	5.32%	4.23%
2049	315,352,322	4.86%	2,541	3.70%	3.39%	315,352,322	4.86%	2,541	3.70%	3.39%
2050	79,556,603	1.23%	566	0.83%	3.55%	79,556,603	1.23%	566	0.83%	3.55%
2051	329,637,555	5.08%	2,314	3.37%	2.93%	329,637,555	5.08%	2,314	3.37%	2.93%
2052	549,138,590	8.46%	3,789	5.52%	3.95%	549,138,590	8.46%	3,789	5.52%	3.95%
2053	405,989,136	6.26%	2,799	4.08%	4.40%	405,989,136	6.26%	2,799	4.08%	4.40%
2054	131,894	0.00%	1	0.00%	5.31%	131,894	0.00%	1	0.00%	5.31%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

## 6. Seasoning

Seasoning (years)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
< 0.5	793,740,439	12.23%	6,119	8.92%	4.43%	793,740,439	12.23%	6,119	8.92%	4.43%
0.5 - 1	481,699,806	7.42%	3,821	5.57%	4.51%	481,699,806	7.42%	3,821	5.57%	4.51%
1 - 2	775,282,989	11.95%	6,296	9.18%	2.96%	775,282,989	11.95%	6,296	9.18%	2.96%
2 - 3	221,655,155	3.42%	1,893	2.76%	2.67%	221,655,155	3.42%	1,893	2.76%	2.67%
3 - 4	163,393,214	2.52%	1,557	2.27%	3.21%	163,393,214	2.52%	1,557	2.27%	3.21%
4 - 5	695,834,875	10.72%	6,882	10.03%	3.60%	695,834,875	10.72%	6,882	10.03%	3.60%
5 - 6	506,068,022	7.80%	5,482	7.99%	4.54%	506,068,022	7.80%	5,482	7.99%	4.54%
6 - 7	569,417,291	8.78%	6,807	9.92%	3.33%	569,417,291	8.78%	6,807	9.92%	3.33%
7 - 8	302,149,305	4.66%	3,834	5.59%	3.91%	302,149,305	4.66%	3,834	5.59%	3.91%
8 - 9	202,863,989	3.13%	2,540	3.70%	4.77%	202,863,989	3.13%	2,540	3.70%	4.77%
9 - 10	140,928,412	2.17%	1,725	2.51%	5.26%	140,928,412	2.17%	1,725	2.51%	5.26%
10 - more	1,635,042,010	25.20%	21,642	31.55%	4.31%	1,635,042,010	25.20%	21,642	31.55%	4.31%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

## 7. Remaining Tenor

Remaining Tenor (years)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
< 1	4,450,143	0.07%	777	1.13%	4.13%	4,450,143	0.07%	777	1.13%	4.13%
1 - 2	6,628,987	0.10%	491	0.72%	4.35%	6,628,987	0.10%	491	0.72%	4.35%
2 - 3	30,342,398	0.47%	1,466	2.14%	3.97%	30,342,398	0.47%	1,466	2.14%	3.97%
3 - 4	57,674,229	0.89%	2,137	3.12%	3.75%	57,674,229	0.89%	2,137	3.12%	3.75%
4 - 5	56,788,782	0.88%	1,571	2.29%	3.99%	56,788,782	0.88%	1,571	2.29%	3.99%
5 - 6	64,942,184	1.00%	1,565	2.28%	4.00%	64,942,184	1.00%	1,565	2.28%	4.00%
6 - 7	50,900,717	0.78%	1,083	1.58%	4.33%	50,900,717	0.78%	1,083	1.58%	4.33%
7 - 8	93,187,301	1.44%	1,754	2.56%	4.07%	93,187,301	1.44%	1,754	2.56%	4.07%
8 - 9	164,913,340	2.54%	2,821	4.11%	3.74%	164,913,340	2.54%	2,821	4.11%	3.74%
9 - 10	131,562,398	2.03%	2,022	2.95%	4.21%	131,562,398	2.03%	2,022	2.95%	4.21%
10 - 11	123,355,684	1.90%	1,790	2.61%	4.10%	123,355,684	1.90%	1,790	2.61%	4.10%
11 - 12	99,715,100	1.54%	1,349	1.97%	4.36%	99,715,100	1.54%	1,349	1.97%	4.36%
12 - 13	166,957,407	2.57%	2,036	2.97%	4.02%	166,957,407	2.57%	2,036	2.97%	4.02%
13 - 14	354,848,076	5.47%	4,275	6.23%	3.57%	354,848,076	5.47%	4,275	6.23%	3.57%
14 - 15	277,257,530	4.27%	3,169	4.62%	4.29%	277,257,530	4.27%	3,169	4.62%	4.29%
15 - 16	206,263,914	3.18%	2,300	3.35%	4.06%	206,263,914	3.18%	2,300	3.35%	4.06%
16 - 17	151,155,201	2.33%	1,605	2.34%	4.42%	151,155,201	2.33%	1,605	2.34%	4.42%
17 - 18	217,106,166	3.35%	2,105	3.07%	4.09%	217,106,166	3.35%	2,105	3.07%	4.09%
18 - 19	395,415,316	6.09%	3,623	5.28%	3.74%	395,415,316	6.09%	3,623	5.28%	3.74%
19 - 20	354,632,626	5.47%	3,356	4.89%	4.76%	354,632,626	5.47%	3,356	4.89%	4.76%
20 - 21	237,651,862	3.66%	2,159	3.15%	4.27%	237,651,862	3.66%	2,159	3.15%	4.27%
21 - 22	165,273,387	2.55%	1,478	2.15%	4.57%	165,273,387	2.55%	1,478	2.15%	4.57%
22 - 23	188,335,346	2.90%	1,644	2.40%	4.01%	188,335,346	2.90%	1,644	2.40%	4.01%
23 - 24	487,494,527	7.51%	4,048	5.90%	3.24%	487,494,527	7.51%	4,048	5.90%	3.24%
24 - 25	507,552,891	7.82%	4,201	6.12%	4.54%	507,552,891	7.82%	4,201	6.12%	4.54%
25 - 26	406,445,472	6.26%	3,341	4.87%	3.54%	406,445,472	6.26%	3,341	4.87%	3.54%
26 - 27	154,932,589	2.39%	1,192	1.74%	3.44%	154,932,589	2.39%	1,192	1.74%	3.44%
27 - 28	148,398,074	2.29%	1,106	1.61%	3.09%	148,398,074	2.29%	1,106	1.61%	3.09%
28 - 29	441,923,878	6.81%	2,982	4.35%	3.04%	441,923,878	6.81%	2,982	4.35%	3.04%
29 - 30	741,344,653	11.43%	5,148	7.50%	4.42%	741,344,653	11.43%	5,148	7.50%	4.42%
30 - more	625,330	0.01%	4	0.01%	5.25%	625,330	0.01%	4	0.01%	5.25%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

## 8. Interest Type

### 8. Interest Type

Interest Type	Current Period					Initial				
	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
Fixed Rate	3,250,665,893	50.10%	34,639	50.50%	3.13%	3,250,665,893	50.10%	34,639	50.50%	3.13%
Floating Rate BCE	107,640,790	1.66%	1,418	2.07%	4.88%	107,640,790	1.66%	1,418	2.07%	4.88%
Floating Rate EURIBOR 1M	1,127,430,577	17.38%	13,918	20.29%	4.17%	1,127,430,577	17.38%	13,918	20.29%	4.17%
Floating Rate EURIBOR 3M	2,002,338,246	30.86%	18,623	27.15%	5.16%	2,002,338,246	30.86%	18,623	27.15%	5.16%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

## 9. Geography Region

Region	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
Central Italy	1,713,475,557	26.41%	16,946	24.70%	3.84%	1,713,475,557	26.41%	16,946	24.70%	3.84%
Northern Italy	2,982,250,770	45.97%	31,718	46.24%	4.20%	2,982,250,770	45.97%	31,718	46.24%	4.20%
Southern Italy	1,792,349,180	27.63%	19,934	29.06%	3.70%	1,792,349,180	27.63%	19,934	29.06%	3.70%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

## 10a. Current Loan to Market Value

### 10a. Current Loan to Market Value

Current Loan to Market Value (%)	Current Period					Initial				
	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
<= 30.00%	807,759,736	12.45%	18,005	26.25%	3.99%	807,759,736	12.45%	18,005	26.25%	3.99%
30.01% - 40.00%	683,380,170	10.53%	8,239	12.01%	4.00%	683,380,170	10.53%	8,239	12.01%	4.00%
40.01% - 50.00%	923,932,808	14.24%	9,398	13.70%	4.04%	923,932,808	14.24%	9,398	13.70%	4.04%
50.01% - 60.00%	1,325,017,952	20.42%	11,933	17.40%	4.05%	1,325,017,952	20.42%	11,933	17.40%	4.05%
60.01% - 70.00%	1,514,709,833	23.35%	12,129	17.68%	3.80%	1,514,709,833	23.35%	12,129	17.68%	3.80%
70.01% - 80.00%	1,233,275,007	19.01%	8,894	12.97%	3.98%	1,233,275,007	19.01%	8,894	12.97%	3.98%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

## 10b. Original Loan to Market Value

### 10b. Original Loan to Market Value

Original Loan to Market Value (%)	Current Period					Initial				
	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
<= 30.00%	168,281,421	2.59%	3,696	5.39%	3.94%	168,281,421	2.59%	3,696	5.39%	3.94%
30.01% - 40.00%	285,955,574	4.41%	4,928	7.18%	3.96%	285,955,574	4.41%	4,928	7.18%	3.96%
40.01% - 50.00%	517,422,414	7.97%	7,398	10.78%	3.95%	517,422,414	7.97%	7,398	10.78%	3.95%
50.01% - 60.00%	722,707,751	11.14%	8,642	12.60%	3.99%	722,707,751	11.14%	8,642	12.60%	3.99%
60.01% - 70.00%	1,181,161,166	18.21%	12,587	18.35%	4.01%	1,181,161,166	18.21%	12,587	18.35%	4.01%
70.01% - 80.00%	3,612,547,181	55.68%	31,347	45.70%	3.95%	3,612,547,181	55.68%	31,347	45.70%	3.95%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

## 11. Original Notional Amount

## 11. Original Notional Amount

Aggregate Original Notional Amount	Current					Initial				
	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
50,000 - 75,000	450,776,254	6.95%	10,781	15.72%	3.78%	450,776,254	6.95%	10,781	15.72%	3.78%
75,001 - 100,000	929,045,736	14.32%	14,707	21.44%	3.88%	929,045,736	14.32%	14,707	21.44%	3.88%
100,001 - 125,000	1,103,422,797	17.01%	13,236	19.30%	3.90%	1,103,422,797	17.01%	13,236	19.30%	3.90%
125,001 - 150,000	1,164,822,979	17.95%	11,364	16.57%	3.92%	1,164,822,979	17.95%	11,364	16.57%	3.92%
150,001 - 175,000	768,069,187	11.84%	6,176	9.00%	4.00%	768,069,187	11.84%	6,176	9.00%	4.00%
175,001 - 200,000	682,139,365	10.51%	5,060	7.38%	4.07%	682,139,365	10.51%	5,060	7.38%	4.07%
200,001 - 225,000	344,420,820	5.31%	2,235	3.26%	4.08%	344,420,820	5.31%	2,235	3.26%	4.08%
225,001 - 250,000	325,682,505	5.02%	1,966	2.87%	4.15%	325,682,505	5.02%	1,966	2.87%	4.15%
250,001 - 275,000	151,240,537	2.33%	796	1.16%	4.12%	151,240,537	2.33%	796	1.16%	4.12%
275,001 - 300,000	169,296,594	2.61%	872	1.27%	4.07%	169,296,594	2.61%	872	1.27%	4.07%
300,001 - 325,000	70,233,461	1.08%	322	0.47%	4.19%	70,233,461	1.08%	322	0.47%	4.19%
325,001 - 350,000	69,205,564	1.07%	300	0.44%	4.13%	69,205,564	1.07%	300	0.44%	4.13%
350,001 - 375,000	37,267,425	0.57%	141	0.21%	4.07%	37,267,425	0.57%	141	0.21%	4.07%
375,001 - 400,000	45,788,495	0.71%	177	0.26%	4.18%	45,788,495	0.71%	177	0.26%	4.18%
400,001 - 425,000	17,947,370	0.28%	64	0.09%	4.17%	17,947,370	0.28%	64	0.09%	4.17%
425,001 - 450,000	20,174,075	0.31%	71	0.10%	4.03%	20,174,075	0.31%	71	0.10%	4.03%
450,001 - 475,000	11,640,780	0.18%	37	0.05%	4.10%	11,640,780	0.18%	37	0.05%	4.10%
475,001 - 500,000	29,838,095	0.46%	90	0.13%	4.20%	29,838,095	0.46%	90	0.13%	4.20%
500,001 - 1,000,000	76,569,079	1.18%	182	0.27%	4.02%	76,569,079	1.18%	182	0.27%	4.02%
more	20,494,390	0.32%	21	0.03%	3.74%	20,494,390	0.32%	21	0.03%	3.74%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

## 12. Outstanding Notional Amount

Aggregate Outstanding Notional	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
< 1,000										
1,000 - 8,000	5,139,496	0.08%	1,079	1.57%	4.20%	5,139,496	0.08%	1,079	1.57%	4.20%
8,001 - 20,000	38,664,034	0.60%	2,633	3.84%	4.03%	38,664,034	0.60%	2,633	3.84%	4.03%
20,001 - 50,000	410,970,832	6.33%	11,233	16.38%	3.91%	410,970,832	6.33%	11,233	16.38%	3.91%
50,001 - 75,000	822,572,336	12.68%	13,106	19.11%	3.95%	822,572,336	12.68%	13,106	19.11%	3.95%
75,001 - 100,000	1,175,702,056	18.12%	13,450	19.61%	3.97%	1,175,702,056	18.12%	13,450	19.61%	3.97%
100,001 - 125,000	1,221,357,903	18.82%	10,900	15.89%	3.93%	1,221,357,903	18.82%	10,900	15.89%	3.93%
125,001 - 150,000	968,684,527	14.93%	7,089	10.33%	3.94%	968,684,527	14.93%	7,089	10.33%	3.94%
150,001 - 175,000	623,679,825	9.61%	3,868	5.64%	4.01%	623,679,825	9.61%	3,868	5.64%	4.01%
175,001 - 200,000	413,227,060	6.37%	2,216	3.23%	4.02%	413,227,060	6.37%	2,216	3.23%	4.02%
200,001 - 225,000	239,055,603	3.68%	1,128	1.64%	4.04%	239,055,603	3.68%	1,128	1.64%	4.04%
225,001 - 250,000	170,979,957	2.64%	720	1.05%	4.04%	170,979,957	2.64%	720	1.05%	4.04%
250,001 - 275,000	96,728,625	1.49%	369	0.54%	4.05%	96,728,625	1.49%	369	0.54%	4.05%
275,001 - 300,000	73,691,428	1.14%	257	0.37%	4.02%	73,691,428	1.14%	257	0.37%	4.02%
300,001 - 325,000	44,546,458	0.69%	143	0.21%	3.96%	44,546,458	0.69%	143	0.21%	3.96%
325,001 - 350,000	37,865,755	0.58%	112	0.16%	4.09%	37,865,755	0.58%	112	0.16%	4.09%
350,001 - 375,000	22,325,280	0.34%	62	0.09%	4.03%	22,325,280	0.34%	62	0.09%	4.03%
375,001 - 400,000	21,273,270	0.33%	55	0.08%	4.13%	21,273,270	0.33%	55	0.08%	4.13%
400,001 - 425,000	13,205,867	0.20%	32	0.05%	4.15%	13,205,867	0.20%	32	0.05%	4.15%
425,001 - 450,000	11,783,463	0.18%	27	0.04%	3.97%	11,783,463	0.18%	27	0.04%	3.97%
450,001 - 475,000	9,205,470	0.14%	20	0.03%	4.10%	9,205,470	0.14%	20	0.03%	4.10%
475,001 - 500,000	12,738,486	0.20%	26	0.04%	4.14%	12,738,486	0.20%	26	0.04%	4.14%
500,001 - 1,000,000	44,405,387	0.68%	66	0.10%	3.93%	44,405,387	0.68%	66	0.10%	3.93%
more	10,272,389	0.16%	7	0.01%	3.54%	10,272,389	0.16%	7	0.01%	3.54%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

### 13. Interest Payment Frequency

#### 13. Interest Payment Frequency

Interest Payment Frequency	Current					Initial				
	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
Monthly	6,488,075,506	100.00%	68,598	100.00%	3.97%	6,488,075,506	100.00%	68,598	100.00%	3.97%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

### 14. Underwriting Source

Underwriting Source	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon
Branch	1,915,897,350	29.53%	18,639	27.17%	3.83%	1,915,897,350	29.53%	18,639	27.17%	3.83%
Broker	2,810,789,790	43.32%	27,676	40.35%	3.97%	2,810,789,790	43.32%	27,676	40.35%	3.97%
ING Direct Italy Call Cent	558,604,382	8.61%	7,335	10.69%	4.08%	558,604,382	8.61%	7,335	10.69%	4.08%
ING Direct Italy Web	1,202,783,984	18.54%	14,948	21.79%	4.11%	1,202,783,984	18.54%	14,948	21.79%	4.11%
	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>68,598</b>	<b>100.00%</b>	<b>3.97%</b>

## 15. Arrears

Nr monthly payments in arrears	Nr of Loans	Principal in arrears	Interest in arrears	Total amount in arrears	Aggregate Outstanding Not. Amount	% Nr of Loans	% of Aggregate Outstanding Not. Amt
No Arrears	68,598	0	0	0	6,488,075,506	100.00%	100.00%
> 12 Months	0	0	0	0	0	0.00%	0.00%
Payment Holiday	0	0	0	0	0	0.00%	0.00%
	<b>68,598</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,488,075,506</b>	<b>100.00%</b>	<b>100.00%</b>

### Level of collateralisation

The level of collateralisation (computed as the ratio between (i) the sum of (a) the aggregate of the Outstanding Principal due of all Receivables comprised into the Initial Portfolio as at the Valuation Date and (b) the aggregate balance of cash standing to the credit of the Accounts as at the Issue Date and (ii) the aggregate of the Notes Initial Payment as of the Issue Date) equals to 100%.

**THE ORIGINATOR, THE SERVICER, THE SWAP COUNTERPARTY, THE  
REPORTING ENTITY, THE EXPENSES ACCOUNT BANK AND THE LIQUIDITY  
FACILITY PROVIDER**

**ING BANK N.V., MILAN BRANCH**

ING Bank N.V., Milan Branch ("**ING Italy**") having its registered office at Via Fulvio Testi 250, Milan, Italy, will be acting as Originator, Servicer, Swap Counterparty, Reporting Entity and Liquidity Facility Provider.

The entity's product offering is focused on a 'value for money' concept by charging low additional fees and adopting a simple and transparent approach to the business. ING Italy started its business by introducing a Savings Account product (the so-called '*Conto Arancio*'), the first savings account to be offered in the country. In 2004 the subsidiary launched a mortgage product ('*Mutuo Arancio*'), whilst in November 2005 it started offering mutual funds ('*Investimenti Arancio*'), the first low cost mutual funds to be introduced in the Italian market. In 2008 a payment account ('*Conto Corrente Arancio*') was launched and since April 2009 ING Italy has been offering online security brokerage services ('Trading On Line'). Today ING Italy's product offering includes a wide range of mutual funds investing in a broad spectrum of asset classes.

ING Italy is member of the Dutch Deposit Protection Fund (*Collectieve Garantieregeling*).

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



## **THE DUTCH ACCOUNT BANK, THE CALCULATION AGENT, THE PRINCIPAL PAYING AGENT AND THE CASH MANAGER**

### **ING BANK N.V. AND ING GROEP N.V.**

#### **Profile**

ING Bank N.V. is part of ING Groep N.V., also called "ING Group", is the holding company for a broad spectrum of companies (together, "ING"). ING Group holds all shares of ING Bank N.V., which is a non-listed 100% subsidiary of ING Group.

ING is a holding company incorporated in 1991 under the laws of the Netherlands. It is a global financial institution with a strong European base, offering retail and Wholesale Banking services to 37 million customers in over 40 countries. ING draws on its experience and expertise, its commitment to excellent service and its global scale to meet the needs of a broad customer base, comprising individuals, families, small businesses, large corporations, institutions and governments. ING has more than 60,000 employees.

ING's purpose is to empower people to stay a step ahead in life and in business. This purpose guides them in everything they do. It represents ING's conviction in people's potential. ING doesn't judge, coach or tell people how to live their lives. However big or small, modest or grand, it helps people and businesses to realise their own vision for a better future.

ING's products include savings, payments, investments, loans and mortgages in most of its retail markets. For its Wholesale Banking clients it provides specialised lending, tailored corporate finance, debt and equity market solutions, sustainable finance solutions, payments and cash management and trade and treasury services.

ING Bank serves retail customers in Europe, Asia and Australia and Wholesale Banking clients worldwide. Its reporting structure reflects the two main business lines through which it is active: Retail Banking and Wholesale Banking.

In most Retail markets, ING provides a full range of consumer banking products and services covering payments, mortgages, savings, insurance, investments and loans. Retail Banking serves individuals as well as Business Banking customers – self-employed entrepreneurs, micro businesses, small-to-medium-sized enterprises (SMEs) and mid-corporate companies.

Wholesale Banking offers corporate clients, governments and financial institutions advisory value propositions such as specialised lending, tailored corporate finance, sustainable and sustainability-linked financing and debt and equity-market solutions. It also serves their daily banking needs with payments and cash management and trade and treasury services.

ING Bank aims to be the primary bank for its customers. In Retail Banking, primary customers are those with multiple active ING products, including a current account with a recurrent income such as a salary. In Wholesale Banking these are active clients with lending and daily banking products and at least one other product generating recurring revenues.

ING defines its markets in three categories, namely Market Leaders, Challengers Markets and Growth Markets. Its Market Leaders are Belgium, the Netherlands and Luxembourg. ING's

Challengers Markets are Australia, Germany, Italy and Spain. Growth Markets are Poland, Romania, Turkey and ING's stakes in Asia.

### **ING's strategy**

ING's purpose is to empower people to stay a step ahead in life and in business. ING's updated strategy, introduced in 2022, is built around this purpose and making a difference for people and the planet. In a world that's constantly changing, ING is a digital and sustainability pioneer, adept at adapting to the trends impacting its business.

ING's two overarching priorities are giving customers a superior customer experience (CX) and putting sustainability at the heart of what it does.

ING also has four enabling priorities:

1. Providing seamless, digital services;
2. Using its scalable tech and operations;
3. Staying safe and secure; and
4. Unlocking its people's full potential.

### **Superior customer experience**

ING wants to put customers at the centre, providing them with the superior experience that is its true source of differentiation. ING believes that banking is a secondary need, and that financial products and services, for the most part, are commoditised. A superior customer experience is how it can stand out from the crowd. The rapid digitalisation of society has a huge impact on what customers expect from them. They don't just expect an experience that is digital and seamless, they expect a specific level and quality of experience. A digitally-enabled personal, easy, relevant and instant experience is now the base expectation of all customers, but ING also realises that different types of customers have different needs and different ways of interacting with them. For more information, please see "Giving customers a superior experience" in the 2022 Annual Report, which is incorporated by reference into this Registration Document.

### **Sustainability at the heart**

ING has a responsibility to society to define new ways of doing business that align with economic growth and social impact. Climate change is one of the world's biggest challenges, threatening both the planet and its people, many who also struggle with inequality, poor financial health and even a lack of basic human rights. ING is determined to be a banking leader in building a sustainable future for customers, society and the environment. ING wants to lead by example by striving for net zero in its own operations. ING also wants to play its part in the low-carbon transformation that's necessary to achieve a sustainable future, aiming to steer its financing towards meeting global climate goals and working with clients to achieve their own sustainability goals. For more information, please see "Putting sustainability at the heart of what we do" in the 2022 Annual Report, which is incorporated by reference into this Registration Document,

## **ING's enablers**

### *Providing seamless, digital services*

ING knows that it can make customers happy with robust, 'always on' channels, data-enabled personalised experiences and digitalisation of processes with limited human intervention only where needed. For more information, please see “Providing seamless, digital services” in the 2022 Annual Report, which is incorporated by reference into this Registration Document.

### *Using scalable tech and operations*

A technology and operations foundation that is modular and scalable brings many benefits, including superior customer experience and safety, speeding up time-to-volume, shortening time-to-market, and lowering cost-to-serve. For more information, please see “Using scalable tech and operations” in the 2022 Annual Report, which is incorporated by reference into this Registration Document.

### *Staying safe and secure*

Trust is the starting point, the most basic requirement, for all stakeholders. That's especially true for a digitalfirst bank like ING. People trust ING with their money and with their data. Keeping it safe, and maintaining this trust are crucial. For more information, please see “Staying safe and secure” in the 2022 Annual Report, which is incorporated by reference into this Registration Document.

### *Unlocking ING's people's full potential*

ING wants all employees to have skills and capabilities that equip them for the future. ING also wants to provide them with an excellent employee experience and promote a diverse, inclusive and vital culture, where everyone feels they belong. For more information, please see “Unlocking our people's full potential” in the 2022 Annual Report, which is incorporated by reference into this Registration Document

## **Incorporation and history**

ING Bank N.V. was incorporated under Dutch law in the Netherlands on 12 November 1927 for an indefinite duration in the form of a public limited company as Nederlandsche Middenstandsbank N.V. (“**NMB Bank**”).<sup>33</sup> As result of the merger on equal terms of Nationale-Nederlanden and NMB Postbank Groep, ING Groep N.V. was created in 1991 as holding company allowing separate insurance and banking supervision. In 2011 insurance and banking activities were split operationally; divestment of insurance completed in April 2016.

ING Bank N.V. is a limited liability company (*naamloze vennootschap*). The registered office of ING Bank N.V. is at Bijlmerdreef 106, 1102 CT Amsterdam, the Netherlands (telephone number: +31 20 563 9111). ING Bank N.V. is registered at the Dutch Trade Register of the Chamber of Commerce under no. 33031431 and its corporate seat is in Amsterdam, the Netherlands. The legal entity identifier (LEI) of ING Bank N.V. is 3TK20IVIUJ8J3ZU0QE75. The Articles of Association of ING Bank N.V. were last amended by notarial deed executed on 29 June 2021. According to Article 2 of its Articles of Association, the objects of ING Bank N.V. are to conduct the banking business in the widest sense, including insurance brokerage,

to acquire, build and operate real estate, to participate in, manage, finance and furnish personal or real security for the obligations of and provide services to other enterprises and institutions of any kind, but in particular enterprises and institutions which engage in lending, investments and/or other financial services, and to engage in any activity which may be related or conducive to the foregoing.

As a non-listed company, ING Bank N.V. is not bound by the Dutch Corporate Governance Code (the “**Code**”). ING Group, as the listed holding company of ING Bank N.V., is in compliance with the Code. However, ING Bank is bound to the Dutch Banking Code (“**Banking Code**”). The Banking Code is a form of self-regulation that took effect on 1 January 2010 on a ‘comply or explain’ basis. The updated Banking Code came into effect on 1 January 2015. Just like its predecessor, the revised version of the Banking Code, is applicable to ING Bank. ING Bank will publish its application of the Banking Code for the financial year 2021 on its corporate website [www.ing.com](http://www.ing.com) on 10 March 2022.

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

## CREDIT AND COLLECTION POLICY

*Set out below is an overview of the main features of the credit and collection policies adopted by ING Bank N.V., Milan Branch for the granting and servicing of the Mortgage Loans. Prospective Noteholders may inspect a copy of the credit and collection policies upon request at the registered office of the Issuer, the Representative of the Noteholders and at the Specified Offices of, respectively, of the Principal Paying Agent.*

### 1. INTRODUCTION

ING Bank Italy's objective is to maximize the risk-adjusted rate of return, while maintaining the **retail credit risk exposure** within the parameters complying with Head Office policies.

This section contains a general overview of the main framework governing the Retail Credit Risk Management ("**RCRM**") of ING Bank Italy mortgage portfolio through its credit and collection policy.

For the aim of this section, the retail credit risk is defined as the borrower's failure to meet his obligations in accordance with the agreed terms and conditions of the relevant mortgage loan agreement.

The current Credit and Collection Policy adopted by ING Bank Italy for its mortgage loan portfolio relates to the identification, measurement, management and monitoring of the Retail Credit Risk.

### 2. CREDIT DECISION PROCESS CHARACTERISTICS

The process is designed to ensure the independence of the departments involved. The control functions such as the monitoring and reporting of compliance with this policy, or the assignment of internal risk ratings, are conducted by areas that are independent of those areas responsible for credit acquisition and/or administration of credit risk exposures.

#### 2.1 Product description

A mortgage at ING is a credit facility disbursed/reimbursed in euro, secured by a first lien on a residential property, to finance the acquisition of the primary/secondary home of the borrower, remortgage an outstanding loan, or for equity release. The purchase/ownership of the property and the loan terms must be adequately covered by Public Deeds, properly and timely registered.

In some cases, it may happen that the borrower is not the owner of the property. If the mortgage is required by only one of the owners, the co-owner authorizing the bank to register a mortgage, is not a borrower and is called a "third-party mortgage guarantor". **ING** doesn't accept this kind of financing, as it prefers to involve the "third-party mortgage guarantor" in the mortgage agreement or as borrower or guarantor.

Three types of repayment plans are offered:

- Floating rate
- Fixed rate renegotiable (ARM - first 5 to 10 years fixed rate, then floating or fixed)
- Fixed rate (interest duration is loan duration)

## 2.2 Target Customer

The borrower is a private individual, Italian resident, buyer or owner of the property which will secure the mortgage. Our mortgage lending is based on customers' credit quality; therefore, we rely on their proven labor stability, their adequate payment capacity calculated with net, recurrent and verified income, and their positive payment behavior.

The mortgage can be granted to max. 2 borrowers and 2 guarantors (one of the borrowers must fulfill all requirements, other is co-borrower).

ING also grants mortgages to its Staff if complaint with lending criteria. Additional conditions to take advantage of the benefits reserved to ING Staff are a permanent contract and trial period exceeded.

The mortgage can be granted to private individuals only (i. e. excluding companies) according to the criteria below:

## 2.3 Product Attributes and Limits

<b>A</b>	<b>Limit</b>	Min. € 50.000 - Max. € 3.000.000 (max. limit currently offered € 2.000.000)
<b>B</b>	<b>Loan term (years)</b>	Min. 10 years - Max. 30 years
<b>C</b>	<b>Amortisation</b>	All mortgages are fully amortized with a monthly amortization plan
<b>D</b>	<b>Payment</b>	When paid from the <b>ING</b> current account a rebate of 0,3% (floating rate) or €30 (fix rate) is given
<b>E</b>	<b>Pre-payment</b>	Partial or full principal pre-payment are allowed by law. No penalty fees applied
<b>F</b>	<b>Purposes &amp; LTV</b>	

### **Floating rate / fixed rate / Fixed rate renegotiable**

<i>Purpose</i>	<i>Ist lien on</i>	<i>LTV</i>	<i>Min. Limit</i>	<i>Max. Limit</i>
Home Purchase	Primary home	80%	€ 50.000	€ 3.000.000
	Second home	80%	€ 50.000	€ 500.000
Surroga Substitution /	Primary home	80%	€ 80.000	€ 3.000.000
	Second home	80%	€ 80.000	€ 500.000

		Type of borrower			
Refinancing Liquidity Renovation*	/	Employee	80%	€ 50.000	€ 500.000
	/	Self-employed	60%	€ 50.000	€ 500.000

\* Primary or second home

G	Insurances	Insurance on house (paid by <b>ING</b> ) is compulsory by law. Life insurance and total/partial disability are optional
H	Fees	<ul style="list-style-type: none"> <li>• Paid by client: origination fee is charged for every products/channels. In case of surroga, clients do not pay anything so even the Notary is paid by the Bank and no fee can be charged</li> <li>• Paid by Bank: external servicer, credit bureau, valuation, broker commission</li> </ul>
I	Risk Based Pricing	<p>Higher spreads per LTV bucket (0-50%, 50-70%, 70-80%)</p> <p>Add on for co-branding (non-ING labelled)</p> <p>Reduction when paid from <b>ING</b> current account</p>
L	Credit Assessment	Underwriting is manual
M	Pre-approved offer	No submitted to the client
N	Distrib. Channels	All customers are coming through <b>ING</b> channels: web, call center, branches, sales network (mono label brokers), brokers (white label co-branding)

## 2.4 Borrower's Criteria

A	Type	Individuals, Italian residence
B	Residence	Italian citizen* or resident $\geq$ 3 years
C	Nationality	All permitted
D	Age	Min. 18 / Max. 80 at end of maturity
E	Employee	<ul style="list-style-type: none"> <li>• Permanent contract with 3 months at work (for managers this threshold does not apply)</li> <li>• Temporary contract with minimum 18 months at work in the last 24 months</li> </ul>
F	Pensioners	Permitted
G	Self Employed	All self-employed must demonstrate at least 2 years of continuous activity confirmed by tax return declarations
H	Employers blacklisted	Implemented
I	Credit Bureau	<ul style="list-style-type: none"> <li>• Centrale Rischi, CRIF</li> <li>• Write-off in the past</li> <li>• Bankruptcy filing or court judgment cases</li> </ul>
L	Blacklist	<ul style="list-style-type: none"> <li>• Internal blacklist</li> <li>• Chamber of Commerce blacklist</li> </ul>

M	Fraud/AML	If any flag, loan is rejected
N	Fraud Software	Existing tool
O	PEP	Internal checks

\* Italian citizens who transfer their residency abroad must have: the AIRE registration, an Italian resident guarantor and a source of income in €

## 2.5 Guarantee's Criteria

A	Asset Type	Urban, finished, residential Not acceptable collaterals: - Rural /Farms - New constructions (not finalized) - Commercial use
B	Valuation	Standard for all properties regardless of the lending amount or location.
C	Valuers	Independent, regulated by <b>ING's</b> agreement in accordance with the <i>Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on Credit Agreements for consumers relating to residential immovable property (the "Mortgage Credit Directive")</i>
D	Lien	First lien on the mortgaged property. All previous liens held against the property must be extinguished at the time of disbursement. After 20 years mortgage lien must be renewed.
E	Surroga	At the time of submission, mortgage lien must have an expiry date greater than 6 months
F	Location	Properties must be located in Italy (S. Marino and Vatican City are excluded)
G	Periodical Value Evaluation	Automated House Price Index

## 2.6 Income Eligibility, Affordability & Credit Background

A	Income Eligibility	Always net, taxable, recurrent, verified. There is not a direct minimum income requirement, there are requirements for income after financial obligations (MRI)
B	Verification	Payroll, Pension, Tax Return declaration, <b>ING's</b> credited salary
C	Income Not Valid	From unemployed, students
D	Ratios	<a href="#">A2 DSR - MRI (MA)</a>
E	Currency	Source of income must be in €



## 2.7 Guarantor's Criteria

The guarantor is subject to the same lending criteria as the mortgage applicant/s (guarantors are not clients).

A	Age	Max. 80 at 2/3 of maturity
B	Type	Spouse/Official partner Parent/Sons/Daughters Sibling
C	Minimum gross income	€ 20.000
D	Check	There is not a creditworthiness check for "moral guarantor"

## 2.7 LTV

### Maximum LTV: 80%

- Employees without a permanent contract and a guarantor can have a purchase or surroga/substitution mortgage when the maximum LTV is 50% (if the mortgage has a different purpose, we do not proceed)

- In case of a purchase, the LTV is the loan divided by the lower of the appraisal value and the "purchase price". We consider the appraisal value in case of purchasing property from builder.

Loan-To-Cost rule:

- Max. 95% of the preliminary purchase agreement with LTV = < 80%
- Only for Purchase (Variable - ARM - Fixed Rate)
- Only for Sales Network and CoBranding

## 3. Credit Scoring

Starting from January 2021, all mortgage loan applications go through a credit decision model composed by an acceptance scorecard and a set of policy rules.

	GREEN	YELLOW	RED
SCORECARD	Approval	-	Rejected by system
POLICY RULES	Approval	Manual review needed	Rejected by manual intervention

Outcomes (*)	the deal automatically passes to the Technical-Legal phase	the BPO reports the deal to the Internal Analyst for further investigation	Rejection
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(\*) The worst outcome between Scorecard and Policy Rules prevails

(e. g. Scorecard >> red and Policy Rules >> green = red outcome)

#### 4. Override

Manual approval or rejection decisions that deviate from the existing Local Policy are defined as “overrides”. **High side overrides:** cases that could be approved based on the existing underwriting policy / system but are rejected by manual intervention. **Low side overrides:** cases rejected by existing underwriting policy / system but approved by manual intervention; more specifically, the cases of “low side overrides” are driven by red outcome for scorecard (system outcome labelled as “E999”) and/or policy rules.

No exceptions/overrides are allowed on the No-Go Criteria on a local transactional level unless a waiver on local policy level has been obtained from CRC.

Reference threshold for low side overrides is set by Global Retail Risk Policy as 5% of the total approvals for each product in a quarter. The threshold needs to be monitored monthly. In case the threshold is exceeded, Head Office should be informed with reasons and mitigating actions. Performance of the exceptions needs to be closely monitored.

#### 5. De-risking rules

In order to mitigate the Covid-19 economic effects on ING Italy Portfolio, the following rules must be taken into account during the customer credit quality assessment:

TYPE OF BORROWER / GUARANTOR	TYPE OF MRTG.	RULE	RULE IN FORCE				ADDITIONAL NOTES
			MRI band	GREEN DSR limit	YELLOW DSR limit	RED DSR limit	
Self-employer Professional	All	DSR / MRI label	fino a 1,000	<=45%	45%-50%	>50%	5% less on DSR limit for each MRI band
			(1,000-2,500]	<=50%	50%-55%	>55%	
			> 2,500	<=55%	55%-65%	>65%	
Self-employer Professional	All	MRI LIMIT	MRI band related to first house= x 1,5 MRI band related to second house= x 1,5				2nd house MRI limit extended to 1st house
Self-employer Professional	All	Plug rate on floating rate mortgages	Spread + 1% (floating rate)				Increase the plug rate on floating rate mortgage
Self-employer Professional	All	Income assessment	Average of income related to previous 2 years certified by tax documentation + Average of cash flows related to the current year				Deep analysis on current income
Self-employer Professional	Liquidity Refinancing Restructuring	LTV calculation	50%				Max. Ltv limit decrease for refinancing, liquidity and restructuring

Rule implemented in April 2020 related to self-employed/professional with activity in HO.RE.CA. and Travel/Tourism sectors for which additional stress on risk profile was applied (i. e. affordability calculation, LTV cap for purposes different from purchase)

#### 6. No-go criteria

According to the Global Policy, the following exceptions may never be excepted:

A	LTV higher than 80%
B	Applicants who aren't individuals (companies or public organizations)
C	Properties which aren't located in Italy (for instance: S. Marino and Vatican City)
D	Type of mortgages which aren't in the product list (for instance: mortgages for construction steps)

## 7. Professional Real Estate definition

**RULE:** The customers income at the onboarding stage must comply with the following conditions:

a)

- client derives **LESS THAN 50%** of his/her gross income by renting/selling real estate to third parties\*

- the income producing real estate **IS part/ IS NOT** part of collateral in ING bank

b)

- client derives **MORE THAN 50%** of his/her gross income by renting/selling real estate to third parties\*

- the income producing real estate **IS NOT** part of collateral in ING bank

*\*Relevant source of information for the assessment would be income tax returns*

In these cases, the customer does not have to be reported as PRE.

Otherwise, if the client must be labelled as a “PRE client” in accordance with General Real Estate Lending Policy, the Bank will not be able to grant the loan.

The General Professional Real Estate (PRE) Lending Policy defines Professional Real Estate covering dimensions:

**Client:** Professional real estate clients derive more than 50% of their gross income by renting/selling real estate to third parties.

**Transaction:** Professional real estate transactions are related to the issuance of an instrument for the purpose of acquiring/(re)developing real estate, which is intended to be sold/rented to third parties (generating income to the owner);

**Cover:** Professional real estate covers are related to real estate that secure an instrument and that is being held by the borrower to be sold/rented to third parties, thereby generating income to the owner.

## 8. Mortgage Loans HLTV

10259794796-v2

## 8.1 Product description

The Loan to Value compares the mortgage loan size to the collateral value and determines the maximum amount an individual can borrow from a financial institution for a housing loan. Particularly, LTV refers to the loan amount as a percentage of the property's value and, according to the Italian local Law ("Testo Unico Bancario"), the maximum LTV limit cannot be higher than 80%.

Maximum LTV: 80%

Formula = Principal Amount / Appraisal Value

According to local Law and the Bank of Italy's guidelines, when the ratio exceeds 80%, the loan is considered to have a higher level of risk than conventional ones and requires appropriate insurance coverage to offset the potential additional risk.

## 8.2 Product Attributes and Limits

		Standard Mortgage (max. LTV 80%)	HLTV (max. 90%)
A	Limit	Min. € 50.000 - Max. €3M (max €500k for fixed rate)	Max. €350k
B	Loan term	Min. 10 years - Max. 30 years	Unchanged
C	Max age at end of maturity	Max. 80years	Unchanged
D	Borrower's type	Private Individuals residing in Italy, primary Italian residence only	No lending to self-employed
E	Loan Purpose	Purchase, Substitution, Refinancing, Liquidity, Renovation No under construction mortgages allowed	Only Purchase (1st House) No under construction mortgages allowed
F	LTV	Up to 80% on appraisal value	Up to 90% on appraisal value
G	Collateral	Urban, finished, residential	<ul style="list-style-type: none"> <li>- No rural area</li> <li>- State of maintenance = good</li> <li>- No discrepancies (severe, medium, mild)</li> <li>- Marketability no less than sufficient</li> </ul>
H	Additional Guarantee	N. a.	Insurance (covering LTV 80,1% - 90%)
I	Affordability criteria	Max. DSR 55%-70% based on different Monthly Residual Income cluster Plug rate of 0,5% applied to variable rate	Max. DSR 50% (differentiated by Monthly Residual Income cluster) Plug rate of 0,5% applied to variable rate

L	Expected volume for 2023	-	Max. 180m disbursement envelope for 2023 (approx. 12% of new business)
M	Low-side override	Max. 5% (as per Global Credit Policy)	Not allowed
N	No referral	-	The request for coverage in derogation from the Insurance Company is not allowed

### 8.3 Process overview

The process drawn is very similar to the current one with few extra steps in the Acceptance (a) and Collection Phase (b) to take care of the additional guarantee (Insurance).

#### Main features

(a) Acceptance phase:

- Collective insurance policy (Master Agreement)
- Automatic insurance acceptance criteria if the mortgages application is in line with all the requirements agreed between the Bank and the Insurance Company
- Automatic flow (with the list of mortgages to be covered) towards the Insurance Company and premium payment monthly

(b) Collection phase:

- In case of customer's default, ING Italy must follow up all the recovery actions foreseen by the Collection process in force
- The maximum amount covered by the Insurance is calculated for High Loan to Value mortgages at the acceptance phase, but it can be collected after the eventual foreclosure auction. The amount covered is calculated as follows (constant for all the time when the LTV of the mortgages is above 80%):

**Amount covered by the insurance=  $((LTV-80))/100 \cdot 1,25 \cdot \text{Collateral Value}$**

For example:

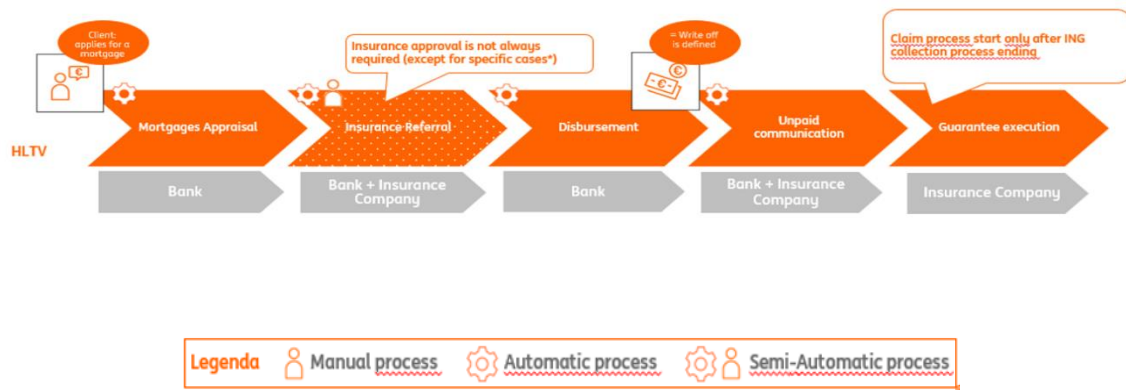
LTV = 90%

Mortgage amount = € 90.000

Collateral value (house) = € 100.000

**Amount covered by the insurance=  $((90-80))/100 \cdot 1,25 \cdot 100.000 = 12.500$**

A such, worthwhile mentioning that the insurance is reducing the credit risk but not zeroing it since the amount covered is determined at origination phase based on the above formula and the insurance can be claimed if the default event occurs when LTV current is  $\geq 80\%$ .



## 9. Cut-off setting

The current application scorecard does not include LTV as risk drivers since the collateral value is not available in the process when the scorecard is applied (a model to estimate the declared LTV was calibrated by using the other features but this brought to a low predictive result and therefore it was rejected).

However, the expected scoring distribution of the HLTV applicants will be skewed towards lowest rating class and hence rejection rate will be higher although applying the current cutoff set to maximize risk-return. In fact, profitability wise, the marginal increased risk cost expected by HLTV product is compensated by higher interest rate applied to the client.

Based on the above mitigants (i. e. worst scoring distribution and prudent approach on cRWA and provisioning), proposal is to maintain the current cutoff level.

## 10. DETERMINATION OF LENDING LIMITS: INCOME MULTIPLES/ AFFORDABILITY CALCULATOR

### 10.1 Parameter Description

The "**Monthly Residual net Income**" (MRI) is an affordability indicator that ensures a reasonable available income for the borrowers, depending on the province they reside and the size of the family. Applied along with Debt to Income, ensures not just that indebtedness level is appropriate, but also that remaining income is sufficient enough for borrower's specific living standards.

The formula is the following:

a) Monthly Residual net Income - Monthly Debt Service (financial and non-financial debt) - Province minimum available income per family member (Istat threshold) if > 0

b) Monthly Residual net Income - Monthly Debt Service (financial and non-financial debt) = MRI band

<b>MRI</b>
------------

[0 – 1.000]
[1.000 – 2.500]
>2.500

This ratio was constructed using a minimum available income calculated through statistical information.

For second home, standard amount reported in the table is multiplied by 1,5.

The minimum MRI limit is updated an annual basis based on most recent ISTAT (National Statistical Entity) poverty thresholds. To set minimum MRI limit, a buffer of 7% to the poverty threshold is applied.

The "**Debt Service Ratio**" (DSR) is an indicator used in the measurement of an applicant's ability to cover his/her debt payments. Lower this percentage, the easier it is to obtain a loan.

The formula is the following:

$$\text{DSR} = \text{Debt Service}^* / \text{Net (monthly) income}$$

\* *Debt Service* calculated with all new and existing debts

### Minimum Available Income per Province and per Family Unit with 7% buffer

		Monthly Limit						
		Big Cities*		Cities**		Villages***		
		N° FAMILY Members	Primary Home	Second Home	Primary Home	Second Home	Primary Home	Second Home
EMILIA ROMAGNA FRIULI VENEZIA GIULIA LIGURIA LOMBARDIA PIEMONTE TRENTINO ALTO ADIGE VENETO VALLE D'AOSTA	NORTHERN	1	€ 913	€ 1.369	€ 870	€ 1.305	€ 820	€ 1.231
		2	€ 1.263	€ 1.894	€ 1.211	€ 1.817	€ 1.153	€ 1.729
		3	€ 1.577	€ 2.365	€ 1.517	€ 2.276	€ 1.451	€ 2.176
		4	€ 1.900	€ 2.849	€ 1.826	€ 2.739	€ 1.745	€ 2.618
		5	€ 2.191	€ 3.287	€ 2.106	€ 3.160	€ 2.015	€ 3.023
		6	€ 2.471	€ 3.706	€ 2.375	€ 3.563	€ 2.274	€ 3.410
		≥ 7	€ 2.739	€ 4.109	€ 2.633	€ 3.950	€ 2.522	€ 3.783
		LAZIO MARCHE TOSCANA UMBRIA	CENTRAL	1	€ 868	€ 1.302	€ 824	€ 1.236
2	€ 1.189			€ 1.783	€ 1.136	€ 1.704	€ 1.077	€ 1.615
3	€ 1.477			€ 2.215	€ 1.416	€ 2.124	€ 1.348	€ 2.022

		4	€ 1.776	€ 2.664	€ 1.701	€ 2.551	€ 1.618	€ 2.428
		5	€ 2.044	€ 3.067	€ 1.958	€ 2.937	€ 1.865	€ 2.797
		6	€ 2.302	€ 3.453	€ 2.204	€ 3.306	€ 2.101	€ 3.151
		≥7	€ 2.548	€ 3.823	€ 2.441	€ 3.661	€ 2.327	€ 3.490
SARDEGNA BASILICATA CALABRIA CAMPANIA MOLISE PUGLIA SICILIA ABRUZZO	SOUTHERN	1	€ 679	€ 1.018	€ 656	€ 984	€ 617	€ 925
		2	€ 973	€ 1.460	€ 947	€ 1.420	€ 902	€ 1.352
		3	€ 1.238	€ 1.857	€ 1.208	€ 1.812	€ 1.158	€ 1.737
		4	€ 1.496	€ 2.244	€ 1.461	€ 2.192	€ 1.402	€ 2.103
		5	€ 1.733	€ 2.600	€ 1.694	€ 2.541	€ 1.629	€ 2.444
		6	€ 1.961	€ 2.941	€ 1.918	€ 2.877	€ 1.847	€ 2.771
		≥7	€ 2.179	€ 3.269	€ 2.133	€ 3.200	€ 2.058	€ 3.086

**\*Big Cities:** Bari, Bologna, Cagliari, Catania, Firenze, Genova, Messina, Milano, Napoli, Palermo, Reggio Calabria, Roma Capitale, Torino, Venezia

<https://www.tuttitalia.it/citta-metropolitane/>

[Capoluoghi delle città metropolitane \(istat.it\)](http://Capoluoghi.delle.citta.metropolitane.istat.it)

**\*\*Cities:** All the municipalities of the provincial capitals

**\*\*\*Villages:** All the other Italian municipalities

## Debt Service Ratio

<b>DSR = DEBT SERVICE / NET INCOME</b>	≤ 55%	for all purposes
	≤ 60%	if the following conditions are met:
<i>with remaining life &gt; 9 months</i>		
	<b>A</b>	<b>Amount</b> ≤ € 500.000
	<b>B</b>	<b>Purpose</b> Purchase <b>OR</b> Substitution/Surroga
	<b>C</b>	<b>LTV</b> ≤ 60% <b>OR</b> MRI (residual income) ≥ 1,5 times the min. acceptable level

**PLUG RATE** = To cope with interest rate scenario, for variable rate mortgages, affordability calculation is based on stressed interest rate. The mechanism adds 50bps on top of the EUR3m at the moment of the underwriting. EUR3m forward curve will be monitored quarterly.

## Monthly Residual net Income and Debt Service Ratio

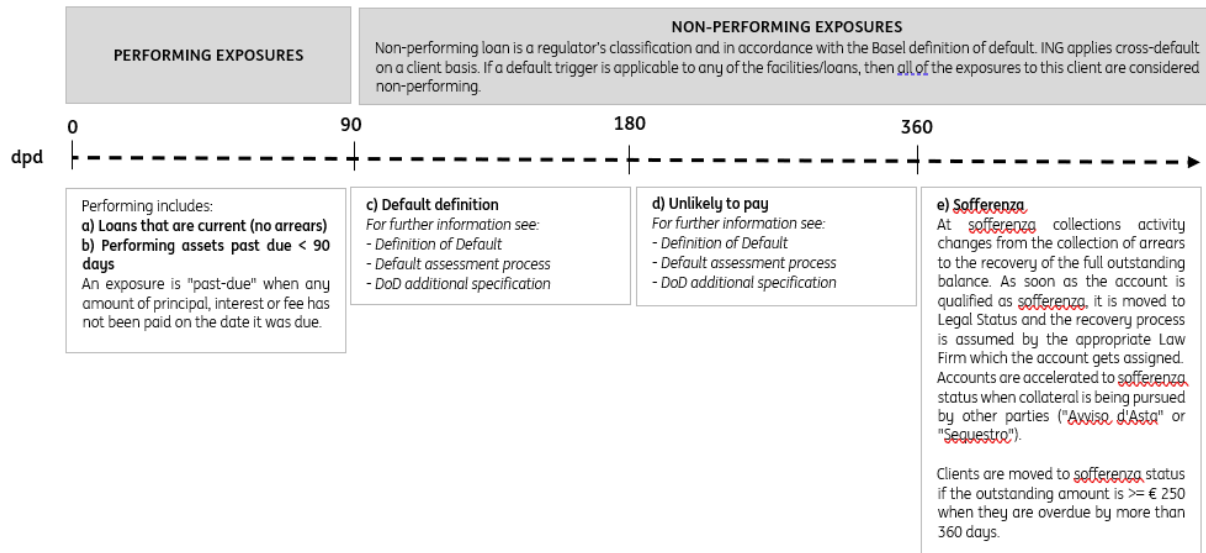
DSR - MRI TABLE			
MRI	GREEN DSR limit	YELLOW DSR limit	RED DSR limit
[0-1.000)	<= 50%	50% - 55%	> 55%
[1.000 - 2.500)	<= 55%	55% - 60%	> 60%
> 2.500	<= 60%	60% - 70%	> 70%

## 11. CREDIT QUALITY and COLLECTION



## 11.1 Internal Classification Criteria

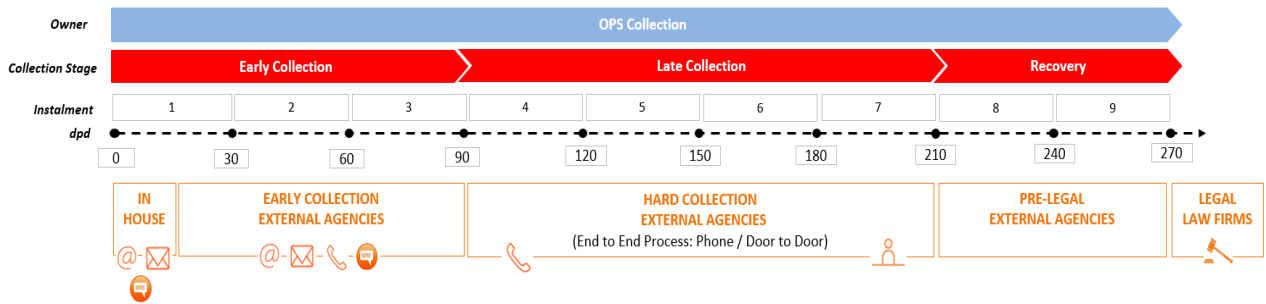
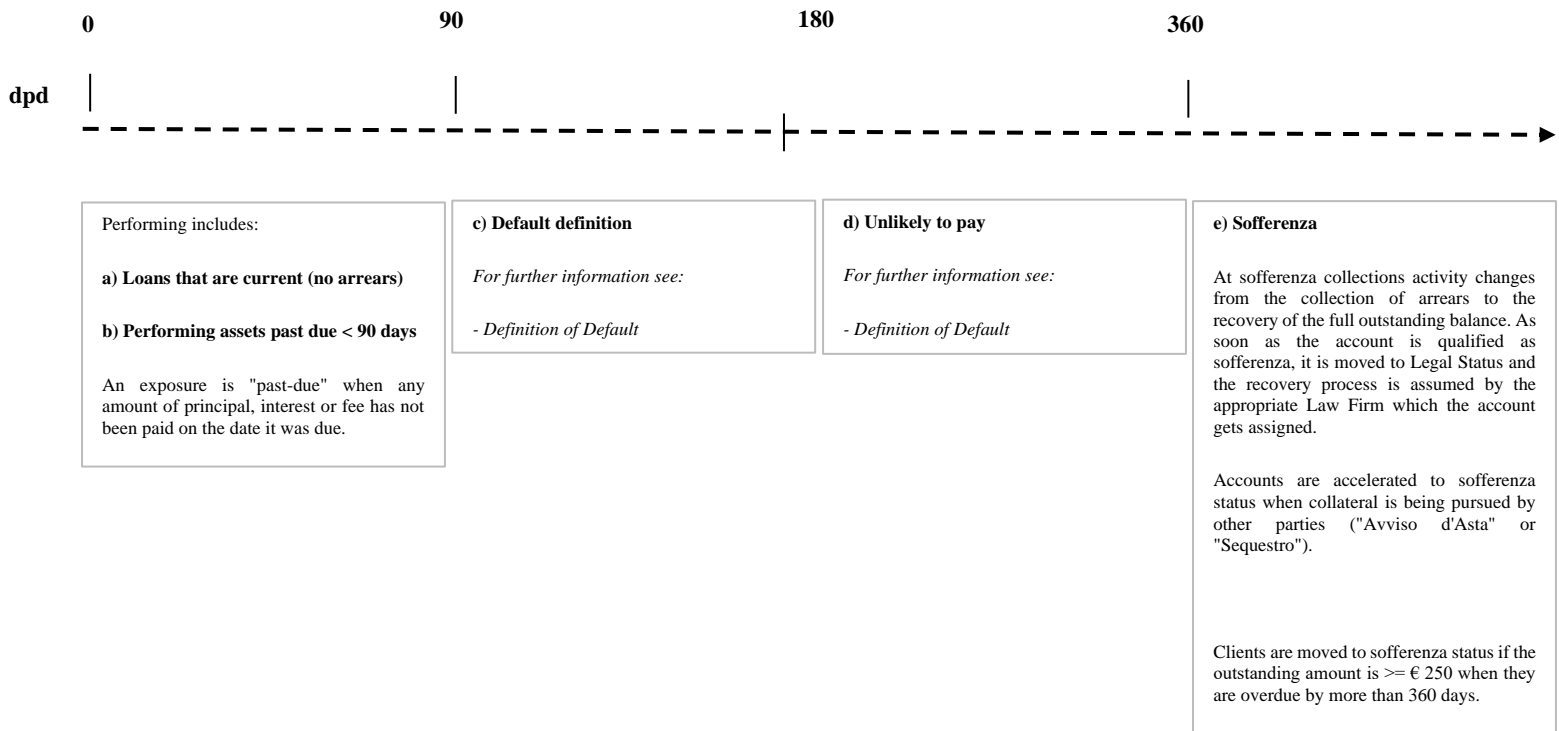
“Arrears” is defined as any amount due and unpaid on the first day following its due date. ING Direct Italy reports its mortgage arrears by the following criteria:



# 11.2 Collection

## 11.2.1 Credit Quality

<b>PERFORMING EXPOSURES</b>	<b>NON-PERFORMING EXPOSURES</b>
	Non-performing loan is a regulator's classification and in accordance with the Basel definition of default. ING applies cross-default on a client basis. If a default trigger is applicable to any of the facilities/loans, then all of the exposures to this client are considered non-performing.



### 11.3 Collection Procedures

For Mortgages the legal process starts with a communication in writing that the foreclosure procedure will start unless borrower remedies.

The letter is accompanied by a full statement of arrears and charges to date (outstanding debt certificate). The in-court process should always be initiated once the account is in “sofferenza” status. The foreclosure-based process is strictly regulated by law, and it involves Bank requesting the expropriation of the residential property, which is sold in public auction. The duration of the recovery process depends on the individual court and its geographical location, it can last several years. Depending on the duration of the process, the cover value can decrease strongly because every subsequent auction round has a lower recovery. If property sale price is insufficient to cover the outstanding debt, ING has the option under the Italian Law to keep collecting the remaining debt by full recourse to other borrower’s assets for 10 years (starting from distribution plan approval). At the end of the property sale, any balance shortfall is fully provisioned or written-off.

#### Legal recovery process map (In Court Force Sale)

1	<b>Extra Judicial Management (Letter &amp; Phone):</b> Lawyers contact customer to inform and try to reach alternative solutions.
2	<b>Sofferenza status:</b> The debtor is moved to sofferenza status (credit quality classification). A client is classified as sofferenza when <b>ING</b> decides that the client’s financial situation cannot be restored and wants to end the (credit) relationship. <b>ING</b> will prefer an amicable exit, but will enforce and liquidate collateral or claim on the guarantees, when needed.
3	<b>Injunction of Payment (Precetto):</b> Injunction to the customer to pay the debt in next 10 days. When the account reaches 360DPD, the activity changes from the arrears’ collection to the recovery of the full outstanding balance.
4	<b>Registration at the land registrar (Pignoramento):</b> Injunction to the debtor to not dispose of asset property.
5	<b>Deposit of sale petition:</b> Deposit the necessary document in Court to sell the asset.
6	<b>Deposit of CTU and Comparison:</b> Appraisal made by an expert named by judge and hearing of authorization to sale.
7	<b>Auction:</b> The Court fixes a floor price to sell the asset.
8	<b>Hammer Price Sale:</b> The highest bidder pays the amount and the Judge notifies a transfer decrees.
9	<b>Distribution plan approval:</b> After the approval of Distribution plan, the Bank receives the sale price.

*For more information see "Legal Collection Procedures"*

## THE ISSUER

### Introduction

The Issuer is a special purpose vehicle incorporated in the Republic of Italy pursuant to the Securitisation Law on 22 April 2010 as a *società a responsabilità limitata* under the name "Leone Arancio RMBS S.r.l.". The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is in Corso Vercelli 40, 20145 Milan Italy, the fiscal code and enrolment number with the companies register of Milan is 07013020966. The Issuer is enrolled under number 33656.0 in the register of special purpose vehicles held by the Bank of Italy pursuant the regulation issued by the Bank of Italy on 7 June 2017. The Issuer has no employees and no subsidiaries. The Issuer's telephone's and fax's number is +39 02 862495.

The authorised, issued and fully paid up quota capital of the Issuer is € 10,000. The current quotaholder of the Issuer is as follows:

<i>Quotaholder</i>	<i>Quota</i>
Stichting Leone Arancio	100%

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

The corporate capital of the Quotaholder is not directly or indirectly controlled by any other entity.

The LEI of the Issuer is: 8156003C36A493144B54.

### Issuer's Principal Activities

The sole 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 was established as a multi-purpose vehicle and accordingly it may carry out further securitisation transactions in addition to the Securitisation, subject to the provisions set forth in Condition 6 (*Issuer Covenants*).

Condition 6 (*Issuer Covenants*) provides that, so long as any of the Notes remain outstanding, the Issuer shall not, without the prior consent of the Representative of the Noteholders and as provided in the Conditions, incur any other indebtedness for borrowed moneys (except in relation to any other securitisation carried out in accordance with the Transaction Documents) engage in any activities (other than acquiring and holding the assets on which the Notes are secured, issuing the Notes and entering into the documents executed in the context of the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any quota 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 Conditions or in the Intercreditor Agreement) or increase its capital.

The Issuer will covenant in the Intercreditor Agreement to observe, *inter alia*, the restrictions detailed in Condition 6 (*Issuer Covenants*).

### **Sole Director**

The Issuer is managed by a sole director whose name is Mr. Andrea Di Cola, a chartered accountant. The domicile of Mr. Andrea Di Cola, in his capacity of Sole Director of the Issuer, is at Corso Vercelli 40, 20145 Milan, Italy. There are no relevant activities carried out (other than that of sole director) by the sole director to be reported.

The Issuer confirms that the sole director has appropriate expertise and experience for the management of the Issuer's business.

### **Quotaholder's Agreement**

Pursuant to the Quotaholder's Agreement entered into on or prior to the Issue Date between the Issuer, the Quotaholder and the Representative of the Noteholders, the Quotaholder shall assume certain undertakings with respect to, *inter alia*, the exercise of its voting rights in the Issuer, and shall undertake not to dispose of its interest in the Issuer. The undertakings assumed in the Quotaholder's Agreement and the covenants made in the Transaction Documents are intended to prevent any abuse of control of the Issuer by the Quotaholder.

### **No material litigation**

The Issuer is not (and was not in the 12 months preceding the date of this Prospectus) involved in any litigation, arbitration, governmental or administrative proceedings relating to claims or amounts which are material and which may have, or have had, during such 12 months' period, a significant effect on its financial position or profitability, nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.

### **Accounts of the Issuer and accounting treatment of the Receivables**

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

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the exception of the first fiscal year which started on 22 April 2010 and ended on 31 December 2010.

### **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:

<b>Quota capital</b>	<b>Euro</b>
Issued, authorised and fully paid up capital	10,000
<b>Loan Capital</b>	<b>Euro</b>
<i>Securitisation</i>	<b>Euro</b>
Class A1 Mortgage-Backed Floating Rate Notes due October 2083	480,000,000
Class A2 Mortgage-Backed Floating Rate Notes due October 2083	6,600,000,000
Class J Mortgage-Backed Notes due October 2083	920,000,000
<b>Total loan capital (euro)</b>	<b>8,000,000,000</b>
<b>Total capitalisation and indebtedness (euro)</b>	<b>8,000,010,000</b>

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

#### **Financial statements and auditors**

Copy of the financial statements of the Issuer may be inspected and obtained free of charge during usual business hours at the specified offices of the Issuer.

The auditor of the issuer is KPMG S.p.A, an auditing firm having its registered office at via Vittor Pisani 25, Milan, Italy, fiscal code and VAT number 00709600159, enrolled under number 70623 to the Register of Legal Statutory Auditors, established pursuant to Legislative Decree 39/2010 at the Ministry of Economy and Finance.

## **THE REPRESENTATIVE OF THE NOTEHOLDERS**

### **TMF Trustee Limited**

TMF Trustee Limited (registered number 03814168), having its registered office at One Angel Court, 13<sup>th</sup> floor, EC2R 7HJ London, United Kingdom, will be appointed to provide services as the Representative of Noteholders pursuant to the Subscription Agreements, the Intercreditor Agreement, the Mandate Agreement, the Dutch Deed of Pledge and the Security Assignment. TMF Trustee Limited has served and is currently serving as a representative of noteholders and a trustee services provider for debt and loan transactions.

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

## THE CORPORATE SERVICES PROVIDER

### **TMF Italy S.r.l.**

TMF Italy S.r.l. ("**TMF Italy**"), a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy, having its registered office at Corso Vercelli 40, 20145, Milan, Italy, fiscal code and enrolment with the companies register of Milan number 03296470960, will be acting as Corporate Services Provider.

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



## **USE OF PROCEEDS**

On the Issue Date, the proceeds deriving from the issue of the Notes and the Notes Initial Payment, being in aggregate Euro 6,490,000,000.00, will be applied by the Issuer to (i) pay to the Originator the Initial Portfolio Purchase Price in accordance with the Master Receivables Purchase Agreement; (ii) credit the initial Retention Amount on the Expenses Account on the Issue Date; and (iii) make provision in the Main Transaction Account for funding the payment of the Purchase Price for Subsequent Portfolios on the First Payment Date.

After the Issue Date, and during the Revolving Period, the proceeds deriving from the Notes Further Payments will be applied by the Issuer to pay to the Originator the Purchase Price in relation to the relevant Subsequent Portfolios.

## DESCRIPTION OF THE TRANSACTION DOCUMENTS

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

### 1. THE MASTER RECEIVABLES PURCHASE AGREEMENT

On 1 September 2023, the Originator and the Issuer entered into the Master Receivables Purchase Agreement pursuant to which the Originator has assigned and transferred to the Issuer without recourse (*pro soluto*), the Initial Portfolio and, on a revolving basis and, subject to the terms and conditions of the Master Receivables Purchase Agreement, may sell to the Issuer, Subsequent Portfolios.

The Initial Portfolio was purchased by the Issuer on the Effective Date, being 1 September 2023 and the relevant Purchase Price will be paid on the Issue Date and funded by the Notes Initial Payment subject to the provisions of the Conditions and the Subscription Agreements.

Sale of each Subsequent Portfolio may take place during the Revolving Period and the relevant Purchase Price will be paid on the Notes Further Payment Date and funded using Issuer Principal Available Funds and/or through the Notes Further Payments, subject to the provisions of the Conditions and the Subscription Agreements.

The Receivables included in each Portfolio to be purchased by the Issuer have been, with respect to the Initial Portfolio, and will be, with respect to each Subsequent Portfolio, selected on the basis of the Common Criteria and the Specific Criteria, pursuant to the Master Receivables Purchase Agreement.

Should no Notes Further Payments be duly paid on the Notes Further Payment Date, in whole or in part, in accordance with the provisions of the Subscription Agreements, the relevant assignment of the Subsequent Portfolio will be automatically terminated from the respective Subsequent Portfolio Effective Date pursuant to article 1353 of the Italian civil code, and no party thereto will have any right or recourse against the other party for any reason in respect of the assignment of each Subsequent Portfolio.

Sales of Subsequent Portfolios may take place during the Revolving Period, and the Purchase Price for the Subsequent Portfolios will be payable to the extent there are Issuer Principal Available Funds available for such purposes under the Priority of Payments and/or through the Notes Further Payments, and provided no Purchase Termination Event or Trigger Event has occurred and subject to the terms and conditions of the Master Receivables Purchase Agreement.

#### Purchase Price

The Purchase Price of each Portfolio payable pursuant to the Master Receivables Purchase Agreement is equal to the aggregate sum of the Individual Purchase Prices of the Receivables as set out in each Mortgage Loans List. The individual purchase price for each Receivable as at the relevant Valuation Date will be equal to (i) the Outstanding Principal Due in respect of each Receivable and (ii) any Accrued Interest thereon.

The Originator has sold to the Issuer, and the Issuer has purchased from the Originator, the Receivables comprised in the Initial Portfolio, which meet the Criteria, described in detail in the section headed "*The Master Portfolio*". The sale of the Initial Portfolio was made in accordance with article 58, subsections 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Securitisation Law). Notice of the transfer was published in the *Gazzetta Ufficiale della Repubblica Italiana*, number 105, Part II of 7 September 2023 and was published in the companies' register of Milan on 6 September 2023.

The Receivables which will be included in each Portfolio will be selected in such a way as to form a plurality of monetary claims identifiable as a pool ("*crediti pecuniari individuabili in blocco*"), within the meaning of and for the purposes referred to in the combined provisions of article 1 and article 4 of the Securitisation Law. The Receivables will be identified on the basis of predetermined objective criteria as follows.

#### Common Criteria

The Receivables included in each Portfolio to be transferred under the Master Receivables Purchase Agreement meet the Common Criteria specified in schedule 1 of the Master Receivables Purchase Agreement. See for further details the section headed "*The Master Portfolio*" above.

#### Specific Criteria

In addition to the Common Criteria, the Receivables included in each Portfolio to be transferred under the Master Receivables Purchase Agreement may meet Specific Criteria which may be from time to time selected or completed or filled in, as the case may be, by the Originator at the time of each transfer, (and notified to the Issuer) from the Specific Criteria listed in schedule 2, part I of the Master Receivables Purchase Agreement. See for further details "*The Master Portfolio*" above. A list of the Specific Criteria selected by the Originator for the transfer of the Initial Portfolio is set out in schedule 2, part II of the Master Receivables Purchase Agreement. See for further details the section headed "*The Master Portfolio*" above.

#### Additional Criteria

To the extent necessary, the Originator and the Issuer may agree to identify the Additional Criteria, provided that such Additional Criteria shall have the purpose to supplement the Common Criteria and/or the Specific Criteria but not to amend any of the Common Criteria.

The Master Receivables Purchase Agreement contains a number of undertakings by the Originator in respect of its activities relating to the Receivables. The Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any Receivable or adversely affect the benefit which the Issuer may derive from the Receivables and in particular not to assign or transfer the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables. The Originator has also undertaken not to modify or cancel any term or condition of the Mortgage Loan Agreements or any document to which it is a party relating to the Receivables which may prejudice the Issuer's rights to the Receivables, save in the event such modifications or cancellations are provided for by the Transaction Documents or required by law.

Under the terms of the Master Receivables Purchase Agreement the Issuer has granted to the Originator (i) a right to repurchase (in whole but not in part) the then outstanding Master Portfolio on any Payment Date and (ii) an option right to repurchase individual Receivables (a) in the event that the limits under clause 4 (*Renegotiations*) of the Servicing Agreement shall be exceeded; or (b) in case of a request by the Debtor to the Servicer of a renegotiation, suspension or *moratorium*, in accordance with any applicable law or other regulatory provisions (including, for avoidance of doubts, any request under the provisions of article 1202 of the Italian civil code); or (c) without prejudice to clause 4.1 (*Renegotiation of Receivables other than Defaulted Receivables and Delinquent Receivables*) of the Servicing Agreement, in case of Defaulted Receivables.

The Master Receivables Purchase Agreement is governed by and shall be construed in accordance with Italian law.

## 2. THE SERVICING AGREEMENT

On 1 September 2023, the Originator and the Issuer entered into the Servicing Agreement, pursuant to which the Issuer has appointed ING Bank N.V., Milan Branch as Servicer of the Receivables. The receipt of the Collections is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Under the Servicing Agreement, the Servicer shall credit no later than the 6<sup>th</sup> calendar day of the calendar month falling two months after the Monthly Collection Period any Scheduled Collections and Unscheduled Collections to the Main Transaction Account. The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to article 2, sub-paragraph 3, letter c) and sub-paragraph 6 of the Securitisation Law. In such capacity, the Servicer shall also be responsible for verifying that the operations under the Securitisation are in compliance with Italian law and consistent with the Prospectus in accordance with the provisions of article 2, paragraph 6, 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 Collection Policy, any activities related to the management, enforcement and recovery of the Defaulted Receivables.

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 to the Issuer that it has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement.

The Servicer has undertaken to use all due diligence to maintain all accounting records relating to the Receivables and the Defaulted Receivables and to supply all relevant information to the Issuer to enable it to prepare its financial statements.

In consideration of the performance of its obligations hereunder, the Issuer has undertaken to pay to the Servicer on each Payment Date in accordance with the relevant Priority of Payments:

- (i) with respect to the management and collection of the performing Receivables (*in bonis*) a fee equal to 0.025% of the Outstanding Principal Due of the Receivables at the beginning of the relevant Collection Period;

- (ii) with respect to the administration, collection and recovery of any Delinquent Receivables and/or Defaulted Receivables a fee equal to 4% of the amount recovered in respect of each Delinquent Receivable and/or Defaulted Receivable; and
- (iii) for the monitoring and reporting activity carried out by the Servicer an annual fee of Euro 5,000 (including VAT).

Under the Servicing Agreement, the Servicer has the right to renegotiate, where appropriate, the terms of the Mortgage Loans comprised in the Master Portfolio even in relation to those Receivables which are not Defaulted Receivables and such renegotiations being carried out in relation to requests for renegotiation made by Debtors with the intention of availing themselves of the provisions of any applicable law, regulation or agreement.

Under the Servicing Agreement, the Servicer is authorised to consent to any renegotiation requests made by the Debtors as follows:

- (i) the Servicer is authorised to consent to renegotiations up to an overall renegotiation limit of 30% of the aggregate Outstanding Principal Due at the Valuation Date.
- (ii) the Servicer is authorised to consent to renegotiations modifying the final maturity date of the Mortgage Loans by extending such maturity date for a period not longer than 15 years, provided that (i) any such renegotiation provides for any payment from the Debtors to be made not later than the date falling 14 years before the Final Maturity Date of the Notes, and (ii) the aggregate amount renegotiated by modifying the final maturity date of the Mortgage Loans (calculated taking into account the Outstanding Principal of the relevant Receivables) does not exceed 10% of the aggregate Outstanding Principal of the Initial Portfolio as at the Valuation Date, provided that the modification of the type of amortisation plan of the Mortgage Loan Agreements shall not, *inter alia*, result in a switch to an amortisation plan different from the so-called "French method" or to an amortisation plan so called "bullet";

The Servicing Agreement provides that, in carrying out its renegotiation activity, the Servicer shall be obliged to offer the Debtor new contractual terms which are essentially equivalent to the terms offered at that time to the majority of its customers.

Under the terms of the Servicing Agreement, the Servicer may agree with the Debtors agreements, *moratoria*, extensions, settlements, partial or total waiver of the right to receive payments from the Debtors, Mortgage reduction or renegotiations in relation to the Defaulted Receivables and Delinquent Receivables, in accordance with the Credit and Collection Policies, provided that the aggregate amount of such amendments, agreed in relation to the Defaulted Receivables and the Delinquent Receivables does not provide for payments from the Debtors to be made after the date falling 108 months before the Final Maturity Date of the Notes.

Under the Servicing Agreement, the Servicer has undertaken to, commencing on the Effective Date:

- (a) deliver as soon as it is available, but in any event no later than the Securitisation Regulation Report Date, to the Issuer, to the Reporting Entity, to the Swap Counterparty, to the Dutch Account Bank, the Calculation Agent, the Representative of

the Noteholders, the Principal Paying Agent and the Corporate Services Provider, electronic copies of a report setting out loan level information required under Article 7(1)(a) of the EU Securitisation Regulation with respect to the Mortgage Loans (including information related to the environmental performance of the Real Estate Assets where available, in accordance with Article 22, paragraph 4 of the EU Securitisation Regulation) in the form of 'Annex II' of the Disclosure RTS (the "**Loan Level Report**"). The Loan Level Report will be made available on the Securitisation Repository's web-site (<https://eurodw.eu/>);

- (b) on or before each Servicer's Report Date, prepare and deliver to the Issuer, the Reporting Entity, the Swap Counterparty, the Dutch Account Bank, the Calculation Agent, the Representative of the Noteholders, the Principal Paying Agent, the Corporate Services Provider and the Rating Agencies, electronic copies of the a report concerning the Servicer's activities with respect to the Monthly Collection Period ending in the second calendar month prior to the relevant Servicer's Report Date, substantially in the form of the report set out in schedule 2 (*Form of Servicer's Report*) of the Servicing Agreement (the "**Servicer's Report**");
- (c) prepare, if the Servicer becomes aware of (i) any event that, in the opinion of the Servicer constitutes inside information that shall be made public in accordance with Article 17 of the EU Market Abuse Regulation, or (ii) a significant event (as referred to in Article 7(1)(g)) of the Securitisation Regulation (including, *inter alia*, the occurrence of Purchase Termination Events and/or Trigger Events, the delivery of any Trigger Notice to the Noteholders, any changes to the Priority of Payments and any material change occurred after the Issue Date to the Credit and Collections Policies), a report setting out details of such information (the "**Inside Information and Significant Event Reports**") and shall deliver a copy of the same to the Issuer, the Reporting Entity, the Calculation Agent and the Representative of the Noteholders without undue delay in accordance with the applicable Disclosure RTS. The Inside Information and Significant Event Reports will be made available on the Securitisation Repository's web-site (<https://eurodw.eu/>).
- (d) on or before the date of the delivery of each Loan Level Report, prepare and deliver, by means of an agreed computer data transfer mechanism and/or via e-mail, to the Issuer, the Reporting Entity, the Swap Counterparty, the Dutch Account Bank, the Calculation Agent, the Representative of the Noteholders, the Principal Paying Agent and the Corporate Services Provider, a report substantially in the form of the reports set out in schedule 5 (*Form of Cash Flow and Amortisation Report*) of the Servicing Agreement or in the different forms as may be agreed by the Parties (the "**Cash Flow and Amortisation Report**"); and

Under the terms of the Servicing Agreement, the Servicer has acknowledged that the Issuer may decide, at its absolute discretion, to terminate the appointment of the Servicer and appoint the Substitute Servicer if one of the following events occurs (each a "**Servicer Termination Event**"):

- (i) failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited according to the Servicing Agreement, which failure continues un-remedied

for 14 (fourteen) Business Days after the due date thereof and cannot be attributed to force majeure or technical reasons;

- (ii) failure on the part of the Servicer to observe or perform any other term, condition, covenant or agreement provided for under the Servicing Agreement and the other Transaction Documents to which it is a party, and the continuation of such failure for a period of 5 (five) Business Days following receipt by the Servicer of written notice from the Issuer requiring remedy of such failure, and such failure is, in the opinion of the Representative of the Noteholders, materially prejudicial to the continuation of the servicing activity to be carried out pursuant to the Servicing Agreement;
- (iii) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement, has been proved to be untrue, false or deceptive in any material respect and such default is, in the reasonable opinion of the Representative of the Noteholders, materially prejudicial to the Issuer or the Noteholders;
- (iv) an Insolvency Event occurs with respect to the Servicer;
- (v) it becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement or the other Transaction Documents to which it is a party;
- (vi) in the reasonable opinion of the Representative of the Noteholders, the Servicer is or will be unable to meet the then current legal requirements and the Bank of Italy's regulations for entities acting as servicers in the context of a securitisation transaction.

The Servicing Agreement is governed by and shall be construed in accordance with Italian law.

### 3. THE WARRANTY AND INDEMNITY AGREEMENT

On 1 September 2023, the Issuer and the Originator entered into the Warranty and Indemnity Agreement, pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Master Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables.

The Warranty and Indemnity Agreement contains representations and warranties given by the Originator as to matters of law and fact affecting the Originator including, without limitation, that the Originator validly exists as a juridical person, has the corporate authority and power to enter into the Transaction Documents to which it is party and assume the obligations contemplated therein and has all the necessary authorisations therefor.

The Warranty and Indemnity Agreement sets out standard representations and warranties in respect of the Receivables including, *inter alia*, that, as of the date of execution of the Warranty and Indemnity Agreement and as at each relevant Valuation Date, Effective Date, Subsequent Portfolio Effective Date and on the Issue Date, the Receivables comprised in the Master Portfolio (i) are valid, in existence and in compliance with the Criteria, and (ii) relate to Mortgage Loan Agreements which have been entered into, executed and performed by the

Originator in compliance with all applicable laws, rules and regulations (including the Usury Law).

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its officers or agents 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 under the Warranty and Indemnity Agreement, being false, incomplete or incorrect; (b) the failure by the Originator to comply with any of its obligations under the Transaction Documents; (c) and subject to certain conditions as set out in the Warranty and Indemnity Agreement, any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator by the relevant Debtor and/or any insolvency receiver of the relevant Debtor; (d) the failure of the terms and conditions of any Mortgage Loan Agreement on the relevant Valuation Date to comply with the provision of article 1283 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 Loan Agreement up to the relevant Valuation Date.

In addition, under the Warranty and Indemnity Agreement, the Originator has provided to the Issuer certain representations and warranties in relation to compliance of the Receivables with the requirements provided under the EU Securitisation Regulation for securitisation transactions labelled as "STS" or "simple, transparent and standardised".

The Warranty and Indemnity Agreement is governed by and shall be construed in accordance with Italian law.

#### 4. **THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT**

On or about the Issue Date, the Issuer the Originator, the Servicer, the Cash Manager, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Dutch Account Bank, the Expenses Account Bank, the Reporting Entity, the Liquidity Facility Provider, the Swap Counterparty and the Principal Paying Agent entered into the Cash Allocation, Management and Payments Agreement.

Under the terms of the Cash Allocation, Management and Payments Agreement:

- (a) the Expenses Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Expenses Account and to provide the Issuer with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of the Expenses Account;
- (b) the Dutch Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Main Transaction Account and the Swap Collateral Account and to provide the Issuer with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of the Main Transaction Account and the Swap Collateral Account;
- (c) the Corporate Services Provider has agreed to operate the Expenses Account held with the Expenses Account Bank, in accordance with the instructions of the Issuer;



- (d) the Calculation Agent has agreed to provide the Issuer with calculation services and the Originator with reporting services and, in particular to prepare within each Securitisation Regulation Report Date, a Securitisation Regulation Investor Report in the form of 'Annex XII' of the Disclosure Regulatory Technical Standards or in any other form from time applicable in order to fulfil the investor reporting requirement under Article 7(1)(e) of the EU Securitisation Regulation and in compliance with Regulatory Technical Standards;
- (e) the Principal Paying Agent has agreed to provide the Issuer with certain payment services in relation to the Notes.

If the Expenses Account Bank or the Dutch Account Bank ceases to be an Eligible Institution, the Expenses Account Bank or the Dutch Account Bank shall promptly give notice of such event to the other parties and to the Rating Agencies and shall procure, within 60 (sixty) calendar days of the loss of such status, the transfer of the Accounts to another bank selected by the Issuer (which, in each such case, is an Eligible Institution) which, in each case, is an Eligible Institution, approved by the Representative of the Noteholders and which (i) shall assume the role of Account Bank upon the terms of the Cash Allocation, Management and Payments Agreement, (ii) agree to become a party to the Intercreditor Agreement and any other relevant Transaction Documents and (iii) in the case of a new Dutch Account Bank, undertake to take all such action as required by the Representative of the Noteholders to perfect any new or supplemental right of pledge over any account.

As an alternative to the remedy provided under the preceding paragraph, under the Cash, Allocation, Management and Payments Agreement the Expenses Account Bank or the Dutch Account Bank shall, within 60 (sixty) calendar days of the loss of such status, obtain a guarantee of its obligations under the Cash, Allocation, Management and Payments Agreement on terms acceptable to the Issuer and the Representative of the Noteholders (acting upon instructions of the Noteholders) from a financial institution which is an Eligible Institution.

The Issuer may (with the prior approval of the Representative of the Noteholders) revoke its appointment of any of the Cash Manager, the Calculation Agent, Principal Paying Agent, the Dutch Account Bank and the Expenses Account Bank (each an "**Agent**") by giving not less than three months' written notice. The appointment of each Agent shall terminate forthwith in accordance with article 1456 of the Italian civil code if: (i) an Insolvency Event occurs in relation to it; or (ii) it is rendered unable to perform its obligations for a period of 60 days by circumstances beyond its control. Each Agent may resign from its appointment, upon giving not less than three months' (or such shorter period as the Representative of the Noteholders may agree) prior written notice of resignation to the Issuer and the Representative of the Noteholders. Such resignation will be subject to and conditional upon the Representative of the Noteholders consenting in writing to the resignation; and a substitute Agent being appointed by the Issuer, with the prior written approval of the Representative of the Noteholders, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement.

The Cash Allocation, Management and Payments Agreement is governed by and shall be construed in accordance with Italian law.

## 5. THE INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement provision is made as to the application of the proceeds from collections in respect of the Master Portfolio and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Master Portfolio.

In the Intercreditor Agreement, the Other Issuer Creditors have agreed, *inter alia*, to the order of priority of payments to be made out of the Issuer Available Funds and that the obligations owed by the Issuer to the Noteholders and, in general, to the Other Issuer Creditors are limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, following the service of a Trigger Notice, to comply with all directions of the Representative of the Noteholders, acting pursuant to the Conditions, in relation to the management and administration of the Master Portfolio.

Under the terms of the Intercreditor Agreement, the Originator has undertaken to the Issuer, the Representative of the Noteholders and the Underwriter, to (i) retain with effect from the Issue Date and maintain (on an ongoing basis) a material net economic interest of not less than 5 per cent. in the Securitisation in accordance with option 3 (a) of article 6 of the EU Securitisation Regulation (or any other permitted alternative method thereafter) until the Final Maturity Date; (ii) comply with the requirements from time to time applicable to originators set forth in articles 6, 7 and 9 of the EU Securitisation Regulation; and (iii) provide on a timely basis adequate disclosure of all information required to be made available to the Noteholders by the Originator pursuant to article 5 of the EU Securitisation Regulation.

Under the terms of the Intercreditor Agreement, the Originator and the Issuer have designated among themselves the Originator to act as reporting entity (the "**Reporting Entity**") in accordance with and for the purposes of article 7, paragraph 2, of the EU Securitisation Regulation and the parties thereto have acknowledged that the Reporting Entity (also through the Calculation Agent) shall be responsible for complying with article 7 of the EU Securitisation Regulation in accordance with the Transaction Documents and will fulfil (also through the Calculation Agent) the information requirements pursuant to points (a), (b), (c), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation by making available the relevant information via password protected website to be notified by the Issuer.

In addition, under the Intercreditor Agreement, the Reporting Entity has undertaken to the parties to the Intercreditor Agreement to:

- (a) prepare (through the Servicer) and make available the Loan Level Report in the form set out under the 'Annex II' of the Disclosure RTS prepared in accordance with letter (a) of article 7, paragraph 1, of the EU Securitisation Regulation and the Regulatory Technical Standards from time to time applicable. The Loan Level Report is made available to the entities referred to under article 7, paragraph 1, of the EU Securitisation Regulation as soon as it is available, but in any event no later than the Securitisation

Regulation Report Date. The Loan Level Report will be made available on the Securitisation Repository's web-site (<https://eurodw.eu/>);

- (b) prepare (through the Servicer) and make available the Inside Information and Significant Event Report in order to fulfil the disclosure requirements in respect of: (i) any event that, in the opinion of the Servicer constitutes inside information that shall be made public in accordance with Article 17 of the EU Market Abuse Regulation, and/or (ii) a significant event (as referred to in Article 7(1)(g)) of the EU Securitisation Regulation (including, inter alia, the occurrence of Purchase Termination Events and/or Trigger Events, the delivery of any Trigger Notice to the Noteholders, any changes to the Priority of Payments and any material change occurred after the Issue Date to the Credit and Collections Policies). The Inside Information and Significant Event Reports are made available to the entities referred to under article 7, paragraph 1, of the EU Securitisation Regulation without undue delay, upon the Servicer or the Originator becoming aware of the inside information or the occurrence of the significant event, in accordance with the applicable Disclosure RTS. The Inside Information and Significant Event Reports will be made available on the Securitisation Repository's web-site (<https://eurodw.eu/>);
- (c) prepare (through the Calculation Agent) and make available a Securitisation Regulation Investor Report substantially in the form set out under the 'Annex XII' of the Disclosure RTS or in any other form from time to time applicable in order to fulfil the investor reporting requirement under Article 7, paragraph 1, letter (e) of the EU Securitisation Regulation and in compliance with the applicable Disclosure RTS. The Securitisation Regulation Investor Report is made available to the entities referred to under article 7, paragraph 1, of the EU Securitisation Regulation by the Securitisation Regulation Report Date. The Securitisation Regulation Investor Report will be made available on the Securitisation Repository's web-site (<https://eurodw.eu/>).

Under the Intercreditor Agreement, the parties thereto have, *inter alia*, acknowledged that:

- (i) the Originator has made available before pricing on the Securitisation Repository, data on static and dynamic historical default and loss performance relating to the five years period in respect of claims substantially similar to the Receivables, together with the source of such data and the basis for claiming similarity, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;
- (ii) the Originator (i) has made available to the Noteholders, potential investors and the competent authorities referred to in Article 29 of the EU Securitisation Regulation before pricing, a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the Originator, Noteholders, other third parties and the Issuer, and (ii) shall continue to make such cash flow model available to the Noteholders, the competent authorities referred to in Article 29 and potential investors on an ongoing basis, for the purpose of compliance with article 22, paragraph 3 of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and

- (iii) the Originator has made available to the Noteholders, potential investors and the competent authorities referred to in Article 29 of the Securitisation Regulation before pricing on the Securitisation Repository, loan level data in the form of the Loan Level Report.

The Intercreditor Agreement is governed by and shall be construed in accordance with Italian law.

## 6. THE MANDATE AGREEMENT

On or about the Issue Date, the Issuer and the Representative of the Noteholders entered into the Mandate Agreement pursuant to which, the Representative of the Noteholders will be entitled to exercise its rights under the Transaction Documents within 10 (ten) days from the notification of such failure, 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 certain Transaction Documents to which the Issuer is a party, upon the occurrence of at least one of the following events: (i) a Trigger Notice has been sent to the Issuer according to Condition 13.2 (*Delivery of Trigger Notice*); or (ii) the Issuer fails to timely exercise any of its rights under the Transaction Documents and fails to fulfil certain conditions, provided that the notification of such failure is given by the Representative of the Noteholders to the Issuer and further provided that such failure is not remedied by the Issuer within 10 (ten) Business Days from the notification above.

The Mandate Agreement is governed by and shall be construed in accordance with Italian law.

## 7. THE DUTCH DEED OF PLEDGE

Under the terms of the Dutch Deed of Pledge, the Issuer has granted to the Representative of the Noteholders a pledge over the Issuer's rights in respect of the Main Transaction Account and the Swap Collateral Account.

The Dutch Deed of Pledge is governed by and shall be construed in accordance with Dutch law.

## 8. THE LIQUIDITY FACILITY AGREEMENT

On or about the Issue Date, the Liquidity Facility Provider entered into the Liquidity Facility Agreement, pursuant to which the Liquidity Facility Provider will provide to the Issuer a credit facility in an initial amount equal to Euro 80,000,000 which may be drawn down by the Issuer on each Payment Date in the amount of the Interest Shortfall Amount calculated on the Calculation Date preceding each such Payment Date and form part of the Interest Available Funds, in order to make the payments under items from *First* to *Sixth* of the Pre-Trigger Notice Interest Priority of Payments, to the extent that the Interest Available Funds (excluding any amount drawn down from the Liquidity Facility on any such Payment Date) are not sufficient to make such payments in full on such Payment Date.

The Liquidity Facility Agreement is governed by and shall be construed in accordance with Italian law.

## 9. THE CORPORATE SERVICES AGREEMENT

Under the Corporate Services Agreement entered into on 7 September 2023, between the Issuer, the Corporate Services Provider and the Representative of the Noteholders, the Corporate Services Provider has agreed to provide certain corporate administration and management services to the Issuer in relation to the Securitisation.

The Corporate Services Agreement is governed by and shall be construed in accordance with Italian law.

## 10. THE SECURITY ASSIGNMENT

On or about the Issue Date, the Issuer and the Representative of the Noteholders will enter into the Security Assignment under which, without prejudice and in addition to any security, guarantees and other rights provided by the Securitisation Law and the Dutch Deed of Pledge securing the discharge of the Issuer's obligation to the Noteholders and the Other Issuer Creditors, the Issuer will assign absolutely with full title guarantee to the Representative of the Noteholders (as trustee for the Noteholders and the Other Issuer Creditors) all the Issuer's present and future right, title, benefit and interest arising under the Swap Agreement. The security created by the Security Assignment will become enforceable upon service of a Trigger Notice.

The Security Assignment and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law.

## 11. THE SWAP AGREEMENT

On 7 September 2023, the Issuer entered into an interest rate swap transaction (the "**Swap Transaction**") with the Swap Counterparty, intended to be effective as from the Issue Date. The Swap Transaction shall be governed by a 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the "**ISDA Master Agreement**"), together with the Schedule thereto (the "**Schedule**"), an ISDA credit support annex (the "**Credit Support Annex**") and a confirmation (the "**Confirmation**" and, together with the ISDA Master Agreement, the Schedule and the Credit Support Annex, the "**Swap Agreement**"). The Swap Transaction is entered into in order to hedge against the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Class A Notes. The obligations of the Issuer under the Swap Agreement shall be limited recourse to the Issuer Available Funds.

If the Swap Counterparty (or its credit support provider, as applicable) is downgraded below any of the required credit ratings set out in the Swap Agreement ("**Swap Counterparty Rating Event**"), that Swap Counterparty will be required to carry out, within the time frame specified in the Swap Agreement, one or more remedial measures at its own cost which include the following:

- (a) transfer all of its rights and obligations under that Swap Agreement to an appropriately rated entity; or
- (b) arrange for an appropriately rated entity to become co-obligor or guarantor in respect of its obligations under that Swap Agreement; and/or

- (c) post collateral to support its obligations under that Swap Agreement in the amount required under that Swap Agreement.

Any such collateral received by the Issuer will be credited to the Swap Collateral Account in respect of the Swap Counterparty, together with any interest or distributions on, and any liquidation or other proceeds of, that collateral, and will not be available for the Issuer to make payments to the Other Issuer Creditors generally, but must be applied in accordance with the Priority of Payments pursuant to the Intercreditor Agreement.

The occurrence of certain termination events and events of default contained in the Swap Agreement may cause the termination of the Swap Agreement prior to its stated termination date. Such events include (without limitation): (i) the early redemption in full of the Notes pursuant to Condition 9 (*Redemption, Purchase and Cancellation*); (ii) the amendment of any Transaction Document without the prior written consent of the Swap Counterparty, if such amendment affects the amount, timing or priority of any payments due from the Swap Counterparty to the Issuer or from the Issuer to the Swap Counterparty, or payments into or withdrawals from the relevant Collateral Accounts; (iii) the failure by the Swap Counterparty to take certain remedial measures required under the Swap Agreement following the Swap Counterparty Rating Event; and (iv) the acceleration of the Notes following service of a Trigger Notice in accordance with Condition 13 (*Trigger Events*).

Pursuant to the Confirmation, the Issuer will pay to the Swap Counterparty a fixed amount (at the rate specified in the Confirmation) at the relevant Payment Date and the Swap Counterparty will pay to the Issuer a floating amount (at the rate to be calculated in accordance with Rated Notes Condition 8.6 (*Calculation of Interest Payment Amounts*) two Business Days before each Payment Date.

The Swap Counterparty will be required to make payments pursuant to the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will, subject to certain conditions, be required to pay such additional amount as is necessary to ensure that the amount actually received by the Issuer will equal the full amount the Issuer would have received had no such withholding or deduction been required. Such a change in tax law may result in the termination of the Swap Agreement. If any withholdings or deductions of taxes are required by law on payments from an Issuer under the Swap Agreement, the Issuer will not be required to gross up payment due under that Swap Agreement in respect of any such deductions or withholdings. Any Swap Tax Credit Amounts payable by the Issuer shall be paid directly to the Swap Counterparty following receipt without regard to any Priority of Payments, and shall not form Issuer Available Funds.

The Swap Agreement, and any non-contractual obligations arising out of or in connection with it, are governed by and shall be construed in accordance with English law. The courts of England shall have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

## REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

Under the Intercreditor Agreement, ING Bank, in its capacity as Originator, has undertaken to the Issuer, the Representative of the Noteholders and the Underwriter to:

- (a) retain with effect from the Issue Date and maintain (on an ongoing basis) a material net economic interest of not less than 5 per cent. in the Securitisation in accordance with option 3 (a) of article 6 of the EU Securitisation Regulation (or any other permitted alternative method thereafter) until the Final Maturity Date;
- (b) comply with the requirements from time to time applicable to originators set forth in articles 6, 7 and 9 of the EU Securitisation Regulation; and
- (c) provide on a timely basis adequate disclosure of all information required to be made available to the Noteholders by ING Bank pursuant to article 5 of the EU Securitisation Regulation, subject always to any requirement of law.

For such purpose, the Originator has undertaken:

- (a) to maintain on an ongoing basis an economic interest in the transaction not less than 5 per cent. of the nominal value of each of the Classes of Notes sold or transferred to investors under the Securitisation in accordance with article 6(3)(a) of the EU Securitisation Regulation for as long as the Notes have not been redeemed in full;
- (b) not to change the manner in which the net economic interest set out above is held until the Final Maturity Date, unless a change is required due to exceptional circumstances and such change is not used as a means to reduce the amount of the retained interest in the Securitisation;
- (c) to notify the Issuer and the Representative of the Noteholders of any change, made pursuant to paragraph (b) above, to the manner in which the net economic interest set out above is held;
- (d) to disclose that it continues to fulfil on an ongoing basis the obligation to maintain such net economic interest in the Securitisation (including information on the manner in which such net economic interest is held), and at any point where the requirement is breached until the Final Maturity Date; and
- (e) to ensure that the material net economic interest requirements are not split amongst different types of retainers, nor are subject to any credit risk mitigation or any short position or any other hedge, as and to the extent required by article 6 of the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

***Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with the provisions of the EU Securitisation Regulation and any corresponding national measure which may be relevant and none of the Issuer, the Originator, the Servicer, the Sole Arranger or any other party to the Transaction Documents or any other person makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.***

*Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.*



## THE ACCOUNTS

The Issuer has opened and, subject to the terms of the Transaction Documents, shall at all times maintain the following accounts.

### 1. **Main Transaction Account**

Pursuant to the Servicing Agreement and the Cash Allocation, Management and Payments Agreement, the Servicer shall, no later than the 6<sup>th</sup> calendar day of the calendar month falling two months after the Monthly Collection Period (and if such day is not a Business Day, the next succeeding Business Day), credit to the Main Transaction Account established in the name of the Issuer with the Dutch Account Bank, all the amounts received or recovered in respect of the Receivables during the relevant Collection Period.

The Main Transaction Account will be maintained with the Dutch Account Bank for as long as the Dutch Account Bank is an Eligible Institution.

### 2. **Expenses Account**

The Issuer has established the Expenses Account with the Expenses Account Bank, into which (i) on the Issue Date, the Retention Amount will be credited, and (ii) on each Payment Date, in accordance with the Pre-Trigger Notice Interest Priority of Payments and subject to the availability of sufficient Interest Available Funds, the amount necessary (if any) to replenish the Expenses Account up to (but not in excess of) the Retention Amount will be credited.

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

### 3. **Equity Capital Account**

The Issuer has opened with the Expenses Account Bank the Equity Capital Account on which the corporate capital of the Issuer has been deposited.

### 4. **Swap Collateral Account**

Pursuant to the Swap Agreement and the Cash Allocation, Management and Payments Agreement, the Issuer has opened with an Eligible Institution the Swap Collateral Account.

The Swap Collateral Account will be maintained with the Dutch Account Bank for as long as the Dutch Account Bank is an Eligible Institution.

### 5. **Liquidity Reserve Account**

Pursuant to the Liquidity Facility Agreement, the Issuer shall, if (i) the Liquidity Facility Provider is not willing to extend the Expiry Date or (ii) if there has been a Downgrading, open the Liquidity Reserve Account with the Liquidity Reserve Account Bank, into which the Reserve Advance will be credited in accordance with the Liquidity Facility Agreement.

By way of overview, under the Cash Allocation, Management and Payments Agreement, the Issuer has undertaken to deposit or cause to be deposited in or, as the case may be, to pay or cause to be paid:

i. into the Main Transaction Account:

- (a) on the Issue Date, any Notes Initial Payment;
- (b) on any Notes Further Payment Date, the relevant Notes Further Payments;
- (c) any Collections and other amounts deriving from the Receivables in accordance with clause 3.6.2 of the Servicing Agreement;
- (d) on each Payment Date, any amounts specified in the Payments Report or Post Trigger Notice Report;
- (e) any amounts (if any) received by the Issuer under the Swap Agreement and clause 5.1.6 (*Termination of the Swap Agreement*) of the Cash Allocation, Management and Payments Agreement;
- (f) any amounts received by the Issuer under the Liquidity Facility Agreement;
- (g) any amounts received under any Transaction Document (other than amounts deriving from the Receivables and amounts included in items from (d) to (f) above);
- (h) on the earlier of (i) two Business Days before the Payment Date on which the Notes are to be redeemed in full or cancelled, (ii) two Business Days before the Final Maturity Date, or (iii) the date on which the Representative of the Noteholders delivers a Trigger Notice to the Issuer if the relevant Trigger Event is an Insolvency Event, any amounts standing to the credit of the Expenses Account net of any known Expenses not yet paid;
- (i) any amounts received as interest on the Main Transaction Account pursuant to clause 3.5 (*Interest*) of the Cash Allocation, Management and Payments Agreement; and
- (j) any amounts received as interest on the Expenses Account pursuant to clause 3.5 (*Interest*) of the Cash Allocation, Management and Payments Agreement;

ii. out of the Main Transaction Account:

- (a) on the Issue Date, to apply the proceeds deriving from the Notes Initial Payment for payment of (i) the Purchase Price to the Originator in respect of the Initial Portfolio in accordance with the terms of the Subscription Agreements, and (ii) the Retention Amount into the Expenses Account, each as set out in the relevant Transaction Documents;
- (b) on any Notes Further Payments Date, to apply the proceeds deriving from the relevant Notes Further Payments for payment of the Purchase Price to the

Originator in respect of the relevant Subsequent Portfolio, as set out in the relevant Transaction Documents;

- (c) on each Payment Date the amount specified in the Payments Report or Post Trigger Event Report as payable under the Notes, in accordance with clause 5.3.1 (*Payments to Principal Paying Agent*) of the Cash Allocation, Management and Payments Agreement;
- (d) to the extent that the amounts standing to the credit of the Expenses Account have been insufficient and in accordance with the Priority of Payments, an amount equal to the Expenses accrued during the immediately preceding Interest Period, in accordance with clause 5.2.1(a) (*Payment of Expenses*) of the Cash Allocation, Management and Payments Agreement; and
- (e) on each Payment Date the amounts specified in the Payments Report, or as the case may be, the Post Trigger Notice Report to the parties indicated therein;

iii. into the Expenses Account:

- (a) on the Issue Date, the Retention Amount using the proceeds deriving from the Notes Initial Payment standing to the credit of the Main Transaction Account;
- (b) on each Payment Date, subject to the Priority of Payments, such an amount as will bring the balance on such Expenses Account up to, but not in excess of, the Retention Amount; and
- (c) any amounts received as interest on the Expenses Account pursuant to clause 3.5 (*Interest*) of the Cash Allocation, Management and Payments Agreement;

iv. out of the Expenses Account:

- (a) on any Business Day during an Interest Period, the Expenses, accrued during the immediately preceding Interest Period, in accordance with clause 5.2.1 (*Payment of Expenses*) of the Cash Allocation, Management and Payments Agreement;
- (b) on the earlier of (i) two Business Days before the Payment Date on which the Notes are to be redeemed in full or cancelled, (ii) two Business Days before the Final Maturity Date, or (iii) the date on which the Representative of the Noteholders delivers a Trigger Notice to the Issuer if the relevant Trigger Event is an Insolvency Event, any amounts standing to the credit of the Expenses Account, net of any known Expenses to be paid, to the Main Transaction Account; and
- (c) any amounts of interest received as interest received as interest on the Expenses Account pursuant to clause 3.5 (*Interest*) of the Cash Allocation, Management and Payments Agreement, into the Main Transaction Account.

The Swap Collateral Account will be the Account which will be used for the deposit of any cash to be used as Swap Collateral which is to be posted by the Swap Counterparty pursuant to the credit support annex under the Swap Agreement. The Swap Counterparty shall deliver Swap Collateral to such account in accordance with the credit support annex and the Issuer

undertakes to hold and maintain any cash delivered to it by the Swap Counterparty in such Swap Collateral Account. Under the Cash Allocation, Management and Payments Agreement, the Issuer agreed that where the Swap Counterparty provides Swap Collateral in accordance with the provisions of the Swap Agreement and so long as the Swap Counterparty is not in breach of its obligations under the Swap Agreement, such Swap Collateral or interest thereon will not form part of the Issuer Available Funds and all amounts (if any) standing to the credit of the Swap Collateral Account may be withdrawn from the Swap Collateral Account and applied exclusively in or towards satisfaction of the amounts (if any) that are due and payable to the Swap Counterparty pursuant to the credit support annex under the Swap Agreement.

The Expenses Account Bank and the Dutch Account Bank will be required at all times to be an Eligible Institution.

If the Expenses Account Bank or the Dutch Account Bank ceases to be an Eligible Institution, pursuant to the Cash Allocation, Management and Payments Agreement the Expenses Account Bank or the Dutch Account Bank shall promptly give notice of such event to the other Parties and to the Rating Agencies and shall procure, within 60 (sixty) calendar days of the loss of such status, the transfer of the Accounts to another bank selected by the Issuer (which, in each such case, is an Eligible Institution) approved by the Representative of the Noteholders and which (i) shall assume the role of Account Bank upon the terms of this Agreement, (ii) agree to become a party to the Intercreditor Agreement and any other relevant Transaction Documents, and (iii) in the case of a new Dutch Account Bank, undertake to take all such action as required by the Representative of the Noteholders to perfect any new or supplemental right of pledge over any account.

As an alternative to the remedy provided under the preceding paragraph, pursuant to the Cash Allocation, Management and Payments Agreement the Expenses Account Bank or the Dutch Account Bank shall, within 60 (sixty) calendar days of the loss of such status, obtain a guarantee of its obligations under this Agreement on terms acceptable to the Issuer and the Representative of the Noteholders (acting upon instructions of the Noteholders) from a financial institution which is an Eligible Institution.

## EXPECTED AVERAGE DURATION OF THE RATED NOTES

Weighted average duration refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security. The weighted average duration of the Rated Notes will be influenced by, *inter alia*, the actual rate of collection of the Receivables.

Calculations as to the weighted average duration and the expected maturity of the Rated Notes can be made on the basis of certain assumptions, including the rate at which the Receivables are prepaid, the amount of the Defaulted Receivables and whether the Issuer exercises its option for an early redemption of the Notes.

The following table shows the weighted average duration and the expected maturity of the Rated Notes and has been prepared based on the characteristics of the Receivables included in the Master Portfolio, on historical performance and on the following additional assumptions:

- (a) no Trigger Event occurs;
- (b) transfer on a quarterly basis of additional Receivables using all the then available Issuer Principal Available Funds during the entire Revolving Period and up to the Revolving Period End Date;
- (c) repayment of principal under the Rated Notes occurs from the Payment Date falling on the Initial Amortisation Date;
- (d) no Interest Shortfall Amount is to be funded on any Payment Date under item *First* of the Pre-Trigger Notice Principal Priority of Payment;
- (e) Euribor rate steady at a level of 3.5%;
- (f) the Receivables are prepaid at a constant annual prepayment rate of 5%;
- (g) no Receivable included in the Master Portfolio is classified as Defaulted Receivable, Delinquent Receivable or Receivable in Arrears; and
- (h) the amortization profile of the Master Portfolio at the end of the Revolving Period has the same profile of the Initial Portfolio.

<i>Class</i>	<i>Expected weighted average life (years)</i>	<i>Expected maturity date</i>
Class A1	3.6	October 2083
Class A2	9.8	October 2083

## TERMS AND CONDITIONS OF THE RATED NOTES

*The following is the text of the terms and conditions of the Rated Notes. In these Conditions, references to the "holder" of a Rated Note and to the "Rated Noteholders" are to the ultimate owners of the Rated Notes, dematerialised and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) the Financial Laws Consolidation Act and (ii) the Joint Regulation, as subsequently amended and supplemented from time to time. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules, attached as an Exhibit to, and forming part of, these Conditions.*

The €480,000,000 Class A1 Residential Mortgage Backed Floating Rate Notes due 2083 (the "**Class A1 Notes**") and the €6,600,000,000 Class A2 Residential Mortgage Backed Floating Rate Notes due 2083 (the "**Class A2 Notes**") will be issued by the Issuer on the Issue Date pursuant to the Securitisation Law to finance the purchase of the Receivables included in the Initial Portfolio and, on a revolving basis, of the Subsequent Portfolio in accordance with the Master Receivables Purchase Agreement. The principal source of payment of interest and repayment of principal due and payable in respect of the Rated Notes will be collections and recoveries made in respect of the Receivables.

The Rated Notes will be issued on a partly paid basis by the Issuer. Subject to the Conditions and the terms of the Transaction Documents, the Notes Initial Payments will be paid on the Issue Date by the Underwriter as initial payment on the Notes, in order to finance the purchase of the Initial Portfolio. During the Revolving Period, the Notes Further Payments will be paid as further payments on the Notes, in order to finance the purchase of Subsequent Portfolios, subject to and in accordance with the Conditions and the terms of the Transaction Documents, and in any case for an amount up to the Total Nominal Amount.

Any reference below to a "Class" of Notes or a "Class" of Noteholders shall be a reference to the Class A1 Notes, the Class A2 Notes or the Class J Notes, as the case may be, or to the respective ultimate owners thereof.

### 1. INTRODUCTION

#### 1.1 *Rated Noteholders deemed to have notice of Transaction Documents*

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

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

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

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

Copies of the Transaction Documents (other than the Subscription Agreements) are available for inspection by the Rated Noteholders during normal business hours at the registered office of the Issuer, being as at the Issue Date, Corso Vercelli 40, 20145, Milan, Italy, at the registered office of the Representative of the Noteholders (only in electronic format), being, as at the Issue Date, 13th floor, One Angel Court, London,

EC2R 7HJ, United Kingdom, and at the specified office of the Principal Paying Agent, being, as at the Issue Date, Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands and at the website of European DataWarehouse GmbH (being, as at the date of the Prospectus, <https://eurodw.eu/>) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation.

#### 1.4 *Description of Transaction Documents*

- 1.4.1 Pursuant to the Rated Notes Subscription Agreement, the Underwriter has agreed to subscribe the Rated Notes and appointed the Representative of the Noteholders to perform the activities described in the Rated Notes Subscription Agreement, the Rated Notes Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.
- 1.4.2 Pursuant to the Junior Notes Subscription Agreement, the Originator has agreed to subscribe the Junior Notes and appointed the Representative of the Noteholders to perform the activities described in the Junior Notes Subscription Agreement, these Junior Notes Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.
- 1.4.3 Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Receivables.
- 1.4.4 Pursuant to the Master Receivables Purchase Agreement, the Originator has agreed to assign and transfer without recourse (*pro soluto*) to the Issuer an Initial Portfolio and, on a revolving basis, will assign and transfer the Subsequent Portfolios of Receivables arising out of the Mortgage Loans. The Receivables included in each Portfolio will represent a plurality of monetary claims identifiable as a pool (*pluralità di crediti pecuniari individuabili in blocco*), pursuant to and in accordance with the combined provisions of articles 1 and 4 of the Securitisation Law and the implementing regulations to article 58 of the Consolidated Banking Act and will be identified by the Issuer and the Originator on the basis of the objective criteria agreed pursuant to the Master Receivables Purchase Agreement, such as to assure the economic and juridical homogeneity of the same.
- 1.4.5 Pursuant to the Servicing Agreement, the Servicer has agreed to administer, service and collect amounts in respect of the Master Portfolio on behalf of the Issuer. The Servicer will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law and will be responsible for ensuring that such transactions comply with the provisions of article 2.3(c) and article 2.6 of the Securitisation Law.
- 1.4.6 Pursuant to the Corporate Services Agreement, the Corporate Services Provider has agreed to provide to the Issuer certain services in relation to the management of the Issuer.

- 1.4.7 Pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent, the Principal Paying Agent, the Dutch Account Bank, the Expenses Account Bank, the Servicer and the Corporate Services Provider have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, cash management and payment services in relation to moneys from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payments Agreement also contains provisions relating to, *inter alia*, the payment of principal, interest and Premium (if any) in respect of the Notes of each Classes.
- 1.4.8 Pursuant to the Intercreditor Agreement, provision is made 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 respect of the Master Portfolio and the Transaction Documents.
- 1.4.9 Pursuant to the Swap Agreement, the Swap Counterparty has agreed to hedge the potential interest rate exposure of the Issuer in respect of the Master Portfolio in relation to its floating rate interest obligations under the Notes.
- 1.4.10 Pursuant to the Dutch Deed of Pledge, the Issuer has granted to the Representative of the Noteholders a pledge over the Issuer's rights in respect of the Main Transaction Account and the Swap Collateral Account.
- 1.4.11 Pursuant to the Liquidity Facility Agreement, the Liquidity Facility Provider has agreed to grant to the Issuer the liquidity facility.
- 1.4.12 Pursuant to the Security Assignment, the Issuer has assigned by way of security in favour of the Representative of the Noteholders (as trustee for the Noteholders and the Other Issuer Creditors) all of the Issuer's right, title, benefit and interest, present and future, pursuant to or in relation to the Swap Agreement.
- 1.4.13 Pursuant to the Mandate Agreement, the Representative of the Noteholders, will be entitled to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party, upon the occurrence of at least one of the following events: (i) a Trigger Notice has been sent to the Issuer according to Condition 13.2 (*Delivery of Trigger Notice*); or (ii) the Issuer fails to timely exercise any of its rights under the Transaction Documents and fails to fulfil certain conditions, provided that the notification of such failure is given by the Representative of the Noteholders to the Issuer and further provided that such failure is not remedied by the Issuer within 10 (ten) Business Days from the notification above.
- 1.4.14 Pursuant to the Master Definitions Agreement, the definitions and interpretation of certain terms and expressions used in the Transaction Documents have been agreed by the parties to the Transaction Documents.

## 1.5 *Acknowledgement*



Each Rated Noteholder, by reason of holding Rated Notes, acknowledges and agrees that ING Bank N.V. shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Noteholders as a result of the performance by TMF Trustee Limited or any successor thereof of its duties as Representative of the Rated Noteholders as provided for in the Transaction Documents.

## 2. DEFINITIONS AND INTERPRETATION

### 2.1 *Definitions*

In these Rated Notes Conditions the following expressions shall, except where the context otherwise requires and save where otherwise defined, have the following meanings:

"**Account Banks**" means the Expenses Account Bank and the Dutch Account Bank and "**Account Bank**" means any of them.

"**Accounts**" means, collectively, the Main Transaction Account, the Expenses Account, the Swap Collateral Account, the Equity Capital Account and "**Account**" means any of them.

"**Accrued Interest**" means, as at the relevant date, the portion of Interest Instalments accrued on such date but not yet due.

"**Adjusted Purchase Price**" has the meaning ascribed to such term under clause 5.3 of the Master Receivables Purchase Agreement.

"**Borrower**" means any borrower or entity (and/or any successor or assign) who entered into a Mortgage Loan Agreement as principal debtor.

"**Business Day**" means any day (other than a Saturday or Sunday) on which banks are generally open for business in Milan, Amsterdam and Luxembourg and on which the real time gross settlement system operated by the Eurosystem (T2) (or any successor thereto) is open.

"**Calculation Agent**" means ING Bank N.V. or any other entity appointed to act as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Date**" means (i) prior to the service of a Trigger Notice, and with respect to each Quarterly Collection Period, the date falling three Business Days prior to each Payment Date; and (ii) following the service of a Trigger Notice, each date, which has to be a Business Day, determined by the Representative of the Noteholders as such.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Originator, the Representative of the Noteholders, the Account Banks, the Corporate Services Provider, the Calculation Agent and the Principal Paying Agent.

"**Cash Manager**" means ING Bank N.V. or any other entity appointed to act as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Class A Notes**" means any of the Class A1 Notes and the Class A2 Notes.

"**Class A1 Noteholders**" means the holders from time to time of any of the Class A1 Notes.

"**Class A1 Notes**" means the €480,000,000 Class A1 Residential Mortgage Backed Floating Rate Notes due 2083 issued by the Issuer on the Issue Date.

"**Class A1 Notes Nominal Amount**" means, in respect of the Class A1 Notes, €480,000,000 as nominal amount issued on the Issue Date.

"**Class A2 Noteholders**" means the holders from time to time of any of the Class A2 Notes.

"**Class A2 Notes**" means the €6,600,000,000 Class A2 Residential Mortgage Backed Floating Rate Notes due 2083 issued by the Issuer on the Issue Date.

"**Class A2 Notes Nominal Amount**" means, in respect of the Class A2 Notes, €6,600,000,000 as nominal amount issued on the Issue Date.

"**Class J Noteholders**" means the holders from time to time of any of the Class J Notes.

"**Class J Notes**" means the €920,000,000 Class J Residential Mortgage Backed Notes due 2083 issued by the Issuer on the Issue Date.

"**Class J Notes Nominal Amount**" means, in respect of the Class J Notes, €920,000,000 as nominal amount issued on the Issue Date.

"**Clearstream**" means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

"**Collection Date**" means (i) prior to the service of a Trigger Notice, the last calendar day of each month; and (ii) following the service of a Trigger Notice, each date, which is a Business Day, determined by the Representative of the Noteholders as such.

"**Collection Period**" means any of the Monthly Collection Period or the Quarterly Collection Period.

"**Collections**" means all amounts received by the Servicer or any other person on its behalf in respect of the Instalments due under the Receivables and any other amounts whatsoever received by the Servicer or any other person on its behalf in respect of the Receivables.

"**Commingling Risk Amount**" means an amount equal to the highest monthly value of the Collections in the last 6 (six) months.

"**Conditions**" means the Rated Notes Conditions or the Junior Notes Conditions, as the case may be, and "**Condition**" means a condition thereof.

"**CONSOB**" means *Commissione Nazionale per le Società e la Borsa*.

"**Consolidated Banking Act**" means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time.

"**Corporate Services Agreement**" means the agreement executed on or about the Issue Date between the Issuer and the Corporate Services Provider.

"**Corporate Services Provider**" means TMF Italy S.r.l..

"**DBRS**" means DBRS Ratings GmbH or any successor to its rating business.

"**DBRS Critical Obligations Rating**" or "**COR**" means, in relation to a relevant entity, the public rating assigned by DBRS which addresses the risk of default of particular obligations and/or exposures of the relevant entity that in the view of DBRS have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. A COR assigned by DBRS to the relevant entity will be indicated on the website of DBRS ([www.dbrsmorningstar.com](http://www.dbrsmorningstar.com)).

"**DBRS Equivalent Chart**" means:

<b>DBRS</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-

CCC(high)	Caa1	CCC+	CCC
CCC	Caa2	CCC	
CCC(low)	Caa3	CCC-	
CC	Ca	CC C	
C	C	D	D

"DBRS Equivalent Rating" means:

- (a) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the relevant company or the relevant investment, as applicable, (each, a "**Public Long Term Rating**") are all available at such date, the DBRS Equivalent Rating will be (i) such Public Long Term Rating remaining (upon conversion on the basis of the DBRS Equivalent Chart) after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies or (ii) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart). In any case, provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then it will be considered one notch lower;
- (b) if Public Long Term Ratings of the relevant company or the relevant investment, as applicable, are available only by any two of Fitch, Moody's and S&P at such date, the DBRS Equivalent Rating will be the lower of such Public Long Term Ratings (upon conversion on the basis of the DBRS Equivalent Chart and provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then it will be considered one notch lower); and
- (c) if a Public Long Term Rating is available only by any one of Fitch, Moody's and S&P at such date, the DBRS Equivalent Rating will be such Public Long Term Rating (upon conversion on the basis of the DBRS Equivalent Chart and provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, it will be considered one notch lower).

If at any time the DBRS Equivalent Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS minimum rating of "C" shall apply at such time.

"**Debtor**" means any individual person who entered into a Mortgage Loan Agreement as Borrower or guarantor or who is liable for the payment or repayment of amounts due in respect of a Mortgage Loan or who has assumed the Debtor's obligation under an *accollo*, or otherwise.

"**Decree 213**" means Legislative Decree number 213 of 24 June 1998, as amended and supplemented from time to time.

"**Decree 239**" means Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time.

**"Decree 239 Deduction"** means any withholding or deduction for or on account of *"imposta sostitutiva"* under Decree 239.

**"Defaulted Receivable"** means, collectively, those Receivables which following the Valuation Date are or have been classified by the Servicer (on behalf of the Issuer) as *Crediti in Sofferenza* or which are or have been Delinquent Receivables for at least 360 days.

**"Defaulting Party"** has the meaning ascribed to that term in the Swap Agreement.

**"Delinquent Receivable"** means, collectively, those Receivables which have not been classified as Defaulted Receivables and in respect of which there is at least one Unpaid Instalment.

**"Determination Date"** means:

- (i) with respect to the Initial Interest Period, the day falling 2 (two) Business Days prior to the Issue Date; and
- (ii) with respect to each subsequent Interest Period, the date falling 2 (two) Business Days prior to the Payment Date at the beginning of such Interest Period..

**"Dutch Account Bank"** means ING Bank N.V. or any other entity appointed to act as such pursuant to the Cash Allocation, Management and Payments Agreement.

**"Dutch Deed of Pledge"** means the Dutch law deed of pledge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors).

**"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".

**"Equity Capital Account"** means the euro denominated account established in the name of the Issuer with the Expenses Account Bank (IBAN: IT22T0347501601000052120702).

**"EU Securitisation Regulation"** means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, as amended and supplemented from time to time.

**"Euribor"** means:

- (a) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for 3 (three) months Euro deposits which appears on the display page designated Euribor 01 on Reuters; or

- (b) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Reuters display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or
- (c) in the case of (a) and (b), Euribor shall be determined by reference to such other page as may replace the relevant Reuters page on that service for the purpose of displaying such information; or
- (d) in the case of (a) and (b), Euribor shall be determined, if the Reuters service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (d) above being the "**Screen Rate**" or, in the case of the Initial Interest Period, the "**Additional Screen Rate**") at or about 11.00 a.m. (Brussels time) on the Determination Date; and

- (e) 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 shall be:
  - (i) the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Calculation Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Determination Date; or
  - (ii) if only two of the Reference Banks provide such offered quotations to the Calculation Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or
  - (iii) if only one or none of the Reference Banks provides the Calculation Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above shall have applied.

"**Euro**", "€" and "**EUR**" refer to the single currency of member states of the European Union which adopt the single currency introduced in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended from time to time.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

**"Expenses"** means any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of the then outstanding securitisation transaction carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws.

**"Expenses Account"** means the euro denominated account established in the name of the Issuer with the Expenses Account Bank, or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Expenses Account Bank"** means ING Bank N.V., Milan Branch.

**"Extraordinary Resolution"** shall have the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

**"FATCA"** means:

- (a) sections 1471 to 1474 of the US Internal Revenue Code of 1986;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

**"FATCA Deduction"** means a deduction or withholding from a payment under a Transaction Document required by FATCA.

**"Final Maturity Date"** means the Payment Date falling in October 2083.

**"Financial Laws Consolidation Act"** means Italian Legislative Decree number 58 of 24 February 1998, as amended from time to time.

**"First Payment Date"** means the Payment Date falling in October 2023.

**"Fitch"** means Fitch Ratings Ireland Limited.

**"Individual Purchase Price"** means, in respect of each Receivable and as at the Valuation Date, an amount calculated pursuant to clause 4.1.1 of the Master Receivables Purchase Agreement.

**"Initial Amortisation Date"** means (i) the Revolving Period End Date or (ii) the earlier Payment Date on which principal on the Notes may become payable following a resolution to this effect by the Noteholders in accordance with the Rules.

**"Initial Interest Period"** means the first Interest Period, which shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

**"Initial Portfolio"** means the initial portfolio of Receivables purchased by the Issuer on 1 September 2023, pursuant to the Master Receivables Purchase Agreement.

**"Insolvency Event"** means in respect of any company, entity or corporation if:

- (i) such company or corporation is declared insolvent or the competent judicial authorities instated a special administration proceedings, liquidation of such company/corporation or the appointment of liquidator/administrator or such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition, reorganisation, reconstruction or special measure within the meaning of Chapter 6 of the Netherlands Financial Supervision Act prepared or taken by the Minister of Finance (*minister van financiën*) of the Netherlands (including, without limitation (i) "*faillissement*", "*bijzondere maatregel*", "*surseance van betaling*", "*onder bewindstelling*", "*ontbinding*" and/or "*liquidatie*", each such expression bearing the meaning ascribed to it by the laws of The Netherlands and (ii) "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning given to it by the laws of the Republic of Italy, 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 "*beslag*", "*onder bewindstelling*", "*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 (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success;
- (ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by such company, entity or corporation or such proceedings are otherwise initiated against such company, entity or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (iii) such company or corporation takes any action for a re-adjustment or deferment 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, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or



- (iv) 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 or any of the events under article 2484 of the Italian civil code occurs with respect to such company (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
- (v) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

**"Instalment"** means, with respect to each Mortgage Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment or an Interest Instalment and a Principal Instalment.

**"Insurance Policy"** means each of the insurance policies taken out in relation to each Real Estate Asset and the related Mortgage Loan.

**"Intercreditor Agreement"** means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors.

**"Interest Available Funds"** means, in respect of any Payment Date, the aggregate of:

- (i) all amounts collected by the Servicer in respect of the Receivables on account of interest, fees and pre-payment penalties during the immediately preceding Collection Period and credited to the Main Transaction Account;
- (ii) all Recoveries collected by the Servicer during the immediately preceding Collection Period and credited to the Main Transaction Account;
- (iii) all amounts of interest accrued (net of any withholding or expenses, if due) and available on the Accounts during the immediately preceding Interest Period and all amounts of interest accrued and paid on the Liquidity Reserve Account;
- (iv) any amounts drawn down by the Issuer under the Liquidity Facility Agreement;
- (v) any payments to be received from the Swap Counterparty on or immediately prior to such Payment Date, pursuant to the Swap Agreement (excluding any Swap Collateral which the Swap Counterparty may be required to post pursuant the Swap Agreement);
- (vi) any amounts allocated on such Payment Date under item *First* of the Pre-Trigger Notice Principal Priority of Payments;
- (vii) any amounts allocated on such Payment Date under item *Tenth* of the Pre-Trigger Notice Principal Priority of Payments;
- (viii) on the Payment Date on which the Notes are to be redeemed in full, any amount standing to the credit of the Expenses Account;

- (ix) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement during the immediately preceding Collection Period;
- (x) any part of the Commingling Risk Amount to be applied as indemnity for losses as a result of commingling risk, to the extent not relating to principal; and
- (xi) all other payments received from the Originator which do not qualify as Principal Available Funds and which have been credited to the Main Transaction Account during the immediately preceding Collection Period.

**"Interest Instalment"** means the interest component of each Instalment due from a Debtor in respect of a Receivable.

**"Interest Period"** means each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

**"Interest Priority of Payments"** means the Priority of Payments under Rated Notes Condition 7.1.1 (*Priority of Payments – Pre-Trigger Notice Priority of Payments – Interest Priority of Payments*).

**"Interest Rate"** shall have the meaning ascribed to such term in Rated Notes Condition 8.5 (*Rates of interest*) and in Junior Notes Condition 9.5 (*Rates of interest*), as the case may be.

**"Interest Shortfall Amount"** means, on any Payment Date, an amount equal to the difference, if positive, between (a) the aggregate amounts payable under items *First* to *Sixth* of the Pre-Trigger Notice Interest Priority of Payments; and (b) the Interest Available Funds (net of such Interest Shortfall Amount) on such Payment Date.

**"Issue Date"** means 12 September 2023, or such other date on which the Notes are issued.

**"Issuer"** means Leone Arancio RMBS S.r.l., having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.

**"Issuer Available Funds"** means, in respect of any Payment Date, the aggregate of the Interest Available Funds and the Principal Available Funds.

**"Joint Regulation"** means the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018.

**"Junior Noteholders"** means the holders from time to time of any of the Junior Notes.

**"Junior Notes"** means the Class J Notes.

**"Junior Notes Conditions"** means the terms and conditions of the Class J Notes, as from time to time modified in accordance with the provisions thereof and including any agreement or document expressed to be supplemental thereto and any reference to a particular numbered Junior Notes Condition shall be construed accordingly.

**"Junior Notes Subscription Agreement"** means the subscription agreement in relation to the Class J Notes entered into on or about the Issue Date.

**"Liabilities"** means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

**"Liquidity Facility Agreement"** means the liquidity facility agreement entered into on or about the date hereof by the Issuer and the Liquidity Facility Provider.

**"Liquidity Facility Provider"** means ING Bank N.V., Milan Branch.

**"Liquidity Reserve Account"** means the account to be opened in accordance with the Liquidity Facility Agreement.

**"Main Transaction Account"** means the GIC account established in the name of the Issuer with the Dutch Account Bank with number NL12INGB0675952840, or such other substitute account (either opened in the form of a GIC account or not) as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Mandate Agreement"** means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders.

**"Master Definitions Agreement"** means the master definitions agreement entered into on or about the Issue Date between all parties to the Securitisation.

**"Master Portfolio"** means the aggregate of the Initial Portfolio and any Subsequent Portfolio of Receivables purchased by the Issuer pursuant to the terms and conditions of the Master Receivables Purchase Agreement and any relevant Subsequent Portfolio Transfer Agreement.

**"Master Receivables Purchase Agreement"** means the master receivables purchase agreement entered into on 1 September 2023 between the Issuer and the Originator.

**"Monte Titoli"** means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza 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 (as *intermediari aderenti*) in accordance with article 30 of Decree 213 and includes any depository banks approved by Euroclear and Clearstream.

**"Monthly Collection Period"** means:

- (a) prior to the service of a Trigger Notice, each period commencing on (but excluding) a Collection Date of each month and ending on (and including) the immediately following Collection Date;

- (b) following the service of a Trigger Notice, each period commencing on, and ending on, the dates determined by the Representative of the Noteholders; and
- (c) in the case of the first Monthly Collection Period, the period commencing on (and excluding) the Valuation Date in respect of the Initial Portfolio and ending on (and including) the Collection Date falling in August 2023.

**"Mortgage"** means each mortgage ("*ipoteca*") created on the relevant Real Estate Asset, pursuant to the Italian law, in order to secure the Receivables.

**"Mortgage Loan"** means each mortgage loan granted to a Debtor, on the basis of a Mortgage Loan Agreement pursuant to which the Issuer has title to enforce a Receivable (or portion thereof) against the relevant Debtor.

**"Mortgage Loan Agreement"** means each mortgage loan agreement (*contratto di mutuo fondiario residenziale*) entered into between the Originator and a Debtor, as amended from time to time.

**"Mortgagor"** means any person, either a Debtor or a third party, who has granted a Mortgage in favour of the Originator to secure the Receivables arising from any of the Mortgage Loans or any of his successors, transferees and assigns.

**"Most Senior Class of Notes"** means (i) the Class A1 Notes (ii) following the full repayment of all the Class A1 Notes, the Class A2 Notes; (iii) following the full repayment of all the Class A2 Notes, the Class J Notes.

**"Net Foreclosure Proceeds"** means the aggregate amount of any foreclosure proceeds or amounts received under any guarantee or surety after deduction of costs, received in connection with a Defaulted Receivable which has been foreclosed and/or written-off.

**"Noteholders"** means, together, the Rated Noteholders and the Junior Noteholders.

**"Notes"** means, together, the Rated Notes and the Junior Notes.

**"Notes Further Payment"** means any further payment made by the Noteholders, during the Revolving Period, in accordance with the Subscription Agreements.

**"Notes Further Payment Date"** means the date on which any Notes Further Payments have to be paid to the Issuer in accordance with the Subscription Agreements, provided that any such date shall fall on the Payment Date immediately following the date of the relevant Notes Further Payment Request.

**"Notes Further Payment Request"** means the request of irrevocable order of payment made by the Issuer or the Calculation Agent (on behalf of the Issuer) with respect to the Notes Further Payments pursuant to the Subscription Agreements.

**"Notes Further Payment Request Date"** means the date on which a Notes Further Payment Request has been sent by the Issuer to the Noteholders, provided that any such date shall fall not later than 15 (fifteen) Business Days following the Valuation Date of the relevant Subsequent Portfolio.

**"Notes Initial Payment"** means the initial payment made by the Underwriter in respect of the Notes on the Issue Date, in accordance with the Subscription Agreements.

**"Notice"** means any notice delivered under or in connection with any Transaction Document.

**"Obligations"** means all the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

**"Official Gazette"** means the *Gazzetta Ufficiale della Repubblica Italiana*.

**"Organisation of the Noteholders"** means the organisation of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

**"Original LTV"** means for each Mortgage Loan the ratio between (i) the Outstanding Principal Due initially granted to the Debtor; and (ii) the then value of the Real Estate Asset.

**"Originator"** means ING Bank N.V., Milan Branch.

**"Other Issuer Creditors"** means the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Liquidity Facility Provider, the Corporate Services Provider, the Principal Paying Agent, the Account Banks, the Cash Manager, the Swap Counterparty and any other person who may from time to time accede to the Intercreditor Agreement in accordance with the terms thereof.

**"Outstanding Principal Due"** means, on any relevant date, in relation to any Receivable, the aggregate of (i) all Principal Instalments due but not paid on such relevant date, and (ii) the Principal Instalments not due yet on such relevant date.

**"Payment Date"** means (a) prior to the delivery of a Trigger Notice, the 6<sup>th</sup> calendar day (and if such calendar day is not a Business Day, the next succeeding Business Day) of January, April, July and October in each year, and (b) following the delivery of a Trigger Notice, any day, which has to be Business Day, on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post-Trigger Notice Priority of Payments, the Conditions and the Intercreditor Agreement, provided that the first Payment Date will fall on 6 October 2023.

**"Payments Report"** means the report setting out all the payments to be made on the following Payment Date under the relevant Priority of Payments, which shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement before the delivery of a Trigger Notice.

**"Portfolio"** means any of the Initial Portfolio or any Subsequent Portfolio of Receivables.

**"Post-Trigger Notice Priority of Payments"** means the Priority of Payments under Rated Notes Condition 7.2 (*Post-Trigger Notice Priority of Payments*) and in Junior Notes Condition 7.2 (*Post-Trigger Notice Priority of Payments*).

**"Post-Trigger Notice Report"** means the report to be delivered pursuant to clause 6.8.1 of the Cash Allocation, Management and Payments.

**"Pre-Trigger Notice Priority of Payments"** means the Priority of Payments under Rated Notes Condition 7.1 (*Pre-Trigger Notice Priority of Payments*) and in Junior Notes Condition 8.2 (*Pre-Trigger Notice Priority of Payments*).

**"Premium"** means the amount, which may be payable on the Junior Notes on each Payment Date subject to the Junior Notes Conditions, determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority pursuant to the applicable Priority of Payment on such Payment Date.

**"Principal Amount Outstanding"** means, on any date, (i) the principal amount of a Note upon issue, minus (ii) the aggregate amount of all principal payments which have been paid prior to such date in respect of such Note.

**"Principal Available Funds"** means, in respect of any Payment Date, the aggregate of:

- (i) all amounts collected by the Servicer in respect of the Receivables on account of principal during the immediately preceding Collection Period and credited to the Main Transaction Account;
- (ii) the Interest Available Funds, if any, to be credited to the Principal Deficiency Ledger on such Payment Date under item *Seventh* of the Pre-Trigger Notice Interest Priority of Payments;
- (iii) any funds transferred under item *Eighth* of the Pre-Trigger Notice Interest Priority of Payments;
- (iv) all the proceeds deriving from the sale, if any, of the Master Portfolio in accordance with the Transaction Documents;
- (v) any amounts (if any) paid by the Originator to the Issuer pursuant to the Warranty and Indemnity Agreement including any amount advanced as limited recourse loan pursuant to clause 6.1 of the Warranty and Indemnity Agreement;
- (vi) any amounts (other than the amounts already allocated under other items of the Principal Available Funds and the Interest Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (excluding any amount, if any, received as Swap Collateral under the Swap Agreement, but including any proceeds deriving from the enforcement of the Issuer's rights under the Transaction Documents);
- (vii) any part of the Commingling Risk Amount to be applied as indemnity for losses of scheduled principal on the Receivables as a result of commingling risk, to the extent relating to principal; and
- (viii) the proceeds deriving from the Notes Initial Payment and any Notes Further Payments made in respect of the Notes.

**"Principal Deficiency"** means, on any Calculation Date and in respect of the immediately preceding Collection Period, any Realised Loss.

**"Principal Deficiency Ledger"** means the ledger maintained by the Calculation Agent, on which any Principal Deficiency shall be recorded on each Payment Date.

**"Principal Instalment"** means the principal component of each Instalment.

**"Principal Paying Agent"** means ING Bank N.V. or any other entity appointed to act as such pursuant to the Cash Allocation, Management and Payments Agreement.

**"Principal Priority of Payments"** means the Priority of Payments under Condition 7.1.2 (*Principal Priority of Payments*).

**"Priority of Payments"** means the order of priority (being the Principal Priority of Payments and the Interest Priority of Payments) pursuant to which the Issuer Available Funds shall be applied on each Payment Date prior to and/or following the service of a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

**"Purchase Price"** has the meaning ascribed to such term under clause 4.1.1. of the Master Receivables Purchase Agreement.

**"Purchase Termination Event"** has the meaning ascribed to such term in clause 8.1 of the Master Receivables Purchase Agreement.

**"Purchase Termination Notice"** means the notice to be delivered by the Representative of the Noteholders upon occurrence of a Purchase Termination Event in accordance with the terms of the Master Receivables Purchase Agreement.

**"Quarterly Collection Date"** means the last calendar day of November, February, May and August of each year, provided that the first Quarterly Collection Date shall be the last day of August 2023.

**"Quarterly Collection Period"** means:

- (i) prior to the service of a Trigger Notice, each period commencing on (but excluding) a Quarterly Collection Date and ending on (and including) the immediately following Quarterly Collection Date;
- (ii) following the service of a Trigger Notice, each period commencing on, and ending on, the dates determined by the Representative of the Noteholders; and
- (iii) in the case of the first Quarterly Collection Period, the period commencing on (but excluding) the Valuation Date in respect of the Initial Portfolio and ending on (and including) the Collection Date falling in August 2023.

**"Quotaholder"** means Stichting Leone Arancio.

**"Rated Noteholders"** means the holders from time to time of any of the Rated Notes.

**"Rated Notes"** means each of the Class A1 Notes and the Class A2 Notes.

**"Rated Notes Conditions"** means the terms and conditions of the Rated Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or document expressed to be supplemental thereto and any reference to a particular numbered Rated Notes Condition shall be construed accordingly.

**"Rated Notes Subscription Agreement"** means the subscription agreement in relation to the Rated Notes entered into on or about the Issue Date between the Issuer, the Underwriter and the Representative of the Noteholders.

**"Rating Agencies"** means, collectively, DBRS and Fitch.

**"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.

**"Realised Losses"** means, on any relevant Payment Date the amount of the difference between (x) the aggregate principal balance of all Defaulted Receivables, determined at such time immediately before such Receivables become Defaulted Receivables, in respect of which the Originator, the Servicer or the Issuer has foreclosed from the Issue Date up to and including the immediately preceding Quarterly Collection Period and (y) the amount of the Net Foreclosure Proceeds whereby for the purpose of establishing the principal balance of the relevant Receivables in case of set-off or defence to payments asserted by Borrowers any amount by which the relevant Receivables have been extinguished will be disregarded, provided the Issuer has been compensated for such amount.

**"Receivables"** means all rights and claims of the Issuer arising out from any Mortgage Loan Agreement and the Insurance Policies existing or arising from the Valuation Date (included), including without limitation:

- (i) all rights and claims in respect of the repayment of the outstanding principal;
- (ii) all rights and claims in respect of the payment of interest (including the default interest) accruing on the Mortgage Loans;
- (iii) all rights and claims in respect of payments of any amount deriving from damages suffered, costs, expenses, taxes and ancillary amounts incurred;
- (iv) all rights and claims in respect of each Mortgage and any other guarantee and security relating to the relevant Mortgage Loan Agreement;
- (v) all rights and claims under and in respect of the Insurance Policies; and
- (vi) the privileges and priority rights (*diritti di prelazione*) transferable pursuant to the Securitisation Law supporting the aforesaid rights and claims, as well as any other right, claim and action (including any legal proceeding for the recovery of suffered damages), substantial and procedural action and defence inherent or otherwise ancillary to the aforesaid rights and claims, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*).



**"Recoveries"** means any amounts received or recovered by the Servicer in relation to any Defaulted Receivables and any amounts received or recovered by the Servicer in relation to any Delinquent Receivable.

**"Reference Bank"** means, initially, ING Bank N.V. and, if any such bank is unable or unwilling to continue to act as a Reference Bank, such other bank the Issuer shall appoint and as may be approved in writing by the Representative of the Noteholders to act in its place.

**"Representative of the Noteholders"** means TMF Trustee Limited or any other person for the time being acting as such pursuant to the Transaction Documents.

**"Repurchase Option Amount"** has the meaning ascribed to such term under clause 14.2.3 of the Master Receivables Purchase Agreement.

**"Reserve Advance"** has the meaning ascribed to such term under clause 2.1.3 of the Liquidity Facility Agreement.

**"Retention Amount"** means an amount equal to Euro 50,000.

**"Revolving Advance"** has the meaning ascribed to such term under clause 2.1.1 of the Liquidity Facility Agreement.

**"Revolving Period"** means the period commencing on the Issue Date and ending on the Revolving Period End Date.

**"Revolving Period End Date"** means the earlier of (i) the Payment Date falling in January 2027; and (ii) the date on which the Representative of the Noteholders serves a Trigger Notice or a Purchase Termination Notice on the Issuer.

**"Rules of the Organisation of the Noteholders"** means the rules of the organisation of the Noteholders attached as exhibit to the Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

**"Securitisation"** means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law.

**"Securitisation Law"** means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

**"Security Assignment"** means the English law security assignment entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as amended and supplemented from time to time.

**"Security Documents"** means the Security Assignment and the Dutch Deed of Pledge.

**"Security Interest"** means: (i) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person; and (ii) any

arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or any other type of preferential arrangement having a similar effect.

"**Servicer**" means ING Bank N.V., Milan Branch or any other person for the time being acting as such pursuant to the Servicing Agreement.

"**Servicer's Report Date**" means the date falling on the 6<sup>h</sup> calendar day of each calendar month (and if such day is not a Business Day, the next succeeding Business Day).

"**Servicing Agreement**" means the agreement entered into on 1 September 2023 between the Issuer and the Servicer.

"**Sole Affected Party**" means an Affected Party as defined in the Swap Agreement which at the relevant time is the only Affected Party under the Swap Agreement.

"**Stock Exchange**" means the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*).

"**Subscription Agreements**" means collectively the Rated Notes Subscription Agreement and the Junior Notes Subscription Agreement.

"**Subsequent Portfolio**" means each further portfolio of Receivables purchased by the Issuer in accordance with the terms of the Master Receivables Purchase Agreement and pursuant to each relevant Subsequent Portfolio Transfer Agreement.

"**Subsequent Portfolio Offer Date**" means, during the Revolving Period and with respect to the relevant Subsequent Portfolio, the date falling on the Quarterly Collection Date immediately preceding the next Payment Date.

"**Subsequent Portfolio Transfer Agreement**" has the meaning ascribed to such term in clause 6.2.2 of the Master Receivables Purchase Agreement. "**Swap Agreement**" means the swap agreement entered into between the Issuer and the Swap Counterparty comprising a 1992 ISDA Master Agreement and Schedule thereto, a 1995 ISDA Credit Support Annex thereto and the transactions effected thereunder in respect of the Class A Notes (or such replacement swap agreement as the Issuer may enter into in accordance with the Transaction Documents).

"**Swap Collateral**" means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by the Swap Counterparty to the Issuer in respect of such Swap Counterparty's obligations to transfer collateral to the Issuer under the Swap Agreement.

"**Swap Collateral Account**" means the Euro denominated account established in the name of the Issuer with number NL34INGB0675952832, or such substitute account as opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Swap Counterparty"** means ING Bank N.V., Milan branch, or any other person for the time being acting as such pursuant to the Swap Agreement.

**"Tax"** means any present or future tax, levy, impost, duty charge, fee, deduction or withholding of whatever nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

**"Total Nominal Amount"** means the aggregate of the Class A1 Notes Nominal Amount, the Class A2 Notes Nominal Amount, and the Class J Notes Nominal Amount.

**"Transaction Documents"** means, together, the Master Receivables Purchase Agreement (and any Subsequent Portfolio Transfer Agreement), the Servicing Agreement, the Warranty and Indemnity Agreement, the Rated Notes Subscription Agreement, the Junior Notes Subscription Agreement, the Liquidity Facility Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payments Agreement, the Dutch Deed of Pledge, the Swap Agreement, the Security Assignment, the Mandate Agreement, the Corporate Services Agreement, the Master Definitions Agreement, the Conditions, the Prospectus and any other document which may be deemed to be necessary in relation to the Securitisation.

**"Transaction Party"** means any party to the Transaction Documents.

**"Trigger Event"** means any of the following events:

(a) *Non-payment*

the Issuer defaults in the payment of the amount of interest and/or principal due and payable on the Rated Notes and such default is not remedied within a period of 5 (five) Business Days from the due date thereof.

(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 to pay principal or interest in respect of the Notes) and such default (a) is in the opinion of the Representative of the Noteholders, incapable of remedy or (b) being a default which is, in the opinion of the Representative of the Noteholders, capable of remedy remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice of such default to the Issuer requiring the same to be remedied.

(c) *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer.

(d) *Unlawfulness*

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

**"Trigger Notice"** means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Rated Notes Condition 13 (*Trigger Events*) and in Junior Notes Condition 14 (*Trigger Events*).

**"Underwriter"** means ING Bank N.V., Milan Branch.

**"Unpaid Instalment"** means an Instalment which, at a given date, is due but not fully paid and remains such for at least 30 (thirty) days, following the date on which it should have been paid under the terms of the relevant Mortgage Loan.

**"Valuation Date"** means (i) in respect of the Initial Portfolio, 31 May 2023 (included), and (ii) in respect of each Subsequent Portfolio a date falling not earlier than 60 calendar days prior to the relevant Subsequent Portfolio Offer Date.

**"Warranty and Indemnity Agreement"** means the agreement entered into on 1 September 2023 between the Issuer and the Originator.

## 2.2 *Interpretation*

### 2.2.1 *References in Rated Notes Conditions*

Any reference in these Rated Notes Conditions to:

- (a) **"holder"** and **"Holder"** mean the ultimate holder of a Note and the words **"holder"**, **"Noteholder"** and related expressions shall be construed accordingly;
- (b) a **"law"** shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;
- (c) **"person"** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;
- (d) a **"successor"** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document

or to which, under such laws, such rights and obligations have been transferred.

#### 2.2.2 *Transaction Documents and other agreements*

Any reference to the Master Definitions Agreement, any other document defined as a "**Transaction Document**" or any other agreement, deed or document shall be construed as a reference to the Master Definitions Agreement, such other Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

#### 2.2.3 *Transaction parties*

A reference to any person defined as a "**Transaction Party**" in these Rated Notes Conditions or in any Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

#### 2.2.4 *Master Definitions Agreement*

Words and expressions used herein and not otherwise defined shall have the meanings and constructions ascribed to them in the Master Definitions Agreement.

### 3. **FORM, TITLE AND DENOMINATION**

#### 3.1 *Denomination*

The Rated Notes are issued in the denominations of €100,000 and integral multiples of Euro 1,000 in excess thereof.

#### 3.2 *Form*

The Rated Notes are issued in bearer (*al portatore*) and dematerialized form (*emesse in forma dematerializzata*) will at all times be evidenced by and title thereto will be transferable by means of, one or more book entries in accordance with the provisions of (i) the Financial Laws Consolidation Act and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time.

#### 3.3 *Title and Monte Titoli*

The Notes are issued in bearer (*al portatore*) and dematerialised form (*emesse in forma dematerializzata*) and will be held by Monte Titoli in such form on behalf of the relevant Noteholders until redemption and cancellation thereof for the account of each relevant Monte Titoli Account Holder. No physical documents of title will be issued in respect of the Rated Notes.

### 3.4 *The Rules*

The rights and powers of the Rated Noteholders may only be exercised in accordance with the Rules attached to these Rated Notes Conditions as an Exhibit which shall constitute an integral and essential part of these Rated Notes Conditions.

## 4. **STATUS, PRIORITY AND SEGREGATION**

### 4.1 *Status*

The Rated Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Rated Notes is limited to the amounts received or recovered by the Issuer in respect of the Master Portfolio and pursuant to the exercise of the Issuer's rights, as further specified in Rated Notes Condition 10.2 (*Limited Recourse Obligations of the Issuer*). The Rated Noteholders acknowledge that the limited recourse nature of the Rated 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 under article 1469 of the Italian civil code.

### 4.2 *Segregation by law and security*

4.2.1 By virtue of the Securitisation Law, (i) the Issuer's right, title and interest in and to the Master Portfolio is segregated from all other assets of the Issuer and (ii) any claim of the Issuer which has arisen in the context of the Securitisation, their collections and the financial assets purchased using those funds will, by operation of law, be segregated for all purposes from all other deposits and moneys of the relevant depository, for the exclusive benefit of the Noteholders, the Other Issuer Creditors and other creditors of the Securitisation. Amounts deriving from the Master Portfolio and any other moneys or deposits as listed above, as the case may be, will only be available both before and after a winding-up of the Issuer to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any third party creditors of the Issuer in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation.

4.2.2 The Notes of each Class have the benefit of the Security Interest over certain assets of the Issuer pursuant to the Dutch Deed of Pledge and the Security Assignment.

### 4.3 *Ranking*

4.3.1 The Notes, upon issue, will constitute limited recourse obligations of the Issuer.

4.3.2 In respect of the obligation of the Issuer to pay interest and Premium (where applicable) on the Notes, prior to the delivery of a Trigger Notice: (i) the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to payments of premium and repayment of principal due on the Class J Notes; and (ii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among

themselves, but subordinated to payments of interest and repayment of principal due on the Class A1 Notes and the Class A2 Notes.

- 4.3.3 In respect of the obligation of the Issuer to repay principal due on the Notes, prior to the delivery of a Trigger Notice: (i) the Class A1 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to repayment of principal due on the Class A2 Notes; (ii) the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to repayment of principal due on the Class A1 Notes and in priority to repayment of principal due on the Class J Notes; and (iii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Class A1 Notes and the Class A2 Notes.
- 4.3.4 In respect of the obligations of the Issuer to pay interest and Premium (where applicable) on the Notes, following the service of a Trigger Notice: (i) the Class A1 Notes and the Class A2 Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves and in priority to the Junior Notes; and (ii) the Junior Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves, but subordinated to payment in full of all amounts due under the Class A1 Notes and the Class A2 Notes.
- 4.3.5 In respect of the obligations of the Issuer to repay principal on the Notes, following the service of a Trigger Notice: (i) the Class A1 Notes and the Class A2 Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves and in priority to repayment of principal due on the Class J Notes; and (ii) the Junior Notes will rank *pari passu* and *pro rata* without any preference or priority amongst themselves, but subordinated to payment in full of all amounts due under the Class A Notes.

#### 4.4 *Obligations of Issuer only*

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

#### 4.5 *Conflict of Interests*

The Intercreditor Agreement and the Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of:

- (a) different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only;
- (b) the Noteholders and of the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders.

## 5. PARTLY PAID NOTES

### 5.1 *Partly paid notes*

The Notes will be issued on a partly paid basis, pursuant to the terms provided for under this Condition 5 (*Partly Paid Notes*), and as a consequence thereof:

- (a) on the Issue Date, any Notes Initial Payments will be made in respect of each Class of Notes in the relevant amounts as set out under the Subscription Agreements; and
- (b) during the Revolving Period, the Noteholders may be requested by the Issuer, in accordance with the Conditions and the Transaction Documents, to make the relevant Notes Further Payments in respect of the relevant Class of Notes.

### 5.2 *Notes Initial Payments*

On the Issue Date, the Notes Initial Payments will be paid to the Issuer by the Underwriter, in accordance with the Subscription Agreements.

### 5.3 *Notes Further Payments*

During the Revolving Period the Issuer, also through the Calculation Agent, may request the Noteholders, by making a request of irrevocable order of payment (the "**Notes Further Payment Request**"), to effect the payment to the Issuer in order to fund the purchase of each Subsequent Portfolio and increase the Principal Amount Outstanding of the Notes, of each Notes Further Payment, *provided that*: (i) the Issuer may request the payment of the Notes Further Payments for an amount not higher than the aggregate of the Class A1 Notes Nominal Amount, the Class A2 Notes Nominal Amount and the Class J Notes Nominal Amount, (ii) the Issuer may request the payment of the Notes Further Payments once every three months, (iii) the total amount of Notes Further Payments in any twelve month period shall not exceed Euro 750,000,000, (iv) the Issuer shall request to pay the Notes Further Payments *pro rata* among all Classes of Notes in order to maintain the initial proportion among all Classes of Notes as of the Issue Date (rounding up the decimals to the benefit of the Class J Notes, if so required), and (v) the maximum aggregate amount of Notes Further Payments shall not exceed Euro 1,510,000,000 during the Revolving Period of the Securitisation.

During the Revolving Period, the Notes Further Payment Request shall be sent by the Issuer (or the Calculation Agent on its behalf and upon its instructions), subject to prior review and written approval by the Servicer given in accordance with the relevant Subscription Agreement, to the Noteholders on the relevant Notes Further Payment Request Date and shall include the following information:

- (a) the relevant Notes Further Payment to be paid on the Notes Further Payment Date (as defined below);
- (b) confirmation that no Trigger Event or Purchase Termination Event has occurred or arisen and is continuing; and



- (c) confirmation that, following the payment of the relevant Notes Further Payments, the Principal Amount Outstanding of each Class of Notes is not higher than the Total Nominal Amount.

Under the Subscription Agreements following the receipt of the relevant Notes Further Payment Request, the Noteholders has undertaken to pay, on the relevant Notes Further Payment Date (provided that on such date the other conditions precedent set forth in the Subscription Agreements are met or waived), the relevant Notes Further Payment in accordance with the terms of the Subscription Agreements.

Upon payment of the relevant Notes Further Payment, the Principal Amount Outstanding of the relevant Class of Notes shall be increased of the amount corresponding to such Notes Further Payments. Such increase among all Classes of Notes will be made *pro-rata* in order to maintain the initial proportion among all Classes of Notes as of the Issue Date (rounding up the decimals to the benefit of the Class J Notes, if so required). The Principal Paying Agent will give notice to Monte Titoli of the new pool factor of the notes.

If, by no later than 11:00 (Italian time) on the Notes Further Payments Date, the aggregate of the Notes Further Payment is lower than the Purchase Price of the Subsequent Portfolio, irrespective of the cause for such shortfall of funds, the Issuer shall not increase the Principal Amount Outstanding of the Notes and, also in cooperation with the Representative of the Noteholders, the Noteholders and the Principal Paying Agent, shall procure that the requested increase is not registered with Monte Titoli in respect of any Class of Notes and any amounts howsoever paid by the Noteholders or is retransferred to the relevant person as soon as possible on or after such Notes Further Payment Date.

No Notes Further Payments may be requested by the Issuer following the expiry of the Revolving Period.

## 6. ISSUER COVENANTS

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in any of the Transaction Documents:

### 6.1 *Negative pledge*

create or permit to subsist any Security Interest whatsoever over the Master Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Master Portfolio or any of its assets, except in connection with any further securitisations permitted pursuant this Rated Notes Condition 6; or

### 6.2 *Restrictions on activities*

- 6.2.1 engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation and any further securitisation complying with

this Rated Notes Condition 6 or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

6.2.2 have any subsidiary (*società controllata* as defined in article 2359 of the Italian civil code) or any employees or premises; or

6.2.3 at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

6.2.4 become the owner of any real estate asset, including in the context of enforcement proceedings relating to a Real Estate Asset; or

6.3 *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any quota capital to its Quotaholders, or increase its capital, save as required by applicable law; or

6.4 *De-registrations*

ask for de-registration from the registers kept by Bank of Italy pursuant to the regulation dated 7 June 2017, for as long as the Securitisation Law, the Consolidated Banking Act or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

6.5 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of any further securitisation permitted pursuant to the Rated Notes Condition 5), or give any guarantee, indemnity or security in respect of any indebtedness or other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others; or

6.6 *Merger*

consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity; or

6.7 *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations; or

6.8 *Bank accounts*

have an interest in any bank account other than the Accounts, the account on which its quota capital is credited, any bank account opened pursuant to the Swap Agreement for the deposit of Swap Collateral or any bank account opened in relation to any other securitisation permitted pursuant to this Rated Notes Condition 6 below; or

#### 6.9 *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or its deed of incorporation (*atto costitutivo*) except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities.

In giving any consent to the foregoing, the Representative of the Noteholders may, but it is not obliged to, require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (and 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 (in its absolute discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer as to the matters contained therein; or

#### 6.10 *Corporate records, financial statements and book of account*

cease to maintain corporate records, financial statements and book of account separate from those of the Originator and any other person or entity; or

#### 6.11 *Further securitisations*

carry out any other securitisation transactions pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction and then only if (a) such securitisation transaction would not adversely affect the then current rating of any of the Rated Notes and the Rating Agencies have been notified in respect of such further securitisation and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law.

#### 6.12 *Derivatives*

enter into derivative contracts (other than the Swap Agreement), save as expressly permitted by article 21(2) of the EU Securitisation Regulation.

### 7. **PRIORITY OF PAYMENTS**

#### 7.1 *Pre-Trigger Notice Priority of Payments*

Prior to the delivery of a Trigger Notice, the Issuer Available Funds, as calculated on each Calculation Date, will be applied by the Issuer on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the "**Pre-Trigger Notice Priority of Payments**") but, in each case, only if and to the extent that payments (other than, for avoidance of any doubt,

payments to be made under certain conditions only if such conditions are not met) of a higher priority have been made in full:

7.1.1 *Interest Priority of Payments*

- (i) *First*, to pay (i) *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period) and (ii) to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;
- (ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;
- (iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Swap Counterparty, the Cash Manager, the Account Banks, the Calculation Agent, the Principal Paying Agent, the Corporate Services Provider and the Servicer;
- (iv) *Fourth*, to pay to the Liquidity Facility Provider *pari passu* and *pro rata*: (i) all amounts due and payable in respect of any commitment fee; (ii) all amounts due and payable in respect of any interest and principal on any Revolving Advances; and (iii) up to an amount equal to the interest accrued and paid on the immediately preceding Quarterly Collection Period on the relevant Liquidity Reserve Account, all amounts due and payable in respect of any interest on any Reserve Advances, in accordance with the terms of the Liquidity Facility Agreement;
- (v) *Fifth*, to pay to the Swap Counterparty any amount due and payable under the Swap Agreement, including any hedging termination payments upon early termination of the Swap Agreement, except where the Swap Counterparty is the Defaulting Party or the Sole Affected Party;
- (vi) *Sixth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A1 Notes and on the Class A2 Notes on such Payment Date;
- (vii) *Seventh*, in or towards making good any shortfall reflected in the Principal Deficiency Ledger until the debit balance, if any, of the Principal Deficiency Ledger is reduced to zero by allocating the relevant amounts to the Principal Available Funds;

- (viii) *Eighth*, to transfer to the Principal Available Funds an amount equal to the amounts, if any, allocated on the immediately preceding Payment Date and on any preceding Payment Date as Interest Shortfall Amount;
- (ix) *Ninth*, to pay to the Liquidity Facility Provider all amounts of interest due and payable in respect of any Reserve Advances and not already paid under item *Fourth*, *limb(iii)* above;
- (x) *Tenth*, to pay to the Originator in respect of each Portfolio transferred to the Issuer in accordance with the Master Receivables Purchase Agreement, the portion of the Individual Purchase Price constituted by any Accrued Interest of the Receivables included in any such Portfolio;
- (xi) *Eleventh*, to pay any amounts due and payable to the Swap Counterparty under the Swap Agreement, in addition to the amounts paid under item *Third* and *Fifth* above;
- (xii) *Twelfth*, to pay all amounts of principal due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement (other than any amount paid under item *Fourth* and *Ninth* above); and
- (xiii) *Thirteenth*, to pay, *pari passu* and *pro rata*, the Premium on the Junior Notes.

#### 7.1.2 *Principal Priority of Payments*

- (i) *First*, to pay any amount payable as Interest Shortfall Amount, to the extent that the Interest Available Funds (following application of the amounts drawn down by the Issuer under the Liquidity Facility Agreement under item (iv) of the definition of Interest Available Funds) are not sufficient on such Payment Date to make such payments in full;
- (ii) *Second*, to pay to the Originator - or to reserve such amount in satisfaction of -, in respect of each Subsequent Portfolio transferred to the Issuer in accordance with the Master Receivables Purchase Agreement, the portion of the Individual Purchase Price constituted by the Outstanding Principal Due of the Receivables included in any such Subsequent Portfolio;
- (iii) *Third*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Class A1 Notes until the Class A1 Notes are redeemed in full;
- (iv) *Fourth*, all amounts outstanding in respect of principal on the Class A2 Notes until the Class A2 Notes are redeemed in full;
- (v) *Fifth*, to pay to the Liquidity Facility Provider any other amounts due under the Liquidity Facility Agreement (other than those already paid under the Pre-Trigger Notice Interest Priority of Payments);

- (vi) *Sixth*, to pay to the Swap Counterparty any other amounts due under the Swap Agreement (other than those already paid under the Pre-Trigger Notice Interest Priority of Payments);
- (vii) *Seventh*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Junior Notes;
- (viii) *Eighth*, to pay to the Originator any Adjusted Purchase Price pursuant to clause 5 of the Master Receivables Purchase Agreement;
- (ix) *Ninth*, to pay any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments; and
- (x) *Tenth*, to transfer, to the Interest Available Funds any remaining amount after all the other payments under this Principal Priority of Payments have been made in full.

## 7.2 *Post Trigger Notice Priority of Payments*

Following the delivery of a Trigger Notice under Rated Notes Condition 13.2 (*Delivery of Trigger Notice*), or, in the event that the Issuer opts for an early redemption of the Notes under Rated Notes Condition 9.3 (*Optional redemption*) or Rated Notes Condition 9.4 (*Optional redemption for taxation reasons*), the Issuer Available Funds, as calculated on each Calculation Date, will be applied by or on behalf of the Representative of the Noteholders on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order (the "**Post Trigger Notice Priority of Payments**") but in each case, only if and to the extent that payments of a higher priority have been made in full:

- (i) *First*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);
- (ii) *Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (a) the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents; and (b) the remuneration and any indemnity amount due to any receiver and any proper costs and expenses incurred by it in connection with the Security Assignment and the Dutch Deed of Pledge;
- (iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Swap Counterparty, the

Cash Manager, the Account Banks, the Calculation Agent, the Principal Paying Agent, the Corporate Services Provider and the Servicer;

- (iv) *Fourth*, to pay to the Swap Counterparty any amount due and payable under the Swap Agreement, including any swap termination payments upon early termination of the Swap Agreement, except where the Swap Counterparty is the Defaulting Party or the Sole Affected Party;
- (v) *Fifth*, to pay to the Liquidity Facility Provider any amounts due under the Liquidity Facility Agreement;
- (vi) *Sixth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A1 Notes and on the Class A2 Notes on such Payment Date;
- (vii) *Seventh*, to pay, *pari passu* and *pro rata*, all amounts in respect of principal outstanding on the Class A1 Notes and on the Class A2 Notes;
- (viii) *Eighth*, to pay any amounts due and payable to the Swap Counterparty under the Swap Agreement, in addition to the amounts paid under item *Third* and *Fourth* above;
- (ix) *Ninth*, to pay to the Originator any Adjusted Purchase Price pursuant to clause 5 of the Master Receivables Purchase Agreement;
- (x) *Tenth*, to pay to the Originator any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;
- (xi) *Eleventh*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal due and payable on the Junior Notes; and
- (xii) *Twelfth*, to pay, *pari passu* and *pro rata*, the Premium on the Junior Notes.

## 8. INTEREST

### 8.1 *Accrual of interest*

Each Rated Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date.

### 8.2 *Payment dates and Interest Periods*

Interest on each Rated Note will accrue on a daily basis and will be payable in Euro in arrear on each Payment Date in respect of the Interest Period ending on such Payment Date. The First Payment Date is the Payment Date falling in October 2023 in respect of the Initial Interest Period.

### 8.3 *Cessation of interest*

Each Rated Note (or the portion of the Principal Amount Outstanding due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Rated Note (or the relevant portion thereof) will continue to bear interest in accordance with this Rated Notes Condition 8 (both before and after judgment) at the rate from time to time applicable to such Rated Note until the day on which either all sums due in respect of such Rated Note up to that day are received by the relevant Rated Noteholder or the Representative of the Noteholders or the Principal Paying Agent receives all amounts due on behalf of all such Rated Noteholders.

### 8.4 *Calculation of interest*

Interest in respect of any Interest Period or any other period shall be calculated on the basis of the actual number of days elapsed and a 360 day year.

### 8.5 *Rates of interest*

The rate of interest applicable to the Rated Notes (the "**Interest Rate**") for each Interest Period shall be:

- (i) in respect of the Class A1 Notes, a floating rate equal to Euribor plus 0.8% per annum; and
- (ii) in respect of the Class A2 Notes, a floating rate equal to Euribor plus 0.9% per annum,

*provided that* the Interest Rate shall never be less than zero.

### 8.6 *Calculation of Interest Payment Amounts*

The Issuer shall on each Determination Date determine, or cause the Calculation Agent to determine, the Euro amount (the "**Interest Payment Amount**") payable as interest on a Rated Note in respect of such Interest Period calculated by applying the relevant Interest Rate to the Principal Amount Outstanding of a Rated Note on the Payment Date at the commencement of such Interest Period (or, in the case of the Initial Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

### 8.7 *Notification of Interest Payment Amount and Payment Date*

As soon as practicable (and in any event not later than the close of business on the relevant Determination Date),

- 8.7.1 the Issuer (or the Calculation Agent on its behalf) will cause the Interest Payment Amount for each Rated Note for the related Interest Period; and



8.7.2 the Issuer (or the Cash Manager on its behalf) will cause the Payment Date in respect of each such Interest Payment Amount,

to be notified to the Issuer, the Servicer, the Representative of the Noteholders, the Principal Paying Agent, the Corporate Services Provider, the Swap Counterparty, Euroclear, Clearstream, Monte Titoli and, for the purpose of Rated Notes Condition 8.7.2 only, the Calculation Agent, and will cause the same to be published in accordance with Rated Notes Condition 17 (*Notices*) on or as soon as possible after the relevant Determination Date.

#### 8.8 *Amendments to publications*

The Interest Rate and the Interest Payment Amount and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

#### 8.9 *Determination by the Representative of the Noteholders*

8.9.1 If the Issuer does not at any time for any reason calculate (or cause to be calculated) the Interest Payment Amount in accordance with this Rated Notes Condition 8, the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall determine (or cause to be determined) the Interest Payment Amount in the manner specified in Rated Notes Condition 8.6 (*Calculation of Interest Payment Amounts*) and such determination shall be deemed to have been made by the Issuer.

8.9.2 The Representative of the Noteholders shall have no liability to any person in connection with any determination or calculation made by it or its agent pursuant to this Rated Notes Condition 8.9 or any failure to make such determination or calculation or any failure to appoint such an agent willing or able to make such determination or calculation, and the Representative of the Noteholders shall not be in any way responsible for any liabilities incurred by reason of misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent, provided that such agent has been selected by the Representative of the Noteholders among financial institutions having certified experience in making the above determination and calculation in the context of other securitisation transactions.

#### 8.10 *Unpaid interest with respect to the Rated Notes*

Unpaid interest on the Rated Notes shall accrue no interest.

#### 8.11 *Benchmark Discontinuation*

If a Benchmark Event occurs in relation to the Euribor when the Interest Rate (or any component part thereof) for any Interest Period remains to be determined by reference to such Euribor (or any component part thereof), then the Issuer shall notify the party responsible for determining the Interest Rate applicable to the Notes (being the Principal Paying Agent or such other party specified in the Conditions) and 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 this Condition 8.11) and, in either case, an Adjustment Spread, if any (in accordance with Condition 8.11.3), and whether any Benchmark Amendments (in accordance with Condition 8.11.4) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Independent Adviser appointed by the Issuer pursuant to this Condition 8.11 shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of wilful misconduct, fraud or negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the party responsible for determining the Interest Rate applicable to the Notes (being the Principal Paying Agent, or such other party specified in the Conditions), the Representative of the Noteholders or the Noteholders for any determination made by it pursuant to this Condition 8.11.

8.11.1 If following the occurrence of a Benchmark Event (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine and notify in writing both the Issuer and the party responsible for determining the Interest Rate applicable to the Notes of a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 8.11 prior to the relevant Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine and notify in writing the party responsible for determining the Interest Rate applicable to the Notes of 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 8.11.1 prior to the relevant Determination Date, the Euribor applicable to the immediate following Interest Period shall be the Euribor applicable as at the last preceding Determination Date. If there has not been a first Payment Date, the Euribor shall be the Euribor applicable to the first Interest Period. Where a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period shall be substituted in place of the margin relating to that last preceding Interest Period (as applicable). For the avoidance of doubt, any adjustment pursuant to this Condition 8.11.1 shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of, and to adjustment as provided in, this Condition 8.11.

8.11.2 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 and notify a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 8.11 prior to the relevant Determination Date) acting in good faith and in a commercially reasonable manner determines in its discretion that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 8.11.3) be promptly notified in writing to the Issuer and/or the party responsible for determining the Interest Rate applicable to the Notes, as the case may be, and only after

being so notified subsequently be used in place of the Euribor to determine the Interest Rate (or the relevant component part thereof) for the immediately following Interest Period and all following Interest Periods, subject to the further application to such Successor Rate of this Condition 8.11 in the event of a further Benchmark Event affecting the Successor Rate; 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 8.11.3) be promptly notified in writing to the Issuer and/or the party responsible for determining the Interest Rate applicable to the Notes, as the case may be, and only after being so notified subsequently be used in place of the Euribor to determine the Interest Rate (or the relevant component part thereof) for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 8.11 in the event of a further Benchmark Event affecting the Alternative Rate.

8.11.3 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 this Condition 8.11 prior to the relevant Determination Date) acting in good faith and in a commercially reasonable manner determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be promptly notified in writing to the Issuer and/or the party responsible for determining the Interest Rate applicable to the Notes, as the case may be, and apply to the Successor Rate or the Alternative Rate (as the case may be).

8.11.4 If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 8.11 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 this Condition 8.11 prior to the relevant Determination Date) acting in good faith and in a commercially reasonable manner determines in its discretion (i) that amendments to these Conditions, including but not limited to Relevant Screen Page, 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, following consultation with the Principal Paying Agent (or the person specified in the Conditions as the party responsible for calculating the Interest Rate) and the Swap Counterparty, subject to giving notice thereof in accordance with this Condition 8.11 and subject (only to the extent required) to giving any notice required to be given to, and receiving any

consent required from, or non-objection from, the competent regulatory authority, without any requirement for the consent or approval of relevant Representative of the Noteholders or 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 (and for the avoidance of doubt, subject to paragraph (A) below, the Representative of the Noteholders will consent to and effect, at the direction and expense of the Issuer such consequential amendments to the Cash Allocation, Management and Payments Agreement, the Swap Agreement and these Conditions as may be required in order to give effect to this Condition 8.11), provided that:

- (i) (x) the Representative of the Noteholders shall not be obliged to concur in making any modification (including, for the avoidance of doubt, any consequential amendments as may be required in order to give effect to this Condition 8.11), which, in the sole opinion of the Representative of the Noteholders, would have the effect of (a) exposing the Representative of the Noteholders to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the rights or protection, of the Representative of the Noteholders in the Transaction Documents and/or these Conditions; (y) at the request of the Issuer, subject to paragraph (x) above, the Representative of the Noteholders, without any requirement for the consent or approval of the Noteholders, will 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; (z) in connection with any such variation in accordance with this Condition 8.11, 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;
- (ii) if a different margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin relating to the relevant Interest Period shall be substituted in place of the margin relating to that last preceding Interest Period.

8.11.5 The Representative of the Noteholders, the Noteholders and the Principal Paying Agent shall have no duty to monitor compliance by each of the Issuer and/or the Independent Adviser with their obligations under this Condition 8.11 and shall rely without liability to any person and without further enquiry or investigation on the determinations, calculation, computations and certificates provided under this Condition 8.11 by the Issuer and/or the Independent Adviser. For the avoidance of doubt, the Representative of the Noteholders shall have no duty to review or check the determinations, calculations and computations made by the Issuer or the Independent Adviser pursuant to this Condition 8.11.

8.11.6 Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 8.11 will be notified promptly by the Issuer to the Representative of the Noteholders,

the Calculation Agent, the Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

8.11.7 No later than notifying the Representative of the Noteholders of the same, the Issuer shall deliver to the Representative of the Noteholders a certificate signed by two authorised signatories of the Issuer:

- (i) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 8.11; and
- (ii) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

8.11.8 The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Representative of the Noteholders, the Calculation Agent, the Principal Paying Agent and the Noteholders.

Without prejudice to the obligations of the Issuer under Condition 8.11, the Euribor will continue to apply unless and until a Benchmark Event has occurred.

As used in this Condition 8.11:

**"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 relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonable practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Euribor 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, or formally provided as an option for parties to adopt, in relation to the replacement of the Euribor with the Successor Rate by any Relevant Nominating Body; or
- (ii) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) is customarily applied to the relevant Successor Rate or

Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Euribor; or

- (iii) (if no such recommendation has been made, or in the case of an Alternative Rate) 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 Euribor, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (iv) (if the Independent Adviser or the Issuer determines that no such industry standard is recognised or acknowledged) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) to be appropriate 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 Euribor with the Successor Rate or the Alternative Rate (as the case may be).

**"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 this Condition 8.11 is customary in market usage in the international debt capital markets for the purposes of determining floating 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 8.11.4.

**"Benchmark Event"** means:

- (i) the relevant Euribor has ceased to be published for a period of at least 5 (five) Business Days on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the relevant Euribor that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Euribor) it will, by a specific date within the following 6 (six) months, cease publishing such Euribor permanently or indefinitely or that it will cease to do so by a specified future date (each a **"Specified Future Date"**); or
- (iii) a public statement by the supervisor of the administrator of the relevant Euribor that such Euribor has been or will, by a Specified Future Date, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the relevant Euribor that means that such Euribor will, by a Specified Future Date, be prohibited from being used or that its use will be subject to

restrictions or adverse consequences, either generally or in respect of the Notes; or

- (v) a public statement by the supervisor of the administrator of the relevant Euribor (as applicable) that, in the view of such supervisor, such Euribor is no longer representative of an underlying market; or
- (vi) it has or will, by a specified date within the following 6 (six) months, become unlawful for the Principal Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the relevant Euribor (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii) or (iv) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser with appropriate experience in the international capital markets, in each case appointed discretionary (for the avoidance of doubt without any consent or approval by the Representative of the Noteholders and/or the Noteholders) by the Issuer at its own expense under Condition 8.11.

**"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.

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Bloomberg), or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Euribor.

**"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 Euribor, which is formally recommended by any Relevant Nominating Body.

## 9. REDEMPTION, PURCHASE AND CANCELLATION

### 9.1 *Final redemption*

9.1.1 Unless previously redeemed in full or cancelled as provided in this Rated Notes Condition 9, the Issuer shall redeem the Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Final Maturity Date.

9.1.2 The Issuer may not redeem the Rated Notes in whole or in part prior to the Final Maturity Date except as provided below in Rated Notes Conditions 9.2 (*Mandatory redemption*), 9.3 (*Optional redemption*), but without prejudice to Rated Notes Condition 13 (*Trigger Events*) and Rated Notes Condition 14 (*Enforcement*).

9.1.3 If the Issuer has insufficient Issuer Available Funds to repay the Rated Notes in full on the Final Maturity Date, then the Notes shall be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Rated Notes shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

### 9.2 *Mandatory redemption*

On each Payment Date falling on or after the Initial Amortisation Date on which there are Issuer Available Funds available for payments of principal in respect of the Rated Notes in accordance with the Priority of Payments set out in Condition 7 (*Priority of Payments*), the Issuer will cause each Class A1 Note or each Class A2 Note, as applicable, to be redeemed on such Payment Date in accordance with the Priority of Payments set out in Condition 7 (*Priority of Payments*) in an amount equal to the Principal Payment Amount (as defined below) determined on the related Calculation Date.

### 9.3 *Optional redemption*

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date the Issuer may redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Post Trigger Notice Priority of Payments, subject to the Issuer:

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

9.3.2 delivering to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of



any Security Interest of any third party) on such Payment Date to discharge all of its outstanding liabilities in respect of the Rated Notes and any other payment in priority to or *pari passu* with the Rated Notes in accordance with the Post Trigger Notice Priority of Payments and all its outstanding liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders' having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Post Trigger Notice Priority of Payments; and

9.3.3 having notified such redemption to the Rating Agencies prior to the relevant Payment Date on which such redemption shall occur.

#### 9.4 *Optional redemption for taxation reasons*

The Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding, together with accrued but unpaid interest up to and including the relevant Payment Date, on any Payment Date:

9.4.1 after the date on which the Issuer or any other person on its behalf is required to make any payment in respect of the Notes and the Issuer would be required to make a Tax deduction in respect of such payment (other than in respect of Decree 239 Deduction);

9.4.2 after the date of a change in the Tax law of Italy (or the application or official interpretation of such law) which would cause the total amount payable in respect of the Master Portfolio to cease to be receivable by the Issuer, including as a result of any of the Debtors being obliged to make a Tax deduction in respect of any payment in relation to any Receivables,

subject to the following:

9.4.3 that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*) of its intention to redeem all (but not some only) of the Notes; and

9.4.4 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders:

(a) a certificate signed by the sole director of the Issuer to the effect that the obligation to make a Tax deduction or the imposition resulting in the total amount payable in respect of the Master Portfolio ceasing to be receivable by the Issuer cannot be avoided; and

(b) a certificate signed by the sole director of the Issuer confirming that the Issuer will, on the relevant Payment Date, have the funds not subject to the interests of any other person required to redeem the Notes pursuant to this Condition and any amount required to be paid under the Priority of Payments in priority to or *pari passu* with the Notes.

9.5 *Conclusiveness of certificates*

Any certificate given by or on behalf of the Issuer pursuant to Rated Notes Condition 9.3 (*Optional redemption*) may be relied on by the Representative of the Noteholders without further investigation and shall be binding on the Rated Noteholders and the Other Issuer Creditors.

9.6 *Calculation of Principal Payment Amount and Principal Amount Outstanding*

9.6.1 On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

- (a) the amount of the Issuer Available Funds;
- (b) the aggregate principal payment (if any) due on the Rated Notes on the next following Payment Date and the Principal Payment Amount (if any) due on the Rated Notes of a particular Class; and
- (c) the Principal Amount Outstanding of the Rated Notes of a particular Class on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to the Rated Notes of a particular Class).

9.6.2 On each Calculation Date, the Issuer shall procure that the Calculation Agent determines the principal amount redeemable in respect of each Class of Rated Notes (the "**Principal Payment Amount**") on the next following Payment Date, in accordance with the applicable Priority of Payments.

9.7 *Calculation by the Representative of the Noteholders in case of Issuer default*

9.7.1 If the Issuer does not at any time for any reason calculate (or cause the Calculation Agent to calculate) the Issuer Available Funds, the amount thereof available for principal payments in respect of the Class A1 Notes or the Class A2 Notes, the Principal Payment Amount in respect of each Class A1 Note and each Class A2 Note or the Principal Amount Outstanding in relation to each Class A1 Note or each Class A2 Note in accordance with this Rated Notes Condition 9, such amounts shall be calculated by (or on behalf of) the Representative of the Noteholders in accordance with this Rated Notes Condition (based on information supplied to it by the Issuer or the Calculation Agent) and each such calculation shall be deemed to have been made by the Issuer.

9.7.2 The Representative of the Noteholders shall have no liability to any person in connection with any determination or calculation made by it or its agent pursuant to this Rated Notes Condition 9.7 or any failure to make such determination or calculation or any failure to appoint such an agent willing or able to make such determination or calculation, and the Representative of the Noteholders shall not be in any way responsible for any liabilities incurred by reason of misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent, provided that such agent

has been selected by the Representative of the Noteholders among financial institutions having experience in making the above determination and calculation in the context of other securitisation transactions.

9.8 *Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*

The Issuer will cause each calculation of the Principal Payment Amount and Principal Amount Outstanding in relation to the Class A1 Notes and the Class A2 Notes to be notified immediately after calculation (through the Payments Report or the Post-Trigger Notice Report) to the Representative of the Noteholders, the Principal Paying Agent and, for so long as the Rated Notes are listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and will cause notice of each calculation of a Principal Payment Amount and Principal Amount Outstanding in relation to the Class A1 Notes and the Class A2 Notes to be given in accordance with Rated Notes Condition 17 (*Notices*) not later than two Business Days prior to each Payment Date.

9.9 *Notice of no Principal Payment Amount*

If, after the Payment Date falling on the Initial Amortisation Date, no Principal Payment Amount is due to be made in relation to the Class A1 Notes or the Class A2 Notes on any Payment Date, a notice to this effect will be given to the Rated Noteholders in accordance with Rated Notes Condition 17 (*Notices*) not later than two Business Days prior to such Payment Date.

9.10 *Notice Irrevocable*

Any such notice as is referred to in Rated Notes Condition 9.3 (*Optional redemption*), 9.4 (*Optional redemption for taxation reasons*) and Rated Notes Condition 9.8 (*Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*) shall be irrevocable and, upon the expiration of notice pursuant to Rated Notes Condition 9.3 (*Optional redemption*), the Issuer shall be bound to redeem the Class A1 Notes or the Class A2 Notes, as the case may be, at their Principal Amount Outstanding.

9.11 *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Rated Notes at any time.

9.12 *Cancellation*

All Rated Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

10. **LIMITED RECOURSE AND NON PETITION**

10.1 *Noteholders not entitled to proceed directly against Issuer*

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations or enforce the Security Interest and no Noteholder shall be entitled to

proceed directly against the Issuer to obtain payment of the Obligations or to enforce the Security Interest. In particular,

- 10.1.1 no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security Interest and no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled to take any proceedings against the Issuer to enforce the Security Interest;
- 10.1.2 no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;
- 10.1.3 until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any further securitisations undertaken 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 all the Noteholders and then only if the representative of any further securitisations undertaken by the Issuer, if any, have been so directed by extraordinary resolutions of their respective noteholders in accordance with the relevant transaction document) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
- 10.1.4 no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

## 10.2 *Limited Recourse Obligations of Issuer*

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders and Other Issuer Creditor (including the Swap Counterparty in relation to all payments due to it under the Swap Agreement other than those in respect of any return of Swap Collateral posted by it (if any)), are limited in recourse as set out below:

- 10.2.1 each Noteholder and Other Issuer Creditor will have a claim only in respect of the Interest Available Funds, the Principal Available Funds or the Issuer Available Funds, as applicable, 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;
- 10.2.2 sums payable to such Noteholder or Other Issuer Creditor in respect of the Issuer's obligations to such Other Issuer Creditor (including the Swap Counterparty in relation to all payments due to it under the Swap Agreement other than those in respect of any return of Swap Collateral posted by it (if any)), shall be limited to the lesser of (a) the aggregate amount of all sums due and

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

- 10.2.3 if the Servicer has certified to the Representative of the Noteholders, that there is no reasonable likelihood of there being any further proceeds in respect of the Receivables or the Security Interest (whether arising from judicial enforcement proceedings, enforcement of the Security Interest or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents or the Rated Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Rated Notes Condition 17 (*Notices*) that there is no reasonable likelihood of there being any further proceeds in respect of the Receivables or the Security Interest (whether arising from judicial enforcement proceedings, enforcement of the Security Interest or otherwise) which would be available to pay amounts outstanding under the Transaction Documents or the Rated Notes, the Rated 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.

## 11. PAYMENTS

### 11.1 *Payments through Monte Titoli*

Payment of principal and interest in respect of the Rated Notes will be credited, according to the instructions of Monte Titoli, by the Principal Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holder in whose accounts with Monte Titoli the Rated Notes are held and thereafter credited by such Monte Titoli Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Rated Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Rated Notes, all in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as *the case may be*.

### 11.2 *Payments subject to fiscal laws*

All payments in respect of the Rated Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Rated Noteholders in respect of such payments.

### 11.3 *Payments on Business Days*

Rated Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Rated Noteholder.

### 11.4 *Change of Principal Paying Agent and appointment of additional paying agents*

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 Principal Paying Agent and to appoint additional or other paying agents. The Issuer will cause at least 30 days' prior notice of any change in or addition to the Principal Paying Agent or its Specified Office to be given in accordance with Rated Notes Condition 17 (*Notices*). Within the same term, the Issuer shall notify the Rating Agencies of any such change or addition.

## 12. **TAXATION**

### 12.1 *Payments free from Tax*

All payments by or on behalf of the Issuer in respect of the Rated Notes shall be made free and clear of and without withholding or deduction for, or on account of, any Taxes, including, for the avoidance of doubt, a Decree 239 Deduction, unless the Issuer, the Representative of the Noteholders or the Principal Paying Agent or any paying agent appointed under Rated Notes Condition 11.4 (*Change of Principal Paying Agent and appointment of additional paying agent*) (as the case may be) is required by law to make any Tax deduction. In that event the Issuer, the Representative of the Noteholders or such Principal Paying Agent (as the case may be) shall make such payments after such Tax deduction and shall account to the relevant authorities for the amount so withheld or deducted.

### 12.2 *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Principal Paying Agent or any paying agent appointed under Rated Notes Condition 11.4 (*Change of Principal Paying Agent and appointment of additional paying agent*) (as the case may be) will be obliged to pay any additional amounts to the holders of the Rated Notes as a result of any such Tax deduction.

### 12.3 *Tax deduction not Trigger Event*

Notwithstanding that the Representative of the Noteholders, the Issuer or the Principal Paying Agent or any paying agent appointed under Rated Notes Condition 11.4 (*Change of Principal Paying Agent and appointment of additional paying agent*) are required to make a Tax deduction this shall not constitute a Trigger Event.

### 12.4 *FATCA Deduction*

Each party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be

required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

Each party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the party to whom it is making the payment and, in addition, shall notify each Other Issuer Creditor.

### 13. **TRIGGER EVENTS**

#### 13.1 *Trigger Events*

Each of the following events is a "**Trigger Event**":

##### 13.1.1 *Non-payment:*

the Issuer defaults in the payment of any Interest Payment Amount or principal due and payable on the Notes and such default is not remedied within a period of 5 (five) Business Days from the due date thereof; or

##### 13.1.2 *Breach of other obligations:*

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

##### 13.1.3 *Insolvency of the Issuer:*

an Insolvency Event occurs with respect to the Issuer; or

##### 13.1.4 *Unlawfulness:*

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

#### 13.2 *Delivery of Trigger Notice*

If a Trigger Event occurs and is continuing, subject to Rated Notes Condition 13.3 (*Conditions to delivery of Trigger Notice*) the Representative of the Noteholders:

13.2.1 in the case of a Trigger Event under Rated Notes Condition 13.1.1 shall; and

13.2.2 in the case of a Trigger Event under Rated Notes Condition 13.1.2, 13.1.3 or 13.1.4 shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding;

serve a written notice (a "**Trigger Notice**") on the Issuer.

### 13.3 *Conditions to delivery of Trigger Notice*

Notwithstanding Rated Notes Condition 13.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless:

13.3.1 in the case of the occurrence of any of the events mentioned in Rated Notes Condition 13.1.2 (*Breach of other obligations*), the Representative of the Noteholders shall have certified in writing that the occurrence of such event is in its opinion materially prejudicial to the interests of the Rated Noteholders; and

13.3.2 it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

### 13.4 *Consequences of delivery of Trigger Notice*

Upon the service of a Trigger Notice, (i) the Issuer shall refrain from purchasing any Subsequent Portfolio and the Revolving Period shall terminate, and (ii) all payments of principal, interest, Premium (where applicable) and other amounts in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding, together with any accrued interest and shall be payable in accordance with the order of priority set out in Condition 7.2 (*Post Trigger Notice Priority of Payments*) and on such dates as the Representative of the Noteholders shall determine as being Payment Dates.

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

For the purposes of this Condition 13 the Issuer undertakes to notify the Representative of the Noteholders as soon as it becomes aware of the occurrence of a Trigger Event.

The Issuer will notify the Rating Agencies of the service of a Trigger Notice by the Representative of the Noteholders.



## 14. ENFORCEMENT

### 14.1 *Proceedings*

At any time after a Trigger Notice has been served on the Issuer, the Representative of the Noteholders may, at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the Noteholders and subject to article 31.3.3 of the Rules of the Organisation of the Noteholders.

The Representative of the Noteholders may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor, save where such action is materially prejudicial to the interests of the Noteholders.

### 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 Rated Notes Condition 13 (*Trigger Events*) or this Rated Notes Condition 14 by the Representative of the Noteholders shall (in the absence of wilful misconduct, gross negligence or manifest error) be binding on the Issuer and all Rated Noteholders and (in such absence as aforesaid) no liability to the Rated 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 *Directions to the Representative of the Noteholders*

The Representative of the Noteholders shall not be bound to take any action described in Rated Notes Condition 14.1 (*Proceedings*) and may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor, provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders of any Class other than the Most Senior Class of Notes then outstanding unless:

14.3.1 to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such Class; or

14.3.2 (if the Representative of the Noteholders is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the Noteholders of each Class ranking senior to such Class.

### 14.4 *Sale of Receivables*

Following the delivery of a Trigger Notice the Representative of the Noteholder shall direct the Issuer and shall be entitled to dispose in the name and on behalf of the Issuer, according to the Mandate Agreement, to sell the Master Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the Noteholders then outstanding and strictly in accordance with the instructions approved thereby subject to article 31.3.3 of the Rules of the Organisation of the Noteholders (and for the avoidance

of doubt subject to its indemnification to satisfaction), it being understood that no provisions shall require the automatic liquidation of the Master Portfolio or any part thereof pursuant to article 21(4)(d) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

## 15. **THE REPRESENTATIVE OF THE NOTEHOLDERS AND OTHER AGENTS**

### 15.1 *The Organisation of the Noteholders*

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

### 15.2 *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

## 16. **PRESCRIPTION**

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

## 17. **NOTICES**

### 17.1 *Notices given through Monte Titoli*

Any notice regarding the Rated Notes, as long as the Rated Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

### 17.2 *Notices in Luxembourg*

As long as the Rated Notes are listed on the Stock Exchange and the rules of such exchange so require, any notice to Rated Noteholders shall also be published on the website of the Stock Exchange ([www.luxse.com](http://www.luxse.com)). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

### 17.3 *Other method of giving notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Rated 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 Rated Notes are then listed and provided that notice of such other method

is given to the Rated Noteholders in such manner previously approved in writing by the Representative of the Noteholders.

## 18. NOTIFICATIONS TO BE FINAL

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Rated Notes Conditions, whether by the Principal Paying Agent or any paying agent appointed under Rated Notes Condition 11.4 (*Change of Principal Paying Agent and appointment of additional paying agent*), the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default (*dolo*), gross negligence (*colpa grave*), fraud (*frode*) or manifest error) be binding on the Principal Paying Agent or any paying agent appointed under Rated Notes Condition 11.4 (*Change of Principal Paying Agent and appointment of additional paying agent*), the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Principal Paying Agent, the Calculation 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.

## 19. GOVERNING LAW AND JURISDICTION

### 19.1 *Governing Law of Rated Notes*

The Rated Notes and any non-contractual obligations arising out of them are governed by Italian law.

### 19.2 *Governing Law of Transaction Documents*

All the Transaction Documents and any non-contractual obligations arising out of them, except for the Swap Agreement, the Security Assignment and the Dutch Deed of Pledge are governed by Italian law. The Dutch Deed of Pledge and any non-contractual obligations arising out of them are governed by Dutch law. The Swap Agreement and the Security Assignment and any non-contractual obligations arising out of them are governed by English law.

### 19.3 *Jurisdiction of Courts*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Rated Notes.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES  
**RULES OF THE ORGANISATION OF THE NOTEHOLDERS**

**TITLE I**

**GENERAL PROVISIONS**

**1. GENERAL**

- 1.1 The Organisation of the Noteholders is created concurrently with the issue of and subscription for the €480,000,000 Class A1 Residential Mortgage Backed Floating Rate Notes due 2083 (the "**Class A1 Notes**"), the €6,600,000,000 Class A2 Residential Mortgage Backed Floating Rate Notes due 2083 (the "**Class A2 Notes**" and, together with the Class A1 Notes, the "**Class A Notes**" or the "**Rated Notes**") and the €920,000,000 Class J Residential Mortgage Backed Notes due 2083 (the "**Junior Notes**" and, together with the Rated Notes, the "**Notes**") issued by Leone Arancio RMBS S.r.l., and is governed by the Rules of the Organisation of the Noteholders set out herein (the "**Rules**").
- 1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.
- 1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

**2. DEFINITIONS AND INTERPRETATION**

**2.1 Definitions**

2.1.1 In these Rules the terms set out below have the following meanings:

"**Basic Terms Modification**" means any proposal:

- (a) to change any date fixed for the payment of principal or interest or Premium in respect of the Notes of any Class;
- (b) to reduce or cancel the amount of principal or interest or Premium due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (c) to change the quorum required at any Meeting or the majority required to pass any Ordinary Resolution or Extraordinary Resolution;
- (d) to change the currency in which payments due in respect of any Class of Notes are payable;
- (e) to alter the priority of payments of interest or Premium or principal in respect of any of the Notes;

- (f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed; or
- (g) to resolve on the matter set out in Condition 10.1.3 (*Noteholders not entitled to proceed directly against the Issuer*) of the Rated Notes Conditions or Condition 11.1.3 (*Noteholders not entitled to proceed directly against the Issuer*) of the Junior Notes Conditions; or
- (h) to change this definition;

**"Block Voting Instruction"** means, in relation to a Meeting, a document prepared by the Tabulation Agent (where appointed) or otherwise by the Principal Paying Agent summarising the results of the Voting Instructions received by or on behalf of the Noteholders and, in particular:

- (a) where applicable, certifying that the Notes relating to the relevant Voting Instructions are held to the order of the Principal Paying Agent or under its control or have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of:
  - (i) the conclusion of the Meeting; and
  - (i) the surrender the Tabulation Agent (where appointed) or otherwise to the Principal Paying Agent which issued the same not less than 48 hours before the time fixed for the Meeting (or, if the meeting has been adjourned, the time fixed for its resumption) of confirmation that the Notes are Blocked Notes and notification of the release thereof by the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent to the Issuer and Representative of the Noteholders;
- (d) certifying to have received appropriate evidence of the ownership of the Notes being the subject of the relevant Voting Instructions as at the relevant Record Date;
- (b) certifying that the Holder of the relevant Notes or Blocked Notes, as the case may be, or a duly authorised person on its behalf has notified the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked; and
- (e) listing the aggregate principal amount of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution.

"**Blocked Notes**" means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the relevant Monte Titoli Account Holder for the purpose of voting at a Meeting.

"**Chairman**" means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

"**Class**" shall be a reference to a class of Notes being the Class A1 Notes, the Class A2 Notes or the Class J Notes and "**Classes**" shall be construed accordingly.

"**Conditions**" means, as applicable, the Rated Notes Conditions and the Junior Notes Conditions.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

"**Holder**" in respect of a Note means the ultimate owner of such Note.

"**Junior Notes Conditions**" means the terms and conditions of the Junior Notes as from time to time modified in accordance with the provisions thereof and including any other document expressed to be supplemental thereto and any reference to a particular numbered Junior Notes Condition shall be construed accordingly.

"**Meeting**" means a meeting of Noteholders of any Class or Classes, whether originally convened or resumed following an adjournment.

"**Monte Titoli**" means Monte Titoli S.p.A..

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (as *intermediari aderenti*) in accordance with the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

"**Monte Titoli Mandate Agreement**" means the agreement dated on or about the Issue Date between the Issuer and Monte Titoli.

"**Most Senior Class of Notes**" means the Class A1 Notes while they remain outstanding, thereafter the Class A2 Notes while they remain outstanding and thereafter the Class J Notes.

"**Ordinary Resolution**" means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast.

"**Proxy**" means any person appointed to vote at a Meeting other than any person whose appointment has been revoked and in relation to whom the Tabulation Agent (where appointed) or otherwise the relevant Principal Paying Agent, or

in the case of a proxy appointed under a Voting Certificate, the Issuer has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting.

**"Rated Notes Conditions"** means the terms and conditions of the Rated Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto and any reference to a particular numbered Rated Notes Condition shall be construed accordingly.

**"Record Date"** means the date falling 7 Business Days prior to the Meeting;

**"Resolutions"** means Ordinary Resolutions and Extraordinary Resolutions collectively;

**"Specified Office"** means (i) with respect to the Principal Paying Agents (a) the office specified against its name in clause 26.2 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Principal Paying Agent may specify in accordance with clause 17.11 (*Change in Specified Offices*) of the Cash Allocation, Management and Payment Agreement and (ii) with respect to any additional or other Principal Paying Agent appointed pursuant to the Conditions and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Principal Paying Agent in accordance with Condition 11.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) of the Rated Notes Condition and the Condition 12.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) of the Junior Notes Condition and in each such case, such other address as the Principal Paying Agent may specify in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

**"Tabulation Agent"** means the agent appointed by the Issuer to take care of the organisation of the Meeting and any administrative activities relating thereto.

**"Transaction Party"** means any person who is a party to a Transaction Document.

**"Trigger Event"** means any of the events described in Condition 13 (*Trigger Events*) of the Rated Notes Condition or Condition 14 (*Trigger Events*) of the Junior Notes Conditions.

**"Trigger Notice"** means a notice described as such in Condition 13.2 (*Delivery of Trigger Notice*) of the Rated Notes Condition or Condition 14.2 (*Delivery of Trigger Notice*) of the Junior Notes Conditions.

**"Voter"** in relation to a Meeting, the Holder named in a Voting Certificate or a Proxy.

"**Voting Certificate**" means, in relation to any Meeting a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time containing, inter alia, evidence of the ownership of the Notes being the subject of the relevant Voting Certificate as at the relevant Record Date.

"**Voting Instruction**" means, in respect to a Resolution, the voting instruction that must be delivered to the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent by each Noteholder wishing to vote without participating directly at the relevant Meeting, whether directly or through the relevant Monte Titoli Account Holder or custodian, stating that the vote(s) attributable to the Notes that are the subject of such voting instruction should be cast in a particular way in relation to the relevant Resolution (either in favour or against such Resolution).

"**Written Resolution**" means a resolution in writing signed by or on behalf of 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.

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Principal Paying Agent has its Specified Office.

"**48 hours**" means 2 consecutive periods of 24 hours.

- 2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Rated Notes Conditions.

## 2.2 Interpretation

- 2.2.1 Any reference herein to an "**Article**" shall, except where expressly provided to the contrary, be a reference to an Article of these Rules.
- 2.2.2 A "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.
- 2.2.3 Any reference to any person defined as a "**Transaction Party**" in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.



3. **PURPOSE OF THE ORGANISATION**

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

## TITLE II

### MEETINGS OF THE NOTEHOLDERS

#### 4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

##### 4.1 Issue

- 4.1.1 A Noteholder wishing to participate in person at a Meeting may obtain a Voting Certificate in respect of such Meeting.
- 4.1.2 A Noteholder wishing to vote but not wishing to participate in person at a Meeting shall deliver a Voting Instruction to the Tabulation Agent (where appointed) or otherwise to the Principal Paying Agent and appoint a Proxy to participate at the Meeting on its behalf.
- 4.1.3 Upon receipt of all Voting Instructions by the Tabulation Agent (where appointed) or otherwise by the Principal Paying Agents (on the basis of the information received by the Tabulation Agent (where appointed)) will issue a Block Voting Instruction summarising the Noteholders' instructions in accordance to which the designed Proxy will vote at the Meeting.

##### 4.2 Blocking of the Notes

The Notes in respect of which a Voting Instruction has been delivered or a Voting Certificate is being requested may, or may not, at the Issuer discretion, be blocked with a clearing system, the relevant Monte Titoli Account Holder. The relevant Notes, if blocked, will be Blocked Notes with effect from the date on which the Voting Instruction is submitted or the Voting Certificate is requested (as the case may be) until the earlier of: (i) the conclusion of the Meeting and (ii) the surrender to the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent, not less than 48 hours before the time fixed for the Meeting, of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Tabulation Agent (where appointed) or otherwise the Principal Paying Agent to the Issuer and Representative of the Noteholders.

##### 4.3 Expiry of validity

A Voting Certificate or Block Voting Instruction shall be valid, in case the relevant Notes are blocked, until the release of the Blocked Notes to which it relates or otherwise (unless earlier revoked) until the conclusion of the relevant Meeting.

##### 4.4 Deemed Holder

Noteholders who, as at the Record Date, own beneficial interests (as shown in the records of the relevant clearing system, or the relevant Monte Titoli Account Holders) shall be deemed to be the Holder of the Notes for all purposes in connection with the Meeting.

#### 4.5 **Mutually exclusive**

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

#### 4.6 **References to blocking or release**

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. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES**

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid for the purpose of the relevant Meeting only if it is deposited at the Specified Offices of the Principal Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time fixed for the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid. If the Representative of the Noteholders or the Tabulation Agent (where appointed) so requires, a notarised (or otherwise acceptable) copy of each Block Voting Instruction and satisfactory evidence of the identity of each Proxy shall be produced at the Meeting but the Representative of the Noteholders or the Tabulation Agent (as the case may be) shall not be obliged to investigate the validity of a Block Voting Instruction or a Voting Certificate or the identity of any Proxy.

### 6. **CONVENING A MEETING**

#### 6.1 **Convening a Meeting**

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes.

#### 6.2 **Meetings convened by Issuer**

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place (located in the European Union) of the Meeting, and the items to be included in the agenda.

#### 6.3 **Time and place of Meetings**

Every Meeting will be held on a date and at a time and place (located in the European Union) selected or approved by the Representative of the Noteholders.

#### 6.1 **Meetings held virtually**

Meetings may be held virtually by means audio-conference or video-conference, *provided that*:

- 6.1.1 the Chairman can ascertain and verify the identity and legitimacy of those Voters and/or the Representative of the Noteholders, monitor the Meeting, acknowledge and announce to those Voters and/or the Representative of the Noteholders the outcome of the voting process;
- 6.1.2 the person drawing up the minutes can clearly hear the meeting events being the subject-matter of the minutes;
- 6.1.3 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;
- 6.1.4 the notice of the Meeting expressly states, where applicable, how Voters and/or the Representative of the Noteholders may obtain the information necessary to attend the relevant Meeting via audio-conference and/or videoconference equipment; and
- 6.1.5 for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be (provided that such place shall be in an EU Member State).

## **7. NOTICE**

### **7.1 Notice of Meeting**

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day (falling no later than 30 (thirty) days after the date of delivery of such notice), time and place (located in the European Union) of the Meeting, must be given to the relevant Noteholders and the Principal Paying Agent, with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

### **7.2 Content of notice**

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that (i) Voting Certificates for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time, (ii) the procedure to deliver a Voting Instruction and to appoint a Proxy and (iii) that Notes may or may not at the Issuer's discretion be blocked in an account with a clearing system starting from the delivery of the relevant Voting Instruction or request of the relevant Voting Certificate, as the case may be.

### **7.3 Validity notwithstanding lack of notice**

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Notes constituting the Principal Amount Outstanding of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting, and the Issuer and the Representative of the Noteholders are present at the Meeting.

## **8. CHAIRMAN OF THE MEETING**

### **8.1 Appointment of Chairman**

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

- 8.1.1 the Representative of the Noteholders fails to make a nomination; or
- 8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

### **8.2 Duties of Chairman**

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

### **8.3 Assistance to Chairman**

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

## **9. QUORUM**

### **9.1 The quorum at any Meeting convened to vote on:**

- 9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes will be two or more persons holding or representing at least 50.00 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or these Classes or, at any adjourned Meeting at least one person being or representing Noteholders of that Class or these Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;
- 9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be two or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or

those Classes, or at an adjourned Meeting, two or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

- 9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be approved separately by each Class of Noteholders), will be two or more persons holding or representing at least 75.00 per cent of the Principal Amount Outstanding of the Notes then outstanding, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class whatever the Principal Amount Outstanding of the Notes so held or represented in such Class,

**provided that**, if in respect of any Class of Notes, the Principal Paying Agent has received evidence that all the Notes of that Class are held by a single Holder and the Voting Certificates and/or Block Voting Instructions so confirm, then a single Voter appointed in relation thereto or being the Holder of the Notes thereby represented shall be deemed to be two Voters for the purpose of forming a quorum.

## 10. **ADJOURNMENT FOR WANT OF QUORUM**

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

- 10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and
- 10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to paragraphs 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place (located in the European Union) provided that:
- 10.2.1 no Meeting may be adjourned more than once for want of a quorum; and
- 10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

## 11. **ADJOURNED MEETING**

Except as provided in Article 10 (*Adjournment for want of a quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to 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 (located in the European Union) as the Chairman determines with the approval of the Representative of the Noteholders. No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

## 12. **NOTICE FOLLOWING ADJOURNMENT**

### 12.1 **Notice required**

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

## 12.2 **Notice not required**

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of a quorum*).

## 13. **PARTICIPATION**

The following categories of persons may attend and speak at a Meeting:

13.1.1 Voters;

13.1.2 the directors and the auditors of the Issuer;

13.1.3 representatives of the Issuer and the Representative of the Noteholders;

13.1.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.1.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.1.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

## 14. **VOTING BY 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-fiftieth of the Principal Amount Outstanding of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

### 14.2 **The Chairman and a poll**

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

## 15. **VOTING BY SHOW OF HANDS**

15.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

15.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

## 16. **VOTES**

### 16.1 **Voting**

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll every vote who is so present shall have one vote in respect of each €1,000 of Principal Amount Outstanding of the Notes represented by the Voting Certificate or in respect of which it holds a Proxy or such other amount as the Representative of the Noteholders may in its absolute discretion stipulate (or, in the case of meetings of holders of Notes denominated in another currency, such amount in such other currency as the Representative of the Noteholders in its absolute discretion may stipulate) in the Principal Amount Outstanding of the Notes it holds or represents.

### 16.2 **Voting Instruction**

Unless the terms of any Voting Instruction states otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

### 16.3 **Voting tie**

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

## 17. **VOTING BY PROXY**

### 17.1 **Validity**

Any vote by a Proxy in accordance with the relevant Voting Instruction shall be valid even if such Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

### 17.2 **Adjournment**

Unless revoked, the appointment of a Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that



no such appointment of a Proxy in relation to a meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such meeting when it is resumed.

## 18. **ORDINARY RESOLUTIONS**

### 18.1 **Powers exercisable by Ordinary Resolution**

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of the Rules, the Rated Notes Conditions or the Junior Notes Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

### 18.2 **Ordinary Resolution of a Single Class**

No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking *pari passu* with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

## 19. **EXTRAORDINARY RESOLUTIONS**

19.1 A Meeting, in addition to any powers assigned to it in the Rated Notes Conditions or the Junior Notes Conditions, shall have power exercisable by Extraordinary Resolution to:

19.1.1 approve any Basic Terms Modification;

19.1.2 approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Rated Notes Conditions, the Junior Notes Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

19.1.3 in accordance with Article 28 (*Appointment, Removal and Renumeration*), appoint and remove the Representative of the Noteholders;

- 19.1.4 authorise the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 13 (*Trigger Events*) of the Rated Notes Conditions or Condition 14 (*Trigger Events*) of the Junior Notes Conditions;
- 19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Rated Notes Conditions, the Junior Notes Conditions or any other Transaction Document;
- 19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Rated Notes Conditions or the Junior Notes Conditions, must be granted by an Extraordinary Resolution;
- 19.1.7 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;
- 19.1.8 authorise early redemption of the Notes in the circumstances set out in the Rated Notes Conditions and/or in the Junior Notes Conditions;
- 19.1.9 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes;
- 19.1.10 appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;
- 19.1.11 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

## 19.2 **Basic Terms Modification**

- 19.2.1 No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes then outstanding.
- 19.2.2 Before resolving for a Basic Term Modification, the Representative of the Noteholders shall give prior notice to the Rating Agencies.

## 19.3 **Extraordinary Resolution of a Single Class**

No Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Noteholders shall be effective unless it is sanctioned by

an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking senior to or *pari passu* with such Class (to the extent that there are Notes outstanding ranking senior to or *pari passu* with such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking senior to or *pari passu* with such Class would be materially prejudiced by the absence of such sanction and, for the purposes of this Article 19.3 (*Extraordinary Resolution of a Single Class*), Class A1 Notes rank senior to Class A2 Notes which rank senior to Class J Notes.

## 20. EFFECT OF RESOLUTIONS

### 20.1 Binding Nature

Subject to Article 18.2 (*Ordinary Resolution of a Single Class*), Article 19.2 (*Basic Terms Modification*) and Article 19.3 (*Extraordinary Resolution of a Single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and:

20.1.1 any resolution passed at a Meeting of the Class A1 Noteholders duly convened and held as aforesaid shall also be binding upon all the Class A2 Noteholders and the Class J Noteholders; and

20.1.2 any resolution passed at a Meeting of the Class A2 Noteholders duly convened and held as aforesaid shall also be binding upon all the Class J Noteholders;

and in each case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

### 20.2 Notice of Voting Results

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

## 21. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

## 22. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. The minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting

shall be regarded as having been duly passed and transacted. The minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Services Provider on behalf of the Issuer).

**23. WRITTEN RESOLUTION**

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

**24. JOINT MEETINGS**

Subject to the provisions of the Rules, the Rated Notes Conditions and the Junior Notes Conditions, joint Meetings of the Class A1 Noteholders, the Class A2 Noteholders and the Class J Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

**25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS**

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

**26. INDIVIDUAL ACTIONS AND REMEDIES**

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 10 (*Limited Recourse and Non Petition*) of the Rated Notes Conditions or, as the case may be, Condition 11 (*Limited Recourse and Non Petition*) of the Junior Notes Conditions and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such

individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

- 26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;
  - 26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;
  - 26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and
  - 26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy and subject to Article 18.2 (*Ordinary Resolution of a Single Class*), the Noteholder will not be prohibited from taking such individual action or remedy.
- 26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

## 27. **FURTHER REGULATIONS**

Subject to all other provisions contained in the Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its discretion may decide.

## **TITLE III**

### **THE REPRESENTATIVE OF THE NOTEHOLDERS**

#### **28. APPOINTMENT, REMOVAL AND REMUNERATION**

##### **28.1 Appointment**

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 28, except for the appointment of the first Representative of the Noteholders which will be TMF Trustee Limited.

##### **28.2 Identity of Representative of the Noteholders**

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to Article 107 of the Consolidated Banking Act; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Noteholders and, if appointed as such, they shall be automatically removed.

##### **28.3 Duration of appointment**

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

##### **28.4 After termination**

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

## 28.5 Remuneration

As consideration for the services of the Representative of the Noteholders pursuant to the Conditions and the other relevant Transaction Documents, the Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, and reimburse and pay such reasonable costs and expenses, duly documented and properly incurred by the Representative of the Noteholders in the context of the Securitisation, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

If the Representative of the Noteholders considers it expedient or necessary or is requested by the Issuer to undertake duties which are of an exceptional nature or otherwise objectively outside the scope of the normal duties of the Representative of the Noteholders under the Rated Notes Subscription Agreement, the Junior Notes Subscription Agreement, the Mandate Agreement and the Intercreditor Agreement, the Issuer shall pay to the Representative of the Noteholders such additional remuneration as shall be agreed between them having regard to the average market remuneration for the relevant activities. If the Representative of the Noteholders and the Issuer fail to agree upon such additional remuneration, then such matter shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Representative of the Noteholders and approved by the Issuer or, failing such approval, nominated (on the application of either the Issuer or the Representative of the Noteholders) by a second investment bank (the expenses involved in such nomination and the fees of such investment banks being payable by the Issuer) and the determination of any such investment bank shall be final and binding upon the Representative of the Noteholders and the Issuer.

## 29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least two calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs and expenses incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until:

- 29.1.1 a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*);
- 29.1.2 such new Representative of the Noteholders has accepted its appointment and confirmed its agreement to be bound by all the provisions of the Rules and the other Transaction Documents to which the resigning Representative of the Noteholders is a party in such capacity; and
- 29.1.3 all security created in favour of the Representative of the Noteholders has been transferred to its successor,

**provided that** if the Noteholders fail to select a new Representative of the Noteholders within two months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of the Representative of the Noteholders*).

### 30. **DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

#### 30.1 **Representative of the Noteholders is legal representative**

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

#### 30.2 **Meetings and Resolutions**

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

#### 30.3 **Delegation**

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to Article 30.3 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.



### 30.4 **Judicial Proceedings**

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings, including insolvency proceedings.

### 30.5 **Consents given by Representative of Noteholders**

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

### 30.6 **Discretions**

Save as expressly otherwise provided in the Transaction Documents, the Representative of the Noteholders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, 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*), fraud (*frode*) or gross negligence (*colpa grave*).

### 30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*).

### 30.8 **Trigger Events and Purchase Termination Events**

The Representative of the Noteholders may certify whether or not a Trigger Event or Purchase Termination Event is in its opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

### 30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer or the Originator or the Servicer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its 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 Securitisation.

## **31. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

### **31.1 Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

### **31.2 Specific limitations**

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

- 31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event or Purchase Termination 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, Purchase Termination Event or such other event, condition or act has occurred;
- 31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;
- 31.2.3 except as expressly required in the Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;
- 31.2.4 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or 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:
  - (a) the nature, status, creditworthiness or solvency of the Issuer;
  - (b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or

- obtained or required to be delivered or obtained at any time in connection with the Notes or the Master Portfolio;
- (c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;
  - (d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Master Portfolio; and
  - (e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Principal Paying Agent or any other person in respect of the Master Portfolio;
- 31.2.5 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;
- 31.2.6 shall have no responsibility for procuring or maintaining any rating of the Notes by any credit or rating agency or any other person;
- 31.2.7 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- 31.2.8 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;
- 31.2.9 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 Master Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;
- 31.2.10 shall not be under any obligation to guarantee or procure the repayment of the Master Portfolio or any part thereof;
- 31.2.11 shall not be responsible for reviewing or investigating any report relating to the Master Portfolio provided by any person;
- 31.2.12 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Master Portfolio or any part thereof;
- 31.2.13 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Master Portfolio or any Transaction Document;

- 31.2.14 shall not be under any obligation to insure the Master Portfolio or to investigate that any insurance to be put in place by the Issuer is in place or is adequate any part thereof;
- 31.2.15 shall not be responsible for the adequacy, sufficiency or validity of any security interest;
- 31.2.16 shall not be responsible for perfection, priority, maintenance, continuation or accuracy of any required registrations and/or filings in relation to any security interest;
- 31.2.17 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;
- 31.2.18 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 Noteholders;
- 31.2.19 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.
- 31.2.20 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the carrying out of any activity under the Transaction Documents, unless such activities are carried out with gross negligence (*colpa grave*) or willful misconduct (*dolo*).

### 31.3 Specific Permissions

- 31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.
- 31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the opinion of the Representative of the Noteholders, there

is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of Notes.

31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

#### **31.4 Notes held by Issuer**

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer;

#### **31.5 Illegality**

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

### **32. RELIANCE ON INFORMATION**

#### **32.1 Advice**

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert, whether obtained by the Issuer or the Representative of the Noteholders. The Representative of the Noteholders shall not be

liable for any damages, losses, liabilities or expenses incurred by any party as a result of the Representative of the Noteholders acting in accordance with any such advice.

### **32.2 Transmission of Advice**

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

### **32.3 Certificates of Issuer**

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions,

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

If the Issuer requests the Representative of the Noteholders to act on instructions or directions delivered by letter, telegram, e-mail, the Representative of the Noteholders shall have (i) no duty or obligation to verify or confirm that the person who sent such instructions or directions is, in fact, a person authorised to give instructions or directions on behalf of the Issuer and (ii) no liability for any losses liabilities, costs or expenses incurred or sustained by the Issuer as a result of such reliance upon compliance with such instructions or directions.

### **32.4 Resolution or direction of Noteholders**

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

### **32.5 Certificates of Monte Titoli Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

### **32.6 Clearing Systems**

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

### **32.7 Rating Agencies**

The Representative of the Noteholder 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 interests of the Noteholders or, as the case may be, holders of the Most Senior Class of Notes if the then current credit ratings of the Rated Notes would not be adversely affected by such exercise. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that a rating confirmation does not impose on or extend to the Rating Agencies any actual or contingent liability to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between the Rating Agencies and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfill its obligations, deems it necessary to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Notes or any Class thereof, the Representative of the Noteholders may inform the Issuer, which will then take the necessary actions in order to obtain such views at its expense on behalf of the Representative of the Noteholders or the Representative of the Noteholders may seek and obtain such views itself at the cost of the Issuer, provided that the Representative of the Noteholders shall not be released from its obligation under these Rules or the Transaction Documents should the Rating Agencies not be willing to provide any views or rating confirmation.

### **32.8 Certificates of Parties to Transaction Document**

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.8.2 as any matter or fact *prima facie* within the knowledge of such party; or

32.8.3 as to such party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

### 32.9 **Auditors**

The Representative of the Noteholders shall not be responsible for reviewing or investigating any auditors' report or certificate and may rely on the contents of any such report or certificate.

## 33. **MODIFICATIONS**

### 33.1 **Modification**

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error or an error established to the satisfaction of the Representative of the Noteholders;

33.1.2 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the opinion of the Representative of the Noteholders, is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes then outstanding; and

33.1.3 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of the Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 6.11 of the Rated Notes Conditions and Condition 5.11 of the Junior Notes Conditions and which, in the opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the Most Senior



Class of Noteholders and the fact that the execution of the relevant amendment or modification would not adversely affect the then current ratings of the Rated Notes shall be conclusive evidence that the requested amendment or modification is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes.

### 33.2 **Binding Notice**

Any such modification referred to in Article 33.1 shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices to Noteholders and the relevant Transaction Documents.

### 33.3 **Evidence of error**

In establishing whether an error is established as such to its satisfaction, the Representative of the Noteholders may have regard to any evidence on which the Representative of the Noteholders considers it appropriate to rely, and may, but shall not be obliged to, have regard to all or any of the following:

33.3.1 a certificate from the Class A Noteholders, stating the intention of the parties to the relevant Transaction Document, confirming nothing has been said to, or by, investors or any other parties which is in any way inconsistent with such stated intention and stating the modification to the relevant Transaction Document that is required to reflect such intention;

33.3.2 the circumstance that, after giving effect to such modification, the Rated Notes shall continue to have the same credit ratings as those assigned to them immediately prior to the modification.

### 33.4 **Modification at the direction of the Noteholders**

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of the Notes but only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

## 34. **WAIVER**

### 34.1 **Waiver of Breach**

The Representative of the Noteholders may at any time and from time to time in its direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

#### 34.2 **Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

#### 34.3 **Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

#### 34.4 **Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Transaction Documents.

### 35. **SECURITY DOCUMENTS**

#### 35.1 **Security Documents**

The Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to the Representative of the Noteholders pursuant to the Security Documents. The beneficiaries of the Security Documents are referred to in this Article 35 as the "**Secured Noteholders**".

#### 35.2 **Rights of Representative of the Noteholders**

35.2.1 The Representative of the Noteholders, acting on behalf of the Secured Noteholders, shall be entitled to appoint and entrust the Issuer to collect, in the

Secured Noteholders' interest and on their behalf, any amounts deriving from the pledged claims and rights, and shall be entitled to give instructions, jointly with the Issuer, to the respective debtors of the pledged claims to make the payments related to such claims to the Main Transaction Account or to any other account opened in the name of the Issuer and appropriate for such purpose;

- 35.2.2 The Secured Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged claims or credited to Accounts or to any other account opened in the name of the Issuer and appropriate of such purpose which is not in accordance with the provisions of this Article 35. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Dutch Deed of Pledge except in accordance with the provisions of this Article 35 and the Intercreditor Agreement.

## 36. INDEMNITY

Pursuant to the Rated Notes Subscription Agreement and the Junior Notes Subscription Agreement, the Issuer has covenanted and undertaken upon demand, and subject to and in accordance with the relevant Priority of Payments, to indemnify the Representative of the Noteholders, its officers, employees and directors, against and to reimburse, pay or discharge (on a full indemnity basis), to the extent not already reimbursed, paid or discharged by the Other Issuer Creditors and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to:

- 36.1.1 the negotiation, preparation and execution of these Rules, the Conditions and the Transaction Documents and the completion of the transactions and perfection of the security contemplated therein;
- 36.1.2 the preservation, exercise or purported exercise of any of its rights, powers, authorities and discretions or the performance of its duties under and otherwise in relation to these Rules, the Conditions and the Transaction Documents;
- 36.1.3 any breach by the Issuer of its obligations under these Rules, the Conditions or the Transaction Documents;
- 36.1.4 any other action taken in connection with the enforcement of the obligations of the Issuer under these Rules, the Conditions or the Transaction Documents or the recovery from the Issuer of the amounts payable by the Issuer in respect of Issuer's obligations under the Notes or the Transaction Documents or any of them; and
- 36.1.5 any payment in respect of the Issuer's obligations under the Notes or the Transaction Documents or any of them (whether by the Issuer or any other person) which is subsequently impeached or declared void for any reason whatsoever,

in each case, with the addition of applicable VAT or similar tax charged or chargeable in respect thereof and including, but not limited to, legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*). The provisions of this Condition 36 (*Indemnity*) shall continue in full force and effect notwithstanding any discharge or the completion of the arrangements set out herein. The indemnity under this Condition 36 (*Indemnity*) constitutes a separate and independent obligation of the Issuer and shall give a separate and independent cause of action. The provisions of this Condition 36 shall continue in full force and effect notwithstanding any discharge or the completion of the arrangements set out herein. The indemnity under this Condition 36 constitutes a separate and independent obligation of the Issuer and shall give a separate and independent cause of action.

For the avoidance of doubt, the obligation of the Issuer to indemnify the Representative of the Noteholders in accordance with this Condition 36 shall survive the termination and/or resignation of the Representative of the Noteholders.

### 37. **LIABILITY**

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

## TITLE IV

### THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE

#### 38. POWERS

It is hereby acknowledged that, upon service of a Trigger Notice or, prior to service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to article 1723, paragraph 2, of the Italian civil code, to exercise certain rights in relation to the Master Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

## **TITLE V**

### **GOVERNING LAW AND JURISDICTION**

#### **39. GOVERNING LAW**

The Rules and any non-contractual obligation arising out of them are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

#### **40. JURISDICTION**

The Courts of Milan will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules.

## SELECTED ASPECTS OF ITALIAN LAW

### The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies to securitisation transactions involving a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction.

It should be noted that Law Decree No. 145 of 23 December 2013 (*"Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015"*), converted with amendments into Law No. 9 of 21 February 2014 ("**Law 9/2014**"), Italian Law Decree no. 91 of 24 June 2014 (*"Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normativa europea"*) converted with amendments into Law No. 116 of 11 August 2014, ("**Law 116/2014**") and the Law Decree No. 50 of 24 April 2017 (*"Disposizioni urgenti in materia finanziaria, iniziative a favore degli enti territoriali, ulteriori interventi per le zone colpite da eventi sismici e misure per lo sviluppo"*), converted with amendments into Law no. 96 of 21 June 2017 ("**Law 96/2017**"), introduced certain amendments to the Securitisation Law with the purpose of improving the Securitisation Law by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of the Securitisation Law. In particular, the following main changes have been introduced by such laws in respect of the Securitisation Law:

- (1) the assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned receivables and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law ("*data certa*") on which the relevant purchase price (even if partial) has been paid;
- (2) payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to Article 65 of the Bankruptcy Law (i.e., Article 164 of the Italian legislative decree no. 14 of 12 January 2019 (*Nuovo Codice della crisi di impresa e dell'insolvenza*));
- (3) the assignment of receivables owed by public entities made under the Securitisation Law will now be subject only to the formalities contemplated by the Securitisation Law (i.e., the publication of the notice of assignment in the Official Gazette and the registration of the

assignment in the register of companies where the assignee is enrolled) and no other formalities shall apply;

- (4) where the notes issued by the special purpose vehicle are subscribed by qualified investors, the underwriter can also be a sole investor;
- (5) the servicer, the sub-servicer or the depositary bank, with which the accounts for the deposit of the collections received from the assigned debtors of securitisation transactions have been opened, becomes subject to insolvency proceedings, the amounts credited on such accounts will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan;
- (6) securitisation companies established under the Securitisation Law are allowed to grant direct financings to entities which are not individuals or so called micro-companies, subject to certain conditions;
- (7) certain consequential changes are made to the Securitisation Law to reflect such new possibility;
- (8) the segregation principle set out in the second paragraph of article 3 of the Securitisation Law, as better described under the paragraph set out below (*Ring-fencing of the assets*), is widened to include any right arising in favour of the securitisation company in the context of the relevant securitisation transaction, the relevant collections and the financial assets acquired with such collections.

Further amendments to the Securitisation Law have been made by: (i) Law No. 145 of 30 December 2018 (the "**2019 Budget Law**"), as published in the Official Gazette No. 302 of 31 December 2018; (ii) Law Decree No. 34 of 30 April 2019 (*Misure urgenti di crescita economica e per la risoluzione di specifiche situazioni di crisi*), published in the Official Gazette No. 100 of 30 April 2019 (the "**Decreto Crescita**"); (iii) Law No. 160 of 27 December 2019 (the "**2020 Budget Law**"), published in the Official Gazette No. 304 of 30 December 2019; and (iv) Law Decree No. 162 of 30 December 2019 (*Disposizioni urgenti in materia di proroga di termini legislativi, di organizzazione delle pubbliche amministrazioni, nonché di innovazione tecnologica*) converted with amendments into Law No. 8 of 28 February 2020.

Finally, amendments to the Securitisation Law have been made by Law No. 178 of 30 December 2020 (the "**2021 Budget Law**"), as published in the Official Gazette No. 322 of 30 December 2020 and by Legislative Decree No. 190 of 5 November 2021 (*Disposizioni per l'attuazione della direttiva (UE) 2019/2162 relativa all'emissione di obbligazioni garantite e alla vigilanza pubblica delle obbligazioni garantite e che modifica la direttiva 2009/65/CE e la direttiva 2014/59/UE, e per l'adeguamento della normativa nazionale alle disposizioni del regolamento (UE) 2019/2160, che modifica il regolamento (UE) n. 575/2013, per quanto riguarda le esposizioni sotto forma di obbligazioni garantite. Modifiche alla legge 30 aprile 1999, n. 130*), as published in the Official Gazette No. 285 of 30 November 2021 (as supplemented by the errata-corrige act published in the Official Gazette on 1 December 2021).



## Ring-fencing of the assets

Under the terms of article 3 of the Securitisation Law (as amended, as set out above), (i) the assets and moneys relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and (ii) any claim of the Issuer which has arisen in the context of the Securitisation, their collections and the financial assets purchased using those funds will, by operation of law, be segregated for all purposes from all other deposits and moneys of the relevant depository. Prior to and on a winding-up of such a company the receivables, moneys and deposits listed above will only be available to the holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant receivables. In addition, the receivables, moneys and deposits relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company. However, under Italian law, any creditor of the Issuer would be able to commence insolvency or winding up proceedings against the company in respect of any unpaid debt.

In addition to the above, it should be noted that, pursuant to the amendments introduced to the Securitisation Law by Law 9/2014, Law 116/2014 and Law 96/2017, it has been provided, *inter alia*. that:

- (i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of the Securitisation Law with the servicers or with the depository bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depository bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and
- (ii) in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan. Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

## The assignment

The assignment of the receivables under the Securitisation Law 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 seller, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice in the Official Gazette and, in the case of the debtors, registration in the companies register where the issuer is enrolled, so avoiding the need for notification to be served on each assigned debtor.

Furthermore the Bank of Italy could require further formalities.

As of the date of the publication of the notice in the Official Gazette, the assignment becomes enforceable against:

- (a) any creditors of the seller who have not prior to the date of publication of the notice commenced enforcement proceedings in respect of the relevant debts;
- (b) the liquidator or other bankruptcy official of the seller; and
- (c) other permitted assignees of the seller who have not perfected their assignment prior to the date of publication.

As of the later of (i) the date of the publication of the notice in the Official Gazette or (ii) the date of registration of the notice in the companies register, the assignment becomes enforceable against:

- (a) the debtors; and
- (b) the liquidator or other bankruptcy official of such debtors (so that any payments made by a debtor whose debt has been assigned to the purchasing company may not be subject to any claw-back action pursuant to article 67 of the Bankruptcy Law or article 166 of the Crisis and Insolvency Code).

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned debts will automatically be transferred to and perfected with the same priority in favour of the issuer, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette, no legal action may be brought in respect of the debt assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the noteholders in relation to the notes issued for the purpose of financing the acquisition of the relevant debts and to meet the costs of the transaction.

Notice of the assignment of the Receivables comprised in the Initial Portfolio pursuant to the Master Receivables Purchase Agreement was published in the *Gazzetta Ufficiale della Repubblica Italiana*, number 105, Part II, of 7 September 2023 and was registered with the companies register of Milan on 6 September 2023.

Assignments executed under the Securitisation Law are subject to revocation upon bankruptcy under article 67 of the Bankruptcy Law or article 166 of the Crisis and Insolvency Code but only in the event that the securitisation transaction is entered into within three months of the adjudication of bankruptcy of the relevant party or, in cases where paragraph 1 of article 67 of the Bankruptcy Law or article 166 of the Crisis and Insolvency Code applies, within six months of the adjudication of bankruptcy.

### **The Issuer**

The Issuer is subject to the provisions contained in Chapter V of the Consolidated Banking Act which requires that companies intending to carry out financial activity in the Republic of Italy must be registered on the general register of special purpose vehicles held by the Bank of Italy, pursuant to its regulation dated 7 June 2017.

The Issuer is enrolled under number 33656.0 in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017.

### **Enforcement proceedings**

The Italian civil code provides that Mortgages may be "voluntary" (*ipoteche volontarie*), where granted by a borrower or a third party guarantor by way of a deed, or "judicial" (*ipoteche giudiziarie*), where registered in the appropriate land registry (*Conservatoria dei Registri Immobiliari*) following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

In accordance with the Italian code of civil procedure, as amended and supplemented by Legislative Decree number 35 of 14 March 2005, converted into Law number 80 of 14 May 2005, a mortgage lender (whose debt is secured by a mortgage whether "voluntary" or "judicial") may commence enforcement proceedings by seeking a court order or injunction for payment in the form of a *titolo esecutivo* from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed (*atto pubblico*) or a notarised private deed (*scrittura privata autenticata*), a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain a *titolo esecutivo* from the court. An *atto di precetto* is notified to the debtor together with either the *titolo esecutivo* or the loan agreement, as the case may be. The property will be attached by a court order to be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*).

The enforcement proceeding shall begin not earlier than 10 days, but not later than 90 days, from the date on which notice of the *atto di precetto* is served. The mortgage lender who intends to request the attachment of the mortgaged property shall (i) search the land registry to ascertain the identity of the current owner of the property and then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender, and (ii) deposit at the competent court, within 120 days of filing, any relevant documentation, as required by law. The court may, at the request of the mortgage lender and after hearing the debtor, appoint a custodian to manage the mortgaged property in the interests of the mortgage

lender. If the debtor does not occupy the mortgaged property, the court shall appoint a third party as custodian.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral certificates, which usually take some time to obtain. According to law number 302 of 3 August 1998 a mortgage lender can substitute such cadastral certificates with certificates obtained from public notaries; the latter are allowed to conduct various activities which were before exclusively within the powers of the courts.

Within 30 days of deposit of the required documentation, the court shall set a hearing in order to examine any challenge filed by the debtor and to plan the sale of the mortgaged property. The Italian code of civil procedure, as recently amended, provides that the court shall make every effort to sell the mortgaged property by acquiring sealed bids (*vendita senza incanto*) rather than proceeding by an auction (*vendita con incanto*). Should the bidding procedure not be successful, the mortgaged property shall be sold with an auction.

If the court proceeds with the auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property and, on the basis of the expert's valuation, the court shall determine the minimum bid price for the property at the auction. If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction.

The sale proceeds, after the deduction of the expenses of the enforcement proceedings and any expenses for the cancellation of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the enforcement proceedings).

Pursuant to article 2855 of the Italian civil code the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the enforcement proceedings are taken and in the two preceding calendar years and (ii) the interest accrued at the legal rate until the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of enforcement proceedings, from the court order or injunction of payment to the final sharing out, is between six and seven years. In the medium-sized central and northern Italian cities it can be significantly less whereas in major cities or in Southern Italy

the duration of the procedure can significantly exceed the average. In such a sense, Law number 302 of 3 August 1998 was issued for the purpose of shortening the duration of enforcement proceedings by an average of two or three years, by allowing notaries to conduct certain stages of the enforcement procedures in place of the courts.

### ***Mutui fondiari* enforcement proceedings**

The Mortgage Loans are *mutui fondiari*. Enforcement proceedings in respect of *mutui fondiari* commenced after 1 January 1994 are currently regulated by article 38 (and following) 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 *fondionario* 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, as amended by article 12 of Legislative Decree number 342 of 4 August 1999, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutui fondiari* loan.

Enforcement proceedings for *mutui fondiari* commenced on or before 31 December 1993 are regulated by Royal Decree number 646 of 16 July 1905 which confers on the *mutuo fondionario* lender rights and privileges which are not conferred 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 replaced the borrower as debtor under the *mutuo fondionario* 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 fondionario* agreement without having to have a further expert valuation.

### **Attachment of Debtor's Credits**

Attachment proceedings may be commenced also on due and payable credits of a borrower (such as bank accounts, salary, etc.) or on borrower's movable property which is located on third party premises.

### **Insolvency proceedings**

A commercial entrepreneur (*imprenditore che esercita un'attività commerciale*) qualifying under article 1 of the Bankruptcy Law may be subject to insolvency proceedings (*procedure concorsuali*). Insolvency proceedings under Bankruptcy Law may take the form of, *inter alia*, bankruptcy (*fallimento*), or a composition with creditors (*concordato preventivo*) or an out-of-court debts restructuring procedure (*accordi di ristrutturazione dei debiti*).

Insolvency proceedings are applicable to commercial entrepreneurs that are in state of insolvency (*stato di insolvenza*) and not small businesses run either by companies or by individuals (*imprenditori commerciali non piccoli*). An individual who is not a sole entrepreneur is not subject to insolvency. The procedure followed will depend on factors relating to the financial status of the debtor, the court and the creditors involved. In each case, a lender must petition the court for approval of its claim against the debtor.

A debtor can be declared bankrupt (*fallito*) (either by its own initiative or upon the initiative of any of its creditors or any public prosecutors) if it is not able to timely and duly fulfil its obligations and the overall amount of its obligations is not less than € 30,000 (article 15 of the Bankruptcy Law). The debtor loses control over all its assets and the management of its business which is taken over by a court-appointed receiver (*curatore fallimentare*), save in the case, provided by article 104 of the Bankruptcy Law, of the court's authorisation to carry on the business or a portion of it temporarily (*esercizio provvisorio dell'impresa del fallito*).

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

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

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

See "*Concordato preventivo (Composition with creditors)*" and "*Accordi di ristrutturazione dei debiti (Debts' restructuring arrangements with creditors)*", below.

Pursuant to the newly introduced Italian Law 27 January 2012, No. 3 (*Disposizioni in materia di usura e di estorsione, nonché di composizione delle crisi da sovraindebitamento*), a debtor who is not eligible to be adjudicated bankrupt under the Bankruptcy Law is entitled to file to the competent court a restructuring plan, to be approved by its creditors representing at least 60% of the outstanding debts, in order to request, among others, up to a one-year suspension of the payments of the outstanding debts and a rescheduling of any other payments.

## **Reform of corporate reorganization and Insolvency Law**

On 11 October 2017 the Italian Parliament approved the text of law which confers powers on the Italian government for an overall reform of insolvency law and corporate reorganisation proceedings in the context of over-indebted corporate entities. On 12 January 2019 the government approved the Legislative Decree No. 14 including the new code of crisis and insolvency (*codice della crisi e dell'insolvenza*) (the "**Crisis and Insolvency Code**"). On 14 February 2019, the Crisis and Insolvency Code has been published in the Official Gazette of the Republic of Italy and the entering into force was scheduled for 15 August 2020 except for certain provisions relating to corporate organisation and director liabilities entered into force as of 16 March 2019. However, pursuant to the *Liquidità Decree*, the entering into force of the Crisis and Insolvency Code has been initially postponed to 1 September 2021 and, subsequently, according to the Italian Law Decree No. 118 of 24 August 2021 (as converted into law by Law n. 147 of 21 October 2021), to 16 May 2022, save for the Second Title (Titolo II) of the First Part (*Parte Prima*) whose entering into force is postponed to 31 December 2023.

Prospective Noteholders should be aware that, as at the date of this Prospectus, certain provisions of the Crisis and Insolvency Code amending the Bankruptcy Law have not entered into force and have not been tested in any case law nor specified in any further regulation. Therefore, the Issuer cannot predict their impact as at the date of this Prospectus.

The Crisis and Insolvency Code is the result of a review of the Italian royal decree no. 267 of 16 March 1942 (hereinafter the "**Bankruptcy Law**") aimed at reforming Italian insolvency legislation in a way better suited to the current economic situation and consistent with the indications received from the European legislator.

The Crisis and Insolvency Code is inspired by the principle of an early detection and resolution of corporate insolvency also through flexible and modern reorganisation methods; in such a context, the declaration of bankruptcy (now defined as "*judicial liquidation*", "*liquidazione giudiziale*") is considered as a last resort alternative in absence of other options that can guarantee continuation of the corporate activity.

Please note that in the coming months this Crisis and Insolvency Code may be amended to correct certain aspects that according to the current wording of the law, are not clear or in any case need improvements.

In accordance with the above principles, the Crisis and Insolvency Code introduces the new "preemptive and assisted reorganisation procedures" that, with respect to "minor creditors" further complement the currently existing pre-insolvency proceedings (i.e. restructuring proceedings under article 182-*bis* and certified plans under article 67(3)(d) of the Bankruptcy law) and insolvency proceedings (scheme of arrangements with creditors and bankruptcy). The reform of the so-called extraordinary administration proceedings has not been included in the scope of the Crisis and Insolvency Code and will likely require an *ad hoc* intervention.

The main amendments to the current legal framework contained in the Crisis and Insolvency Code are as follows.

Stakeholders have long faced a difficulty in coordinating the restructuring proceedings of companies belonging to the same group. The legislation currently in force does not provide for the opening of a single restructuring proceedings with regard to multiple affiliated companies,

this resulting in an inefficient process also compounded by the fact that different territorial courts have competence for each different single proceeding. Therefore in order to tackle such issues, the Crisis and Insolvency Code provides for the introduction of a new joined proceedings for group insolvencies. More specifically, the Crisis and Insolvency Code introduces:

- (a) a definition of "corporate group" by reference to the criteria of direction and coordination referred to in articles 2497 et seq. and 2545 *septies* of the Italian civil code; such criteria are presumed as met in case within the group there are controlling and controlled entities pursuant to article 2359 of the Italian civil code;
- (b) joined single proceedings: the possibility for companies belonging to the same group to file a single application for approval of a debt restructuring plan agreement under article 182-*bis* of the Bankruptcy Law or admission to an out-of-court arrangement with creditors or judicial liquidation or a court settlement agreement before a single court of law (as determined in accordance with the European principle of "center of main interests" of the debtor); hence the subsequent appointment of only one single (i) judge and (ii) court-appointed receiver with regard to a scheme of arrangement or judicial dissolution and payment of a single fund of expenses in the case of a scheme of arrangement with creditors.
- (c) separate resolution meetings with regard to schemes of arrangement with creditors: in case of a "joint" scheme of arrangement, separate resolutions on the proposal by the creditors of each company and the exclusion of infra-group creditors from voting in order to mitigate any "distortion" effects;
- (d) subordination of infra-group debt in situations described by article 2467 of the Italian civil code (i.e. the company has resorted to additional debt in situations where a capital contribution was instead required), with the exception of infra-group loans granted in the context of schemes of arrangement or a debt restructuring agreement under article 182-*bis* of Bankruptcy Law;
- (e) extension of the receiver's powers with regard to solvent companies: in the event of a judicial liquidation, the power of the receiver, inter alia, to report irregularities in the management of the solvent companies of the group (e.g. article 2409 of the Italian civil code) and to request their bankruptcy in the event of insolvency.

### *Preemptive Proceedings*

As mentioned above, the Italian legislator has worked on the assumption (shared by the European regulator and business philosophy) that the successful recovery of a business largely depends on early detection of crisis situations, which instead the entrepreneur often tends to deny.

In order to facilitate a prompt detection of the crisis, on one hand the Crisis and Insolvency Code requires the entrepreneur to have in place an adequate corporate structure which can detect a crisis situation in a timely manner, and on the other hand, has introduced preemptive proceedings and crisis-assisted reorganisation proceedings (the "**Preemptive Proceedings**") to induce the distressed company to tackle the crisis early on.



Such regulation however does not apply to listed and large companies on the assumption that, due to their dimension, such entities have adequate resources to detect the crisis and tackle it on an early stage.

The Preemptive Proceedings are aimed at a resolution of the crisis agreed with creditors and implemented through the assistance of a body of experts activated by the debtor or indirectly by public creditors or corporate auditing entities. The Preemptive Proceedings -which are to be conducted out-of court in a confidential manner –provide for the following:

- (a) the debtor who acknowledges a state of crisis files an application with a body set up in the relevant Chamber of Commerce (the "**Committee**") in order to receive assistance in finding an agreed solution to the crisis with the creditors within a maximum period of 6 months;
- (b) qualified public creditors (including the Tax Agency and Social Security Agency) must (i) inform the relevant debtor that its debt exposure has exceeded a significant amount and (ii) inform the supervisory entities and the Committee, in case the debtor has not addressed the problem within a 3 months period (also by starting the Preemptive Proceedings, or by carrying out a scheme of arrangement or a debt restructuring);
- (c) in the event of the debtor's inaction, the above-mentioned public creditors must report to the supervisory entities and the Committee ongoing defaults of a significant amount;
- (d) in addition, in all cases of inaction on the part of the debtor (and regardless of reporting by qualified public creditors) the corporate auditing bodies, auditors and auditing firms are obliged to immediately notify the administrative bodies of the debtor of any well-grounded indications of a crisis situation (the chartered accountant representative body shall prepare indexes to be used to establish when a company is to be considered in crisis) and, in the event of inadequate or lacking response by these, the Committee;
- (e) during the proceedings, the debtor may apply to the Court for the adoption of protective measures to enable the same to enter into negotiations protected from any action of creditors (in respect of such protective measures, the debtor may postpone the reduction of any losses pursuant to the provisions of article 182 *sexies* of the Bankruptcy Law with reference to the debt restructuring agreements and the schemes of arrangements);
- (f) if within six months from the start of the proceeding the relevant debtor does not adopt appropriate measures to overcome the crisis (including entering into agreements with creditors or filing a debt restructuring agreement in court or apply for an in-court composition with creditors), the Committee reports the state of insolvency, (if any) to the Public Prosecutor (who will be able to file for bankruptcy where the conditions are met).

Finally, in order to encourage the use of Preemptive Proceedings, the Law provides for a system of incentives and penalties:

-Incentives:

- for debtors who have taken action to overcome the crisis within 6 months from the first sign of its occurrence (using the assistance of the Committee or the proceedings for the approval of a debt restructuring agreement under article 182-*bis* of the Bankruptcy Law, or a scheme of arrangement with creditors): (a) certain criminal offences linked to insolvency are not

punishable if they have caused minor damage; (b) a certain mitigating circumstances in respect to other criminal offences, and (c) a reduction of interest and penalties on tax debt;

- for statutory auditors who immediately report to the directors well-grounded indications of a crisis situation and, in the event of inaction, inform the Committee: exemption from joint liability with the company directors for the damages resulting from events or omissions following their report;

-Penalties:

- for qualified public creditors: loss of their priority in payment over their debt in case of failure to timely report to the supervisory entities and the Committee the persisting default of obligations of a significant amount by the relevant insolvent debtor.

Debt restructuring agreements pursuant to article 182bis of Bankruptcy Law and certified plans under article 67(3)(d) of the Bankruptcy Law

The Crisis and Insolvency Code aim to encourage the use of debt restructuring agreements currently governed by article 182-*bis* of the Bankruptcy Law (the "**182-*bis* Agreements**").

As for the certified plans under article 67(3)(d) of the Bankruptcy Law (the "**Certified Plans**"), the legislator has considered necessary to regulate more specifically their content in order to limit the possibility that these are drafted loosely.

Starting from the 182-*bis* Agreements, the Crisis and Insolvency Code provides as follows:

- (a) extended application of the cram down: possibility to apply the "cram down" model envisaged in the case of arrangements with banks and financial intermediaries under the current article 182-*septies* of the Bankruptcy Law to all debt restructuring agreements and *moratorium* agreement which do not provide for liquidation: this means that, once the creditors have been assigned to homogeneous classes based on their economic and legal position, a company may impose to the "minority" creditors belonging to a certain class the restructuring of their claims as agreed by at least 75% of creditors belonging to the relevant class, provided that such "minority" creditors have been informed of the opening of negotiations and have been enabled to participate to them;
- (b) reduction of admissibility quorum: reduction of the 60% quorum currently required for the use of such measure to 30% provided that: (a) the debtor pays creditors not adhering to the restructuring agreement as their debts become due and (b) does not request protection from enforcement proceedings (see letter c) below);
- (c) extension of protection: application of a debt moratorium starting from the opening and until the end of the proceedings (today it applies for only 60 days starting from the opening);
- (d) extension to shareholders with unlimited liability: extension of the effects of the agreement to shareholders with unlimited liability.

As for the certified plans, the Crisis and Insolvency Code (i) requires that they be in writing, bear certain date; and (ii) states in details their minimum content.

## *Schemes of Arrangement*

The Crisis and Insolvency Code provides for a reorganisation of the provisions on the schemes of arrangement with creditors in order to promote business continuity. More specifically, the Crisis and Insolvency Code provides as follows:

- (a) marginalisation of schemes of arrangement providing for liquidation: schemes of arrangements with liquidation are only possible where: (i) there is a contribution of external resources which increases payments in favour of unsecured creditors for at least 10% and, in any case, (ii) a minimum payment of 20% of the total amount of unsecured claims is envisaged;
- (b) extending the powers of the relevant bankruptcy Court: the Court has the power to assess not only the legal but also the economic feasibility of a scheme of arrangement (this is a step back in respect of the "private" nature of the scheme of arrangement deriving from the 2015 reform as well as of the same indications received from the Joint Sections of the Italian Supreme Court (Corte di Cassazione a Sezioni Unite) that will not contribute to the success of the scheme of arrangement);
- (c) qualified majorities: a majority is required not only based on the amount of debt owed but also based on the number of voting creditors if a single creditor holds unsecured debt for an amount equal to or higher than the majority of those eligible to vote (50% +1); furthermore, the Crisis and Insolvency Code calls for a specific regulation on conflict of interest situations. Such choice will make it difficult to carry out typical investment operations involving the purchase of receivables from distressed/insolvent companies in order to then direct the approval of the relevant scheme of arrangement proposal;
- (d) the definition of a scheme of arrangement on going concern basis and deferment of privileged claims: it is clarified that a scheme of arrangement on going concern basis refers to both mixed schemes of arrangements (going concern basis plus disposal of non-instrumental assets); furthermore, payment of privileged creditors may be deferred up to two years, provided that they are granted voting rights;
- (e) super senior loans authorized by the court: super senior are confirmed during the proceedings and by way of execution of the plan: super senior loans granted before the commencement of the proceedings are no longer permitted;
- (f) mandatory classification of creditors: creditors must necessarily be divided into classes if there are, among others, creditors assisted by third-party guarantees (and in other cases where there are homogeneous legal positions and economic interests that are to be identified by the Government);
- (g) electronic vote: the meeting of creditors is replaced by an electronic voting procedure;
- (h) provisional administration: in the event of obstruction by the debtor, the Court may entrust the implementation of the scheme of arrangement to a provisional administrator entrusted with the powers usually belonging to the creditors' meeting (this power is currently only provided if a competing proposal is accepted);

- (i) termination of the scheme arrangement by the receiver: the receiver has the power to require, upon request by a creditor, that the scheme of arrangement be terminated, *inter alia*, for non-performance (currently, such right is recognised only to creditors);
- (j) mergers/demergers/transformations: in the case of extraordinary transactions (mergers, demergers and transformations), (i) the creditors' opposition is exercised in the context of the schemes of arrangement; (ii) the effects of extraordinary transactions are irreversible once executed; (iii) the right of withdrawal of shareholders is excluded in case of transactions impacting on the organization or financial structure of the company.

### *Judicial liquidation*

Under the Crisis and Insolvency Code bankruptcy is defined as "judicial liquidation", and aims at standardising and simplifying the relevant proceedings which however becomes now residual if a restructuring proceeding on a going concern basis is possible (and reasonably achievable). Among the most important changes with respect to the current bankruptcy proceedings are the following:

- (a) assignment of assets to creditors: the participation of creditors in the auctions of the debtors' assets is facilitated (however, certain aspects of the Crisis and Insolvency Code are not very clear on this point); to this end, a body is established which certifies "the reasonable probability of satisfaction of the debts incurred in respect of each proceeding" and which issues to the creditors who so request a debt certificate enabling them to participate to the relevant auction "in proportion to the probability of satisfaction of their credit"; the provision is aimed at giving to the creditors the option to request the assignment of the debtor's assets and pay by means of their debt certificates as endorsed by the certifying body; in fact the law provides for the appointment of a "settlement and central counterparty system operator" which it can be presumed will oversee such operations; the relevant proceedings however remain still to be regulated;
- (b) applicability *erga omnes*: judicial liquidation applies to every category of debtors (e.g. limited liability companies, individuals, professionals) with the exclusion of public entities, supervised entities (e.g. banks, insurance companies) and entities subject to over-indebtedness proceedings;
- (c) efficiency of the proceedings: a number of further novelties have been envisaged to reduce the duration and cost of the procedure and make more effective and transparent the receiver's activity as well as the process of determining the bankruptcy estate's liabilities.

Finally, the Crisis and Insolvency Code also provides for some further measures intended to reorder and simplify over-indebtedness proceedings by prioritising business continuity and ensuring the competitiveness of asset sale auctions.

### **Equitable reduction of prepayment penalties under the ABI - Consumers agreement entered into in accordance with article 7, paragraph 5, of the Bersani Decree and other miscellaneous measures relating to mortgage liens**

Law decree number 7 of 31 January 2007 (the "**Bersani Decree**"), as converted into law by law number 40 of 2 April 2007, provides that any provision imposing a prepayment penalty in case of early redemption of mortgage loans is void with respect to mortgage loan agreements

entered into, with an individual as borrower, on or after 2 February 2007 (being the date on which the Bersani Decree entered into force) for the purpose of purchasing or refurbishing real estate properties destined to residential purposes or to carry out the borrower's own professional and economic activity.

With respect to loan agreements entered into prior to the enactment of the Bersani Decree (i.e., prior to 2 February 2007), article 7, paragraph 5 of the Bersani Decree provided that the Italian banking association ("**ABI**") and the main national consumer associations were entitled to reach, within three months from 2 February 2007, an agreement regarding the equitable renegotiation of prepayment penalties within certain maximum limits calculated on the residual amount of the loans (in each instance, the "**Substitutive Prepayment Penalty**"). Had ABI and the relevant consumer associations failed to reach an agreement, the Bank of Italy would have determined the Substitutive Prepayment Penalty by 2 June 2007.

The agreement reached on 2 May 2007 between ABI and national consumer associations (the "**Prepayment Penalty Agreement**") contains the following main provisions (as described in an ABI press release dated May 2007):

- (a) with respect to variable rate loan agreements - the Substitutive Prepayment Penalty should not exceed 0.50 per cent, and should be further reduced to: (a) 0.20 per cent, in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date;
- (b) with respect to fixed rate loan agreements entered into before 1 January 2001 - the Substitutive Prepayment Penalty should not exceed 0.50 per cent, and should be further reduced to: (a) 0.20 per cent, in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date;
- (c) with respect to fixed rate loan agreements entered into after 31 December 2000 - the Substitutive Prepayment Penalty should be equal to: (a) 1.90 per cent if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50 per cent if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20 per cent, in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "**Clausola di Salvaguardia**") in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the *Clausola di Salvaguardia* provides that:

- (a) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001; the amount of the relevant prepayment penalty shall be reduced by 0.20 per cent;

- (b) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25 per cent if the agreed amount of the prepayment penalty was equal or higher than 1.25 per cent; or (y) 0.15 per cent, if the agreed amount of the prepayment penalty was lower than 1.25 per cent.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

In relation to the provisions of the Prepayment Penalty Agreement, it is expected that further interpretative and supplemental indications may be issued, the specific impact of which cannot be accurately anticipated at this time.

The Bersani Decree moreover includes other miscellaneous provisions relating to mortgage loans which include, *inter alia*, simplified procedures meant to allow a more prompt cancellation of mortgages securing loans granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

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

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

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

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

Only the instalments not yet expired or expired (not paid or paid in part) from not more than 180 days before the date of submission of the request for Suspension may be suspended. ABI has clarified on one hand that securitised claims have not been expressly excluded from the object of the Convention and that assigning banks have to do any reasonable effort to satisfy the requests for Suspension also in respect of the securitized claims.

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

The terms within which the request for the Suspension according to the New PMI Convention could be requested has been extended until 30 September 2013.

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

On 8 August 2013 further clarifications with respect to the implementation of the July 2013 PMI Convention have been issued by the ABI. In particular, ABI (*Associazione Bancaria Italiana*) has clarified that the securitised claims are not expressly excluded from the object of the July 2013 PMI Convention. The assigning banks shall autonomously evaluate the possibility to grant the suspension or the extension under the July 2013 PMI Convention in respect of securitised claims. In any case ABI (*Associazione Bancaria Italiana*) has further clarified that in case a suspension or extension under the July 2013 PMI Convention is granted by the assigning bank, such suspension or extension shall not result in additional expenses in relation to such bank (also considering the costs that the assigning bank would have incurred in case the suspension or extension had been granted with respect to the original loan). On 30 December 2014, ABI and the associations of the representative of the companies agreed to extend the validity period of the 2013 PMI Convention from 1 July 2013 until 30 March 2015 and to enter into a new convention by the same date. On 31 March 2015, ABI and the associations of the representative of the companies entered into a new convention (the "**2015 PMI Convention**"). The 2015 PMI Convention comprises three different programs:

- "*Imprese in Ripresa*" program which regards the extensions and the suspension of the loan agreement given to small and medium enterprises;

- "*Imprese di Sviluppo*" program which regards the financing of new projects carried out by the small and medium enterprises; and
- "*Imprese e PA*" program which regard the disinvestment of claims to be paid by the Public Administration to the small and medium enterprises
- "*Imprese in Ripresa*" program allows the small and middle-sized companies to require, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium and long-term loans; and (ii) the extension of the final maturity of the loan agreements. In general, the loan which may benefit of the provisions of the 2015 PMI Convention are the loans which (a) were outstanding as at the date of the entering to of the 2015 PMI Convention; and (b) did not benefit from the suspension or extension of the duration in the 24-month period prior to the date of the request of suspension or extension, except for the easing of terms generally applying by operation of law.

In particular:

- the suspension under the 2015 PMI Convention applies on the condition that the instalments: (A) are timely paid; or (B) in case of late (or partial) payments, the relevant instalment has not been outstanding for more than 90 days from the date of the relevant request; and
- the extension under the 2015 PMI Convention applies on the condition that the such extension could not exceed three years for unsecured loans and four years for mortgage loans.

As further condition, in order to benefit either from the suspension or the extension of duration, middle-sized companies shall have, as at the date of the request, no positions which could be classified as unlikely to pay ("*inadempienze probabili*") and restructured ("*ristrutturate*").

On 13 December 2017, ABI and the associations of the representative of the companies agreed to extend the validity period of the 2015 PMI Convention from 31 December 2017 until 31 July 2018, without prejudice to the rights of the parties to withdraw by the 31 December of each year.

### **Other recent legislative provisions relating to Mortgage Loans**

Recently various law decrees (subsequently converted into law) containing provision applicable to Mortgage Loans have been issued. In this respect please refer to section "*Risk Factors - Yield and payment considerations*".



## TAXATION

*The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes. This overview is based upon the laws and/or practice in force as at the date of this Prospectus. Italian tax laws and interpretations may be subject to frequent changes which could be made on a retroactive basis.*

### ***Tax treatment of Notes issued by the Issuer***

Italian Legislative Decree No. 239 of 1<sup>st</sup> April, 1996 ("**Decree 239**") sets out the applicable tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian limited liability company incorporated under article 3 of Law No. 130 of 30 April 1999.

For these purposes, securities similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation of the issuer to pay at maturity an amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

### ***Italian Resident Noteholders***

Pursuant to Decree 239, where the Italian resident holder of Notes, who is the beneficial owner of such Notes, is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected;
- (b) a partnership (other than a *societa' in nome collettivo* or *societa' in accomandita semplice* or similar partnership), or a *de facto* partnership not carrying out commercial activities or professional association;
- (c) private or public institutions (other than companies), trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (d) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes).

If the Noteholders described under (a), (b) and (c) have entrusted the management of his financial assets, including the Notes, to an authorised intermediary and they have opted for the application of the so called "*regime del risparmio gestito*" (the "**Asset Management Regime**") according to Article 7 of Italian Legislative Decree No. 461 of 21<sup>st</sup> November, 1997, as amended ("**Decree No. 461**"), they are subject to a 26 per cent. annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest 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, paragraph 100-114 of Law No. 232 of 11 December 2016 ("**Law No. 232**"), in Article 1, paragraphs 211-215 of Law No. 145 of 30 December 2018 as implemented by Ministerial Decree of 30 April 2019 (as further amended and applicable from time to time, "Law. No. 145") and, for the long-term individual savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, in Article 13-bis of Law Decree No. 124 of 26 October 2019 (as further amended and applicable from time to time, "**Law Decree No. 124**").

If the Noteholders described above under (a) and (c) are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Pursuant to Decree 239, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called "**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stock brokers and other qualified entities identified by a decree of the Ministry of Finance ("**Intermediaries**" and each an "**Intermediary**"). An Intermediary must (a) be resident in Italy or be a permanent establishments in Italy of a non Italian resident Intermediary, and (b) intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Notes and the relevant coupons are not deposited with an authorised Italian Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the Rated Noteholder or, absent that by the Issuer.

Payments of Interest in respect of Notes that qualify as *obbligazioni* or *titoli similari alle obbligazioni* are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are:

- (i) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected;

- (ii) Italian resident partnerships carrying out commercial activities ('*società in nome collettivo*' or '*società in accomandita semplice*');
- (iii) Italian resident open-ended or closed-ended collective investment funds (together the "**Funds**" and each a "**Fund**"), *società di investimento a capitale variabile* ("**SICAV**"), *società d'investimento a capitale fisso* ("**SICAF**"), Italian resident pension funds referred to in Legislative Decree No. 252 of 5th December, 2005 ("**Decree No. 252**"), Italian resident real estate investment funds subject to the regime provided for by law Decree No. 351 of 25<sup>th</sup> September, 2001 ("**Decree No. 351**"), as subsequently amended, and real estate SICAF; and
- (iv) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial Intermediary and have opted for the Asset Management Regime.

Such categories are qualified as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, gross recipients indicated above under (i) to (iv) must: (a) be the beneficial owners of payments of Interest on the Notes and (b) deposit the Notes in due time, together with the coupons relating to such Rated Notes, directly or indirectly with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary). Where the Notes and the relevant coupons are not deposited with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

Gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due. Interest accrued on the Notes shall be included in the corporate taxable income (and in certain circumstances, depending on the "*status*" of the Noteholder, also in the net value of production for purposes of regional tax on productive activities – "**IRAP**") of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

If the investor is resident in Italy and is a Fund, a SICAV or a SICAF and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the Fund, the SICAV or the SICAF. The Fund, SICAV or SICAF will not be subject to taxation on such result, but a withholding tax of 26 per cent. may apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Where a Noteholder is an Italian resident real estate investment fund, to which the provisions of the Decree No. 351 apply, or a real estate SICAF, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or a real estate SICAF. The income of the real estate fund or of the real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Where a Noteholder is an Italian resident pension funds subject to the regime provided by article 17 of Decree No. 252 and the Notes are deposited with an Italian resident intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). Subject to certain conditions (including a minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in article 1 (100 - 114) of Law 232, in Article 1, paragraphs 211 - 215 of Law No. 145 and, for the long-term individual savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, in Article 13-bis of Law Decree No. 124, as applicable from time to time.

### ***Non-Italian resident Noteholders***

According to Decree 239, payments of Interest in respect of the Notes will not be subject to the *imposta sostitutiva* at the rate of 26 per cent. if made to beneficial owners who are non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected provided that:

- (a) such beneficial owners are resident for tax purposes in a state or territory which allows an adequate exchange of information with the Italian tax authorities and listed in the Ministerial Decree dated 4<sup>th</sup> September, 1996 as amended from time to time (the "**White List**"). According to Article 11, paragraph 4, let. c) of Decree no. 239, the White List will be updated every six months period. In absence of the issuance of the new White List, reference has to be made to the Italian Ministerial Decree dated 4<sup>th</sup> September, 1996 as amended from time to time; and
- (b) all the requirements and procedures set forth in Decree 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

Decree 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) be the beneficial owners of payments of Interest on the Notes;
- (b) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with a resident bank or SIM, or a permanent establishment in Italy of a non-Italian resident bank or SIM, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and

- (c) file with the relevant depository a statement (*autocertificazione*) in due time stating, *inter alia*, that he or she is resident, for tax purposes, in one of the above-mentioned White List states. Such statement (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12<sup>th</sup> December, 2001 (as amended and supplemented), is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The statement (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non Italian resident holder of the Notes to comply in due time with the procedures set forth in Decree 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interests payments to such non Italian resident holder of the Notes.

Non-Italian resident holders of the Notes who are subject to substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant holder of the Notes.

### ***Fungible issues***

Pursuant to Article 11, paragraph 2, of Decree No. 239, where the relevant Issuer issues a new tranche forming part of a single series with a previous tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva*, the issue price of the new tranche will be deemed to be the same as the issue price of the original tranche. This rule applies where (a) the new tranche is issued within 12 months from the issue date of the previous tranche and (b) the difference between the issue price of the new tranche and that of the original tranche does not exceed 1 per cent. of the nominal value of the Notes multiplied by the number of years of the duration of the Notes.

### **Capital Gains**

#### ***Italian resident Noteholders***

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Pursuant to Decree No. 461, a 26 per cent. capital gains tax (referred to as "*imposta sostitutiva*") is applicable to capital gains realised by:

- (a) an Italian resident individual not engaged in entrepreneurial activities to which the Notes are connected;
- (b) an Italian resident partnership not carrying out commercial activities;
- (c) an Italian private or public institution not carrying out mainly or exclusively commercial activities;

on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called "*regime della dichiarazione*" (the "**Tax Declaration Regime**"), which is the standard regime for taxation of capital gains, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

Alternatively to the Tax Declaration Regime, holders of the Notes who are:

- (a) Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected;
- (b) Italian resident partnerships not carrying out commercial activities;
- (c) Italian private or public institutions not carrying out mainly or exclusively commercial activities,

may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes under the so called "*regime del risparmio amministrato*" (the "**Administrative Savings Regime**"). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the Administrative Savings Regime being made in writing in due time by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the realised capital gain is not required to be included in the annual income tax return of the Noteholder.

Special rules apply if the Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorised intermediary. The capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 26 per cent. *imposta sostitutiva* on capital gains but will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the Asset Management Regime the realised capital gain is not required to be included in the annual income tax return of the Noteholder.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to article 1, paragraph 100 – 114, of Law No. 232, in Article 1, paragraphs 211 - 215 of Law No. 145 and, for the long-term individual savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, in Article 13-bis of Law Decree No. 124, as applicable from time to time.

In the case of Notes held by Funds, SICAVs and SICAFs, capital gains on Notes contribute to determinate the increase in value of the managed assets of the Funds, SICAVs or SICAFs accrued at the end of each tax year. The Funds, SICAVs or SICAFs will not be subject to taxation on such increase, but the Collective Investment Fund Tax may apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where a Noteholder is an Italian resident real estate investment fund, to which the provisions of the Decree No. 351 apply, or a real estate SICAF, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or real estate SICAF. The income of the real estate fund or of the real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain conditions (including a minimum holding period requirement) and limitations, capital gains realised upon sale, transfer for consideration or redemption of the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in article 1 (100 - 114) of Law 232 232 and in Article 1, paragraphs 211 - 215 of Law No. 145 and, for the long-term individual savings account (*piano individuale di risparmio a lungo termine*) established from 1 January 2020, in Article 13-bis of Law Decree No. 124, as applicable from time to time.

The 26 per cent. *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Decree No. 917, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are

deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Notes are not listed on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree No. 461 non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes: (a) in a state or territory listed in the White List as defined above, and (b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; and
- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they promptly file with the Italian authorised financial intermediary a self-declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

The Administrative Savings Regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident Noteholders retain the right to waive this regime. Such waiver may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

### **Inheritance and gift tax**

Pursuant to Law Decree No. 262 of 3<sup>rd</sup> October, 2006, converted with amendments by Law No. 286 of 24<sup>th</sup> November, 2006 effective from 29<sup>th</sup> November, 2006, and Law No. 296 of 27<sup>th</sup> December, 2006, the transfers of any valuable assets (including the Notes) as a result of death



or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- (a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding Euro 1,000,000 (per beneficiary);
- (b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding Euro 100,000 (per beneficiary);
- (c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and
- (d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding Euro 1,500,000.

If the donee sells the Notes for consideration within 5 years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

### **Transfer tax**

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of Euro 200; (ii) private deeds are subject to registration tax at rate of €200 only in case of use or voluntary registration or occurrence of the so-called *enunciazione*.

### **Tax Monitoring Obligations**

Italian resident individuals, non commercial entities, non commercial partnerships and similar institutions are required to report in their yearly income tax return, according to Law Decree No. 167 of 28<sup>th</sup> June, 1990 converted into law by Law Decree No. 227 of 4<sup>th</sup> August, 1990, as amended from time to time, for tax monitoring purposes, the amount of Notes held abroad during each tax year. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a Euro 15,000 threshold throughout the year.

### **Stamp duty**

Pursuant to article 13, paragraph 2-*ter*, of the tariff part I attached to Presidential Decree No. 642 of 26<sup>th</sup> October, 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any financial product and instrument (including the Notes), which may be deposited

with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed Euro 14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the face value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of the financial assets (including banking bonds, *obbligazioni* and capital adequacy financial instruments) held.

The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24<sup>th</sup> 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<sup>th</sup> June, 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### **Wealth tax on financial assets deposited abroad**

According to article 19 of Decree No. 201 of 6<sup>th</sup> December, 2011, Italian resident individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy holding financial assets – including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. For taxpayers other than individuals, this wealth tax cannot exceed Euro 14,000 per year. This tax is calculated on the market value at the end of the relevant year or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad by Italian resident individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement.

## SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

### **The Rated Notes Subscription Agreement**

ING Bank N.V., Milan Branch (the "**Underwriter**") has, pursuant to the Rated Notes Subscription Agreement dated on or about the Issue Date between the Issuer, the Originator, the Representative of the Noteholders and the Underwriter, agreed to subscribe the Rated Notes at their Issue Price of 100 per cent. of their principal amount as at the Issue Date and to pay to the Issuer the Notes Initial Payment on the Issue Date, subject to the conditions set forth therein.

The Rated Notes Subscription Agreement is subject to a number of conditions and may be terminated by the Underwriter in certain circumstances prior to payment of the Notes Initial Payment in relation to the Rated Notes to the Issuer. The Issuer and the Originator have agreed to indemnify the Underwriter against certain liabilities in connection with the issue of the Rated Notes.

### **The Junior Notes Subscription Agreement**

The Underwriter has, pursuant to the Junior Notes Subscription Agreement dated on or about the Issue Date between the Issuer, the Originator, the Representative of the Noteholders and the Underwriter, agreed to subscribe the Junior Notes at their Issue Price of 100 per cent. of their principal amount as at the Issue Date and to pay to the Issuer the Notes Initial Payment on the Issue Date, subject to the conditions set forth therein.

### **The Junior Notes Conditions**

Except for Junior Notes Conditions 8 (*Premium*) and 9.13 (*Early redemption through the disposal of the Portfolio following full redemption of the Rated Notes*) the Junior Notes Conditions are the same, *mutatis mutandis*, as the Rated Notes Conditions.

Under the Rated Notes Conditions and the Junior Notes Conditions the obligations of the Issuer to make payment in respect of the Class J Notes are subordinated to the obligations of the Issuer to make payments in respect of the Rated Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Class J Noteholders will be the first creditors to bear any shortfall.

### **Selling Restrictions**

Each of the Issuer, the Originator and the Underwriter has, pursuant to, respectively, the Junior Notes Subscription Agreement and the Rated Notes Subscription Agreement, undertaken to the others that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distributes this Prospectus or any related offering material, in all cases at its own expense.

Each of the Issuer, the Originator and the Underwriter has, pursuant to the Rated Notes Subscription Agreement and the Junior Notes Subscription Agreement, represented and warranted that it has not made or provided and undertaken not to make or provide any representation or information regarding the Issuer, the Originator or the Notes save as

contained in this Prospectus or as approved for such purpose by the Issuer or the Originator or which is a matter of public knowledge.

## **General**

The Underwriter has represented, warranted and agreed, and each further Noteholder under the Securitisation will be required to represent, warrant and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes the Prospectus or any related offering material, in all cases at its own expense. Other persons into whose hands the Prospectus comes are required by the Issuer and the Underwriter to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish the Prospectus or any related offering material, in all cases at their own expense.

The Rated Notes Subscription Agreement provides that the Underwriter shall not be bound by any of the restrictions relating to any specific jurisdiction (set out below) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Underwriter described in the paragraph above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such modification may be set out in a supplement to the Prospectus.

## **UNITED STATES**

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from 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 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations thereunder.

The Underwriter has represented, warranted and agreed, and each further Noteholder under the Securitisation will be required to represent and agree, that, except as permitted by the Rated Notes Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche, (a) as part of their distribution at any time or (b) otherwise until 40 days after completion of the distribution of such Tranche as determined and certified to the Issuer by the relevant Underwriter or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. The Underwriter has further agreed, and each further Noteholder under the Securitisation will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on

offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration 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.

## UNITED KINGDOM

The Underwriter has represented and agreed, and each further Noteholder under the Securitisation will be required to represent and agree, that:

- (a) *no deposit-taking*: in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) *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 any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) *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 any Notes in, from or otherwise involving the United Kingdom.

## ITALY

The offering of the Notes has not been registered with the "**CONSOB**" pursuant to Italian securities legislation and, accordingly, the Underwriter has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, the Underwriter has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of the Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (a) to "*qualified investors*", as defined pursuant to Article 2 of the Prospectus Regulation and any application provision of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and Italian CONSOB regulations; or
- (b) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, *provided that* such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Regulation, the Decree No. 58 and CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"), and ending on the date which is 12 months after the date of approval of such prospectus; or
- (c) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under the Prospectus Regulation, Decree No. 58 or Regulation No. 11971 and the applicable Italian laws.

Any such offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations; and
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020); and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

## **PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "*retail investor*" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; and

## **Public Offer Selling Restriction Under the Prospectus Regulation**

In relation to each Member State of the European Economic Area, the Underwriter has represented, warranted and agreed, and each further Noteholder under the Securitisation will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Noteholders nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

*provided that* no such offer of Notes referred to in Paragraphs (a) to (c) above shall require the Issuer or any Noteholder to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

#### **Prohibition of sales to UK Retail Investors**

The Underwriter has represented and agreed, and each further Noteholder under the Securitisation will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Prospectus to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "*retail investor*" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

The Underwriter has represented and agreed, and each further Noteholder under the Securitisation will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus in relation to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA;

- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the relevant Underwriter or Noteholders nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

*provided that* no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Noteholder to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.



## DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been filed with the Luxembourg Stock Exchange at the date of this Prospectus and shall be deemed to be incorporated by reference in, and form part of, this Prospectus:

- the financial statements of the Issuer and the Independent Auditors' Report as at 31 December 2022, and
- the financial statements of the Issuer and the Independent Auditors' Report as at 31 December 2021,

and shall be made available as further set out in paragraph entitled "General Information" below.

Any information not listed in the cross-reference table but included in the documents incorporated by reference is given for information purposes only.

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## GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Quotaholder of the Issuer passed on 6 March 2023, as supplemented by a subsequent resolution of the Quotaholder of the Issuer passed on 2 August 2023.
2. Application has been made to the Luxembourg Stock Exchange for the Rated Notes to be admitted to the Official List and trading on its regulated market starting from the Issue Date. The Prospectus has been approved by the CSSF, as competent authority under the Prospectus Regulation. The CSSF only approves the Prospectus as meeting the requirements imposed under Luxembourg and EU law pursuant to the Prospectus Regulation, as amended from time to time.
3. The Issuer is not (and was not in the 12 months preceding the date of this Prospectus) involved in any litigation, arbitration, governmental or administrative proceedings relating to claims or amounts which are material and which may have, or have had, during such 12 months' period, a significant effect on its financial position or profitability, nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.
4. Since 31 December 2022 (being the last day of the financial period in respect of which the most recent published financial statements of the Issuer have been prepared) there has been no material adverse change in the financial position or prospects of the Issuer.
5. Since 31 December 2022 (being the last day of the financial period in respect of which the most recent published financial statements of the Issuer have been prepared), there has been no significant change in the financial position or prospects of the Issuer.
6. The Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.
7. The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be available in electronic format at the registered office of the Representative of the Noteholders. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and at the specified office of the Principal Paying Agent, where such documents will be physically available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.
8. The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

<i>Class</i>	<i>ISIN code</i>	<i>Common code</i>	<i>CFI</i>	<i>FISN</i>
A1	IT0005559478	267113670	DGVNBB	LEONEARANCIORMB/TV ABS 20831006

A2	IT0005559486	267113793	DGVNBB	LEONEARANCIORMB/TV ABS 20831006
J	IT0005559494	267114218	DGVQBB	LEONEARANCIORMB/TS ABS 20831006

9. As long as the Rated Notes are listed on the Luxembourg Stock Exchange, copies of the following documents are available in electronic format at the registered office of the Representative of the Noteholders, being, as at the Issue Date, 13th floor, One Angel Court, London, EC2R 7HJ, United Kingdom and are physically available, may be inspected and obtained free of charge during usual business hours at the registered office of the Issuer, being as at the Issue Date, Corso Vercelli 40, 20145, Milan, Italy and at the specified office of the Principal Paying Agent, being, as at the Issue Date, Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands and at the website of European DataWarehouse GmbH (being, as at the date of the Prospectus, <https://eurodw.eu/>), or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation, or at any time after the date of this Prospectus:

- (i) the *statuto* and *atto costitutivo* of the Issuer;
- (ii) the following agreements:
  - Master Receivables Purchase Agreement;
  - Servicing Agreement;
  - Warranty and Indemnity Agreement;
  - Intercreditor Agreement;
  - Cash Allocation, Management and Payments Agreement;
  - Rated Notes Subscription Agreement;
  - Junior Notes Subscription Agreement;
  - Dutch Deed of Pledge;
  - Swap Agreement;
  - Security Assignment;
  - Liquidity Facility Agreement;
  - Mandate Agreement;
  - Corporate Services Agreement;
  - Master Definitions Agreement; and

- (iii) the financial statements of the Issuer and the Independent Auditors' Report as at 31 December 2022;
  - (iv) the financial statements of the Issuer and the Independent Auditors' Report as at 31 December 2021.
10. So long as any of the Rated Notes remains outstanding, as from the Issue Date the following information will be made available:
- (i) copies of the Payments Reports shall be made available for collection at the registered offices of the Issuer, the Representative of the Noteholders and the Principal Paying Agent, respectively, on each Calculation Date and on each date on which it is produced. The first Payments Report will be available at the registered office of the Issuer, the Representative of the Noteholders and the Principal Paying Agent on or about the Payment Date falling in October 2023. The Payments Reports will be produced semi-annually and will contain details of amounts payable on the Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest in respect of each Rated Note;
  - (ii) copies of the Loan Level Report will be made available by the Servicer to the entities referred to under article 7, paragraph 1, of the EU Securitisation Regulation as soon as it is available, but in any event no later than the Securitisation Regulation Report Date, provided that such information shall also be made available before pricing of the Notes in accordance with article 22, paragraph 4 of the EU Securitisation Regulation. The Loan Level Report will be made available on the Securitisation Repository's web-site (<https://eurodw.eu/>);
  - (iii) copies of the Inside Information and Significant Event Reports will be made available in order to fulfil the disclosure requirements in respect of: (i) any event that, in the opinion of the Servicer constitutes inside information that shall be made public in accordance with Article 17 of the EU Market Abuse Regulation, and/or (ii) a significant event (as referred to in Article 7(1)(g)) of the EU Securitisation Regulation. The Inside Information and Significant Event Reports are made available to the entities referred to under article 7, paragraph 1, of the EU Securitisation Regulation without undue delay in accordance with the applicable Disclosure RTS. The Inside Information and Significant Event Reports will be made available on the Securitisation Repository's web-site (<https://eurodw.eu/>);
  - (iv) copies of the Securitisation Regulation Investor Report will be made available by the Calculation Agent, within each Securitisation Regulation Report Date, in order to fulfil the investor reporting requirement under Article 7, paragraph 1, letter (e) of the EU Securitisation Regulation and in compliance with Regulatory Technical Standards. The Securitisation Regulation Investor Report will also be made available on the Securitisation Repository's web-site (<https://eurodw.eu/>); and
  - (v) copies of the Servicer's Report will be prepared and made available to the Issuer, the Reporting Entity, the Swap Counterparty, the Dutch Account Bank, the Calculation Agent, the Representative of the Noteholders, the Principal Paying Agent, the Corporate Services Provider and the Rating Agencies by the Servicer, substantially in

the form of a monthly report concerning the Servicer's activities with respect to the preceding Collection Period.

11. The estimated total expenses payable by the Issuer in connection with the admission of the Rated Notes to trading on the regulated market of the Luxembourg Stock Exchange amount to approximately Euro 15,220 (excluding application of VAT, if any).

## GLOSSARY

*These and other terms used in this Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.*

**"Account Bank Report Date"** means (i) prior to the service of a Trigger Notice, and with respect to each Quarterly Collection Period, the 1<sup>s</sup> Business Day of the month immediately following the relevant Quarterly Collection Period (i.e. January, April, July, October); and (ii) following the service of a Trigger Notice, each date, which has to be a Business Day, determined by the Representative of the Noteholders as such.

**"Account Bank Reports"** means the reports delivered by the Dutch Account Bank as set out under clause 5.6 of the Cash Allocation, Management and Payments Agreement.

**"Account Banks"** means the Expenses Account Bank and the Dutch Account Bank and **"Account Bank"** means any of them.

**"Account Mandate"** means the resolutions, instructions and signature authorities relating to each Account.

**"Accounts"** means, collectively, the Main Transaction Account, the Expenses Account, the Swap Collateral Account, the Equity Capital Account and **"Account"** means any of them.

**"Accrued Interest"** means, as at the relevant date, the portion of Interest Instalments accrued on such date but not yet due.

**"Additional Collateral Exposure"** means at any date the amount which can be off-set by the relevant Debtor (including, without limitation, any amount which any relevant Debtors is entitled to receive from the Originator under any bonds issued by the Originator or any bank accounts held by the relevant Debtor with the Originator or any other amount which can be off-set by the relevant Debtor against the Originator in accordance with any relevant agreements between the Debtor and the Originator and any applicable laws) against any amount owed to it by the Originator and calculated as the lower of any amount due (a) on the Valuation Date of the relevant Portfolio and (b) on each Calculation Date after the relevant Valuation Date set out in letter (a) above (and preceding any such date on which the Additional Collateral Exposure is calculated).

**"Additional Criteria"** means any additional criteria which can be agreed pursuant to the Master Receivables Purchase Agreement.

**"Adjusted Purchase Price"** has the meaning ascribed to such term under clause 5.3 of the Master Receivables Purchase Agreement.

**"Advances"** means, collectively, the Revolving Advances and the Reserve Advance.

**"AIFM Regulation"** means the Commission Delegated Regulation (EU) No 231/2013 adopted on 19 December 2012 by the European Commission, as amended and/or supplemented from time to time.

"**Amortisation Amount Limit**" means at any given date an amount equal to 5]% (five per cent.) of the aggregate Principal Amount Outstanding of all the Notes.

"**Amortisation Limit Purchase Termination Event**" has the meaning ascribed to such term in clause 8.1.4 of the Master Receivables Purchase Agreement.

"**Amortisation Period**" means the period commencing on the Payment Date falling on the Initial Amortisation Date and ending on the earlier of (i) the Final Maturity Date and (ii) the date on which the Notes are redeemed in full.

"**Authorised Signatory**" means, in relation to each party to the Securitisation, any individual expressly authorised to execute any agreement, deed, letter or contract on behalf of such party, by virtue of powers granted to it by any constitutional documents, resolutions or powers of attorney.

"**Available Commitment**" means, on any given time, the amount equal to the excess, if any, of the amount of the Commitment over the aggregate principal amount of all the Revolving Advances then outstanding.

"**Bankruptcy Law**" means Italian Royal Decree number 267 of 16 March 1942, as amended and supplemented from time to time.

"**Borrower**" means any borrower or entity (and/or any successor or assign) who entered into a Mortgage Loan Agreement as principal debtor.

"**Broker Channel**" any channel which originates Mortgage Loans different from the (i) on line (e.g. call center) and/or web based platform or (ii) any physical premises of the Originator.

"**BRRD**" means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended and supplemented from time to time.

"**Business Day**" means any day (other than a Saturday or Sunday) on which banks are generally open for business in Milan, Amsterdam and Luxembourg and on which the real time gross settlement system operated by the Eurosystem (T2) (or any successor thereto) is open.

"**Calculation Agent**" means ING Bank N.V. or any other entity appointed to act as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Date**" means (i) prior to the service of a Trigger Notice, and with respect to each Quarterly Collection Period, the date falling three Business Days prior to each Payment Date, and (ii) following the service of a Trigger Notice, each date, which has to be a Business Day, determined by the Representative of the Noteholders as such.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Originator, the Representative of the Noteholders, the Account Banks, the Corporate Services Provider, the Calculation Agent and the Principal Paying Agent.

"**Cash Flow and Amortisation Report**" means the reports to be prepared and delivered by the Servicer in accordance with the Servicing Agreement.

"**Cash Manager**" means ING Bank N.V. or any other entity appointed to act as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Class A Noteholders**" means the holders from time to time of any of the Class A Notes.

"**Class A Notes**" means any of the Class A1 Notes and the Class A2 Notes.

"**Class A1 Noteholders**" means the holders from time to time of any of the Class A1 Notes.

"**Class A1 Notes**" means the €480,000,000 Class A1 Residential Mortgage Backed Floating Rate Notes due October 2083 issued by the Issuer on the Issue Date.

"**Class A1 Notes Nominal Amount**" means, in respect of the Class A1 Notes, €480,000,000 as nominal amount issued on the Issue Date.

"**Class A2 Noteholders**" means the holders from time to time of any of the Class A2 Notes.

"**Class A2 Notes**" means the €6,600,000,000 Class A2 Residential Mortgage Backed Floating Rate Notes due October 2083 issued by the Issuer on the Issue Date.

"**Class A2 Notes Nominal Amount**" means, in respect of the Class A2 Notes, €6,600,000,000 as nominal amount issued on the Issue Date.

"**Class J Noteholders**" means the holders from time to time of any of the Class J Notes.

"**Class J Notes**" means the €920,000,000 Class J Residential Mortgage Backed Notes due October 2083 issued by the Issuer on the Issue Date.

"**Class J Notes Nominal Amount**" means, in respect of the Class J Notes, €920,000,000 as nominal amount issued on the Issue Date.

"**Clearstream**" means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

"**Collateral Security**" means any security interest (different from a Mortgage) granted in order to guarantee or secure the payments and/or repayments of Receivables.

"**Collection Date**" means (i) prior to the service of a Trigger Notice, the last calendar day of each month; and (ii) following the service of a Trigger Notice, each date, which is a Business Day, determined by the Representative of the Noteholders as such.

"**Collection Period**" means any of the Monthly Collection Period or the Quarterly Collection Period.

"**Collections**" means all amounts received by the Servicer or any other person on its behalf in respect of the Instalments due under the Receivables and any other amounts whatsoever received by the Servicer or any other person on its behalf in respect of the Receivables.



**"Commingling Risk Amount"** means an amount equal to the highest monthly value of the Collections in the last 6 (six) months.

**"Commingling Risk Required Rating"** means:

- (a) in respect of Fitch, a long-term "Issuer Default Rating" or "Deposit Rating" of 'A-' or a short-term "Issuer Default Rating" or "Deposit Rating" of 'F1'; and
- (b) in respect of DBRS, a long term rating of 'BBB(low)' and a short term rating of 'R-2(low)'.

**"Commitment"** means the obligation of the Liquidity Facility Provider to make Advances to the Issuer prior to the Expiry Date in an aggregate principal amount equal to Euro 80,000,000 until the Initial Amortisation Date (excluded), provided that starting from the Initial Amortisation Date such aggregate principal amount shall be equal to 1% of the Principal Amount Outstanding of the Notes on such date. The aggregate principal amount of the Commitment shall not, in any case, be lower than Euro 40,000,000.

**"Common Criteria"** means the criteria listed in Schedule 1 to the Master Receivables Purchase Agreement.

**"Conditions"** means the Rated Notes Conditions or the Junior Notes Conditions, as the case may be, and **"Condition"** means a condition thereof.

**"CONSOB"** means *Commissione Nazionale per le Società e la Borsa*.

**"Consolidated Banking Act"** means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time.

**"Corporate Services Agreement"** means the agreement executed on or about the Issue Date between the Issuer and the Corporate Services Provider.

**"Corporate Services Provider"** means TMF Italy S.r.l..

**"Credit and Collection Policies"** means the procedures for the underwriting of the Mortgage Loans and the collection and recovery of the Receivables attached as annex 1 to the Servicing Agreement.

**"Crediti in Sofferenza"** means the Receivables classified as such in accordance with the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*) and as set out in the Credit and Collection Policy attached to the Servicing Agreement.

**"Crisis and Insolvency Code"** means Legislative Decree No. 14 of 12 January 2019 (*Codice della crisi d'impresa e dell'insolvenza*) (as amended and supplemented from time to time).

**"Criteria"** means, collectively, the Common Criteria, the Specific Criteria and the Additional Criteria.

**"CRR"** means Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended and/or supplemented from time to time, together with any guidelines,

technical standards or Q&A responses published in relation thereto by the European Banking Authority (or any successor or replacement agency or authority).

**"Cumulative Gross Default Ratio"** means at any Quarterly Collection Date the ratio between (i) the aggregate of the Outstanding Principal Due in respect of each Defaulted Receivable as at the relevant date of default and (ii) the sum of the Notes Initial Payment and all Notes Further Payments paid to the Issuer from the Issue Date up to such Quarterly Collection Date.

**"Cumulative Gross Default Trigger"** means 2%.

**"Current Loan to Indexed Market Value"** means, in respect of a Mortgage Loan, the ratio between (i) the principal outstanding of that Mortgage Loan and (ii) the related Real Estate Asset's indexed valuation based on the European Central Bank's index denominated "*ECB Residential Property Index*" taking into account all residential real estates in Italy.

**"Current LTV"** means at any given date for each Mortgage Loan the ratio between (i) the Outstanding Principal Due; and (ii) the value of the Real Estate Asset.

**"DBRS"** means DBRS Ratings GmbH or any successor to its rating business.

**"DBRS Critical Obligations Rating" or "COR"** means, in relation to a relevant entity, the public rating assigned by DBRS which addresses the risk of default of particular obligations and/or exposures of the relevant entity that in the view of DBRS have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. A COR assigned by DBRS to the relevant entity will be indicated on the website of DBRS ([www.dbrsmorningstar.com](http://www.dbrsmorningstar.com)).

**"DBRS Equivalent Chart"** means:

<b>DBRS</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB

<b>DBRS</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC
CCC	Caa2	CCC	
CCC(low)	Caa3	CCC-	
CC	Ca	CC C	
C	C	D	

"**DBRS Equivalent Rating**" means

- (a) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the relevant company or the relevant investment, as applicable, (each, a "**Public Long Term Rating**") are all available at such date, the DBRS Equivalent Rating will be (i) such Public Long Term Rating remaining (upon conversion on the basis of the DBRS Equivalent Chart) after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies or (ii) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart). In any case, provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then it will be considered one notch lower;
- (b) if Public Long Term Ratings of the relevant company or the relevant investment, as applicable, are available only by any two of Fitch, Moody's and S&P at such date, the DBRS Equivalent Rating will be the lower of such Public Long Term Ratings (upon conversion on the basis of the DBRS Equivalent Chart and provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then it will be considered one notch lower); and
- (c) if a Public Long Term Rating is available only by any one of Fitch, Moody's and S&P at such date, the DBRS Equivalent Rating will be such Public Long Term Rating (upon conversion on the basis of the DBRS Equivalent Chart and provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, it will be considered one notch lower).

If at any time the DBRS Equivalent Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS minimum rating of "C" shall apply at such time.

"**Debtor**" means any individual person who entered into a Mortgage Loan Agreement as Borrower or guarantor or who is liable for the payment or repayment of amounts due in respect of a Mortgage Loan or who has assumed the Debtor's obligation under an *accollo*, or otherwise.

"**Decree 213**" means Legislative Decree number 213 of 24 June 1998, as amended and supplemented from time to time

"**Decree 239**" means Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree 239.

"**Decree of the Governor of the Bank of Italy**" means the Decree dated 3 November 2003 (*Disposizioni in materia di SPV e Servicer*).

"**Defaulted Receivable**" means, collectively, those Receivables which following the Valuation Date are or have been classified by the Servicer (on behalf of the Issuer) as *Crediti in Sofferenza* or which are or have been Delinquent Receivables for at least 360 days.

"**Defaulting Party**" has the meaning ascribed to that term in the Swap Agreement.

"**Delinquent Receivable**" means, collectively, those Receivables which have not been classified as Defaulted Receivables and in respect of which there is at least one Unpaid Instalment.

"**Deposit Rating**" means the long-term deposit rating and the short-term deposit rating assigned by Fitch.

"**Determination Date**" means:

- (a) with respect to the Initial Interest Period, the day falling 2 (two) Business Days prior to the Issue Date; and
- (b) 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.

"**Disclosure RTS**" means the technical standards on disclosure requirements published by ESMA on 3 September 2020.

"**Documentation**" means any and each paper and processing document and data available to the Servicer relating to: (i) Receivables, Mortgages or other real and personal guarantees, Insurance Policies, Mortgage Loan Agreements, any kind of registration, enrolment annotation of such document, examination (*perizia*) and certification of the register of immovable; (ii) insolvency proceedings and judicial proceedings, included but not limited to, any judicial acts, decrees, attachments and decision related to insolvency proceedings and judicial proceedings, any documents concerning judicial examination by judicial expert and auctions, any correspondence with the Debtors and their legal advisors, any proof of a debt in bankruptcy and relevant correspondence; (iii) Collections, included but not limited to, any invoices, receipts, early payments, consolidation of a debt, debt rescheduling; and (iv) settlement (if any) with the Debtors and/or Mortgagors and negotiations (if any) in order to reach settlements with the Debtors and/or Mortgagors.

**"Dutch Account Bank"** means ING Bank N.V. or any other entity appointed to act as such pursuant to the Cash Allocation, Management and Payments Agreement.

**"Dutch Deed of Pledge"** means the Dutch law deed of pledge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors).

**"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 securitization*".

**"Effective Date"** means, as appropriate, the date specified in clause 9.1 of the Master Receivables Purchase Agreement, in clause 13 of the Servicing Agreement and in clause 10 of the Warranty and Indemnity Agreement.

**"Eligible Institution"** means any depository institution organised under the laws of any state which is a member of the European Union or of the United States:

- (a) in the case of Fitch, whose "Deposit Rating" or "Issuer Default Rating" is at least "F1" or "A-" (or such other rating which will not affect the rating of the Notes), or which is guaranteed by an entity, whose "Deposit Rating" or "Issuer Default Rating" is at least "F1" or "A-", and the relevant guarantee issued by such entity complies with the criteria then established for such purposes by Fitch;
- (b) in the case of DBRS, a minimum rating of 'A', where the rating of the relevant institution shall be calculated as the higher of:
  - (i) the rating one notch below the relevant institution's DBRS Critical Obligation Rating (COR); and
  - (ii) the long-term senior unsecured debt rating or the long term deposit rating assigned by DBRS to the relevant institution.

**"EMIR"** means Regulation (EU) number 648/2012, known as the European Market Infrastructure Regulation, as amended by Regulation (EU) number 834/2019, including any implementing and/or delegating regulation, technical standards and official guidance related thereto, in each case published by ESMA or the European Commission from time to time.

**"Equity Capital Account"** means the euro denominated account established in the name of the Issuer with the Expenses Account Bank (IBAN: IT22T0347501601000052120702).

**"ESMA"** means the European Securities and Markets Authority.

**"EU Insolvency Regulation"** means the Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015, as amended from time to time.

"**EU Market Abuse Regulation**" means the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, as amended from time to time.

"**EU Securitisation Regulation**" means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, as amended and supplemented from time to time.

"**Euribor**" means:

- (a) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for 3 (three) months Euro deposits which appears on the display page designated Euribor 01 on Reuters; or
- (b) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Reuters display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or
- (c) in the case of (a) and (b), Euribor shall be determined by reference to such other page as may replace the relevant Reuters page on that service for the purpose of displaying such information; or
- (d) in the case of (a) and (b), Euribor shall be determined, if the Reuters service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (d) above being the "**Screen Rate**" or, in the case of the Initial Interest Period, the "**Additional Screen Rate**") at or about 11.00 a.m. (Brussels time) on the Determination Date; and

- (e) 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 shall be:
  - (i) the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Calculation Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Determination Date; or
  - (ii) if only two of the Reference Banks provide such offered quotations to the Calculation Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or
  - (iii) if only one or none of the Reference Banks provides the Calculation Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above shall have applied.

"**Euro**", "€" and "**EUR**" refer to the single currency of member states of the European Union which adopt the single currency introduced in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended from time to time.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Expenses**" means any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of the then outstanding securitisation transaction carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws.

"**Expenses Account**" means the euro denominated account established in the name of the Issuer with the Expenses Account Bank, or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Expenses Account Bank**" means ING Bank N.V., Milan Branch.

"**Extraordinary Resolution**" shall have the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Final Maturity Date**" means the Payment Date falling in October 2083.

"**Financial Laws Consolidation Act**" means Italian Legislative Decree number 58 of 24 February 1998, as amended from time to time.

"**First Payment Date**" means the Payment Date falling in October 2023.

"**Fitch**" means Fitch Ratings Ireland Limited.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**Individual Purchase Price**" means, in respect of each Receivable and as at the Valuation Date, an amount calculated pursuant to clause 4.1.1 of the Master Receivables Purchase Agreement.

"**ING Group**" means ING Group N.V. and its subsidiaries (*dochtermaatschappijen*) from time to time.

"**Initial Amortisation Date**" means (i) the Revolving Period End Date or (ii) the earlier Payment Date on which principal on the Notes may become payable following a resolution to this effect by the Noteholders in accordance with the Rules.

"**Initial Interest Period**" means the first Interest Period, which shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

"**Initial Portfolio**" means the initial portfolio of Receivables purchased by the Issuer on 1 September 2023, pursuant to the Master Receivables Purchase Agreement.

**"Initial Portfolio Purchase Price"** has the meaning ascribed to such term in clause 4.1.2 of the Master Receivables Purchase Agreement.

**"Inside Information and Significant Event Report"** means the inside information and significant event report to be prepared by the Servicer in accordance with the Servicing Agreement.

**"Insolvency Event"** means in respect of any company, entity or corporation if:

- (iv) such company or corporation is declared insolvent or the competent judicial authorities instated a special administration proceedings, liquidation of such company/corporation or the appointment of liquidator/administrator or such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition, reorganisation, reconstruction or special measure within the meaning of Chapter 6 of the Netherlands Financial Supervision Act prepared or taken by the Minister of Finance (*minister van financiën*) of the Netherlands (including, without limitation (i) "*faillissement*", "*bijzondere maatregel*", "*surseance van betaling*", "*onder bewindstelling*", "*ontbinding*" and/or "*liquidatie*", each such expression bearing the meaning ascribed to it by the laws of The Netherlands and (ii) "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning given to it by the laws of the Republic of Italy, 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 "*beslag*", "*onder bewindstelling*", "*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 (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success;
- (v) an application for the commencement of any of the proceedings under (iv) above is made in respect of or by such company, entity or corporation or such proceedings are otherwise initiated against such company, entity or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (vi) such company or corporation takes any action for a re-adjustment or deferment 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, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or
- (vii) 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 or any of the events under article 2484 of the Italian civil code occurs with respect to such company (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

- (viii) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

**"Insolvency Receiver"** means any receiver appointed in the context of any insolvency proceeding.

**"Instalment"** means, with respect to each Mortgage Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment or an Interest Instalment and a Principal Instalment.

**"Insurance Policy"** means each of the insurance policies taken out in relation to each Real Estate Asset and the related Mortgage Loan.

**"Intercreditor Agreement"** means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors.

**"Interest Available Funds"** means, in respect of any Payment Date, the aggregate of:

- (i) all amounts collected by the Servicer in respect of the Receivables on account of interest, fees and pre-payment penalties during the immediately preceding Collection Period and credited to the Main Transaction Account;
- (ii) all Recoveries collected by the Servicer during the immediately preceding Collection Period and credited to the Main Transaction Account;
- (iii) all amounts of interest accrued (net of any withholding or expenses, if due) and available on the Accounts during the immediately preceding Interest Period and all amounts of interest accrued and paid on the Liquidity Reserve Account;
- (iv) any amounts drawn down by the Issuer under the Liquidity Facility Agreement;
- (v) any payments to be received from the Swap Counterparty on or immediately prior to such Payment Date, pursuant to the Swap Agreement (excluding any Swap Collateral which the Swap Counterparty may be required to post pursuant the Swap Agreement);
- (vi) any amounts allocated on such Payment Date under item *First* of the Pre-Trigger Notice Principal Priority of Payments;
- (vii) any amounts allocated on such Payment Date under item *Tenth* of the Pre-Trigger Notice Principal Priority of Payments;
- (viii) on the Payment Date on which the Notes are to be redeemed in full, any amount standing to the credit of the Expenses Account;
- (ix) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement during the immediately preceding Collection Period;

- (x) any part of the Commingling Risk Amount to be applied as indemnity for losses as a result of commingling risk, to the extent not relating to principal; and
- (xi) all other payments received from the Originator which do not qualify as Principal Available Funds and which have been credited to the Main Transaction Account during the immediately preceding Collection Period.

**"Interest Instalment"** means the interest component of each Instalment due from a Debtor in respect of a Receivable.

**"Interest Payment Amount"** shall have the meaning ascribed to it in Rated Notes Condition 8.6 (*Calculation of Interest Payment Amount*) and in Junior Notes Condition 7.6 (*Calculation of Interest Payment Amount*), as the case may be.

**"Interest Period"** means each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

**"Interest Priority of Payments"** means the Priority of Payments under Rated Notes Condition 7.1.1 (*Priority of Payments – Pre-Trigger Notice Priority of Payments – Interest Priority of Payments*).

**"Interest Rate"** shall have the meaning ascribed to such term in Rated Notes Condition 8.5 (*Rates of interest*) and in Junior Notes Condition 9.5 (*Rates of interest*), as the case may be

**"Interest Shortfall Amount"** means, on any Payment Date, an amount equal to the difference, if positive, between (a) the aggregate amounts payable under items *First* to *Sixth* of the Pre-Trigger Notice Interest Priority of Payments; and (b) the Interest Available Funds (net of such Interest Shortfall Amount) on such Payment Date.

**"Issue Date"** means 12 September 2023, or such other date on which the Notes are issued.

**"Issuer"** means Leone Arancio RMBS S.r.l., having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.

**"Issuer Available Funds"** means, in respect of any Payment Date, the aggregate of the Interest Available Funds and the Principal Available Funds.

**"Issuer Default Rating"** means, with reference to an institution, the long-term issuer default rating and the short-term issuer default rating assigned from Fitch to such institution.

**"Joint Regulation"** means the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018.

**"Junior Noteholders"** means the holders from time to time of any of the Junior Notes.

**"Junior Notes"** means the Class J Notes.

**"Junior Notes Conditions"** means the terms and conditions of the Class J Notes, as from time to time modified in accordance with the provisions thereof and including any agreement or document expressed to be supplemental thereto and any reference to a particular numbered Junior Notes Condition shall be construed accordingly.

**"Junior Notes Subscription Agreement"** means the subscription agreement in relation to the Class J Notes entered into on or about the Issue Date.

**"Liabilities"** means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

**"Liquidity Facility Agreement"** means the liquidity facility agreement entered into on or about the date hereof by the Issuer and the Liquidity Facility Provider.

**"Liquidity Facility Provider"** means ING Bank N.V., Milan Branch.

**"Liquidity Reserve Account"** means the account to be opened in accordance with the Liquidity Facility Agreement.

**"Liquidity Reserve Account Bank"** means the Dutch Account Bank, or any other entity appointed to act as such pursuant to the Cash Allocation, Management and Payments Agreement.

**"Listing Agent"** means the Bank of New York Mellon (Luxembourg) S.A., a bank incorporated under the laws of Grand Duchy of Luxembourg, having its registered office at Vertigo Building - Polaris – 2-4 rue Eugène Ruppert – L-2453, Luxembourg.

**"Loan Level Reports"** means the loan level reports to be prepared by the Servicer in accordance with the Servicing Agreement.

**"Losses"** means any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses).

**"Luxembourg Act"** means the Luxembourg Act dated 16 July 2019 relating to prospectuses for securities.

**"Main Transaction Account"** means the GIC account established in the name of the Issuer with the Dutch Account Bank with number NL12INGB0675952840, or such other substitute account (either opened in the form of a GIC account or not) as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Mandate Agreement"** means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders.

**"Master Definitions Agreement"** means the master definitions agreement entered on 7 September 2023 between all parties to the Transaction Documents.

**"Master Portfolio"** means the aggregate of the Initial Portfolio and any Subsequent Portfolio of Receivables purchased by the Issuer pursuant to the terms and conditions of the Master Receivables Purchase Agreement and any relevant Subsequent Portfolio Transfer Agreement.

**"Master Receivables Purchase Agreement"** means the master receivables purchase agreement entered into on 1 September 2023 between the Issuer and the Originator.

**"Minimum Rating"** means:

- (a) in the case of DBRS: a minimum rating of 'A', where the rating of the relevant institution shall be calculated as the higher of:
  - (i) the rating one notch below the relevant institution's DBRS Critical Obligation Rating (COR); and
  - (ii) the long-term senior unsecured debt rating or the long-term deposit rating assigned by DBRS to the relevant institution;
- (b) in the case of Fitch: an entity whose "Issuer Default Rating" or "Deposit Rating" is at least 'F1' (short-term rating) or 'A-' (long-term rating) (or such other rating which will not affect the rating of the Rated Notes), or which is guaranteed by an entity, whose "Issuer Default Rating" is at least 'F1' (short-term rating) or 'A-' (long-term rating), and the relevant guarantee issued by such entity complies with the criteria then established for such purposes by Fitch.

**"Monte Titoli"** means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza 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 (as *intermediari aderenti*) in accordance with article 30 of Decree 213 and includes any depository banks approved by Euroclear and Clearstream.

**"Monthly Collection Period"** means:

- (a) prior to the service of a Trigger Notice, each period commencing on (but excluding) a Collection Date of each month and ending on (and including) the immediately following Collection Date;
- (b) following the service of a Trigger Notice, each period commencing on, and ending on, the dates determined by the Representative of the Noteholders; and
- (c) in the case of the first Monthly Collection Period, the period commencing on (and excluding) the Valuation Date in respect of the Initial Portfolio and ending on (and including) the Collection Date falling in August 2023.

**"Mortgage"** means each mortgage ("*ipoteca*") created on the relevant Real Estate Asset, pursuant to the Italian law, in order to secure the Receivables.

**"Mortgage Loan"** means each mortgage loan granted to a Debtor, on the basis of a Mortgage Loan Agreement pursuant to which the Issuer has title to enforce a Receivable (or portion thereof) against the relevant Debtor.

**"Mortgage Loan Agreement"** means each mortgage loan agreement (*contratto di mutuo fondiario residenziale*) entered into between the Originator and a Debtor, as amended from time to time.

**"Mortgage Loans List"** means the list of the Mortgage Loans out of which the Receivables arise, containing the following data: Mortgage Loan number, client code, Borrower residence, amount initially advanced, Outstanding Principal Due, payment frequency, interest rate type, kind of interest rate, base interest type, margin, origination date, initial maturity, amortisation type, mortgage lien, mortgage amount, originator name, interest rate, value of the Real Estate Asset, location of the Real Estate Asset, offsetable amount. The Mortgage Loan List in respect of the Initial Portfolio is attached to the Master Receivables Purchase Agreement as schedule 3.

**"Mortgagor"** means any person, either a Debtor or a third party, who has granted a Mortgage in favour of the Originator to secure the Receivables arising from any of the Mortgage Loans or any of his successors, transferees and assigns.

**"Most Senior Class of Notes"** means (i) the Class A1 Notes (ii) following the full repayment of all the Class A1 Notes, the Class A2 Notes; (iii) following the full repayment of all the Class A2 Notes, the Class J Notes.

**"Northern Italian Region"** means, jointly, Lombardia, Emilia Romagna, Friuli Venezia Giulia, Liguria, Piemonte, Trentino Alto Adige, Valle d'Aosta and Veneto.

**"Noteholders"** means, together, the Rated Noteholders and the Junior Noteholders.

**"Notes"** means, together, the Rated Notes and the Junior Notes.

**"Notes Further Payment"** means any further payment made by the Noteholders, during the Revolving Period, in accordance with the Subscription Agreements.

**"Notes Further Payment Date"** means the date on which any Notes Further Payments have to be paid to the Issuer in accordance with the Subscription Agreements, provided that any such date shall fall on the Payment Date immediately following the date of the relevant Notes Further Payment Request and, in any case, during the Revolving Period.

**"Notes Further Payment Request"** means the request of irrevocable order of payment made by the Issuer or the Calculation Agent (on behalf of the Issuer) with respect to the Notes Further Payments pursuant to the Subscription Agreements.

**"Notes Further Payment Request Date"** means the date on which a Notes Further Payment Request has been sent by the Issuer to the Noteholders, provided that any such date shall fall not later than 15 (fifteen) Business Days following the Valuation Date of the relevant Subsequent Portfolio.

**"Notes Initial Payment"** means the initial payment of (i) Euro 389,400,000 with respect to the Class A1 Notes, (ii) Euro 5,354,200,000 with respect to the Class A2 Notes, and (iii) Euro 746,400,000 with respect to the Class J Notes, made by the Underwriter in respect of the Notes on the Issue Date, in accordance with the Subscription Agreements.

**"Notice"** means any notice delivered under or in connection with any Transaction Document.

**"Obligations"** means all the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Organisation of the Noteholders**" means the organisation of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

"**Original LTV**" means for each Mortgage Loan the ratio between (i) the Outstanding Principal Due initially granted to the Debtor; and (ii) the then value of the Real Estate Asset.

"**Originator**" means ING Bank N.V., Milan Branch.

"**Other Issuer Creditors**" means the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Liquidity Facility Provider, the Corporate Services Provider, the Principal Paying Agent, the Account Banks, the Cash Manager, the Swap Counterparty and any other person who may from time to time accede to the Intercreditor Agreement in accordance with the terms thereof.

"**Outstanding Principal**" means, on any relevant date, in relation to any Receivable, the aggregate of the Principal Instalments not yet due on such date.

"**Outstanding Principal Due**" means, on any relevant date, in relation to any Receivable, the aggregate of (i) all Principal Instalments due but not paid on such relevant date, and (ii) the Principal Instalments not due yet due on such date.

"**Payment Date**" means (a) prior to the delivery of a Trigger Notice, the 6<sup>th</sup> calendar day (and if such calendar day is not a Business Day, the next succeeding Business Day) of January, April, July and October in each year, and (b) following the delivery of a Trigger Notice, any day, which has to be Business Day, on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post-Trigger Notice Priority of Payments, the Conditions and the Intercreditor Agreement, provided that the first Payment Date will fall on 6 October 2023.

"**Payments Report**" means the report setting out all the payments to be made on the following Payment Date under the relevant Priority of Payments, which shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement before the delivery of a Trigger Notice.

"**Portfolio**" means any of the Initial Portfolio or any Subsequent Portfolio of Receivables.

"**Post-Trigger Notice Priority of Payments**" means the Priority of Payments under Rated Notes Condition 7.2 (*Post-Trigger Notice Priority of Payments*) and in Junior Notes Condition 8.3 (*Post-Trigger Notice Priority of Payments*).

"**Post-Trigger Notice Report**" means the report to be delivered pursuant to clause 6.8.1 of the Cash Allocation, Management and Payments.

"**Pre-Trigger Notice Priority of Payments**" means the Priority of Payments under Rated Notes Condition 7.1 (*Pre-Trigger Notice Priority of Payments*) and in Junior Notes Condition 8.2 (*Pre-Trigger Notice Priority of Payments*).

**"Post Trigger Notice Report"** means the report to be delivered pursuant to paragraph 6.7.1 of the Cash Allocation, Management and Payments.

**"Premium"** means the amount, which may be payable on the Junior Notes on each Payment Date subject to the Junior Notes Conditions, determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority pursuant to the applicable Priority of Payment on such Payment Date.

**"Principal Amount Outstanding"** means, on any date, (i) the principal amount of a Note upon issue, minus (ii) the aggregate amount of all principal payments which have been paid prior to such date in respect of such Note.

**"Principal Available Funds"** means, in respect of any Payment Date, the aggregate of:

- (i) all amounts collected by the Servicer in respect of the Receivables on account of principal during the immediately preceding Collection Period and credited to the Main Transaction Account;
- (ii) the Interest Available Funds, if any, to be credited to the Principal Deficiency Ledger on such Payment Date under item *Seventh* of the Pre-Trigger Notice Interest Priority of Payments;
- (iii) any funds transferred under item *Eighth* of the Pre-Trigger Notice Interest Priority of Payments;
- (iv) all the proceeds deriving from the sale, if any, of the Master Portfolio in accordance with the Transaction Documents;
- (v) any amounts (if any) paid by the Originator to the Issuer pursuant to the Warranty and Indemnity Agreement including any amount advanced as limited recourse loan pursuant to clause 6.1 of the Warranty and Indemnity Agreement;
- (vi) any amounts (other than the amounts already allocated under other items of the Principal Available Funds and the Interest Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (excluding any amount, if any, received as Swap Collateral under the Swap Agreement, but including any proceeds deriving from the enforcement of the Issuer's rights under the Transaction Documents);
- (vii) any part of the Commingling Risk Amounts to be applied as indemnity for losses of scheduled principal on the Receivables as a result of commingling risk, to the extent relating to principal; and
- (viii) the proceeds deriving from the Notes Initial Payment and any Notes Further Payments made in respect of the Notes.

**"Principal Deficiency"** means, on any Calculation Date and in respect of the immediately preceding Collection Period, any Realised Loss.

**"Principal Deficiency Ledger"** means the ledger maintained by the Calculation Agent, on which any Principal Deficiency shall be recorded on each Payment Date.

**"Principal Instalment"** means the principal component of each Instalment.

**"Principal Paying Agent"** means ING Bank N.V. or any other entity appointed to act as such pursuant to the Cash Allocation, Management and Payments Agreement.

**"Principal Payment Amount"** shall have the meaning ascribed to it in Rated Notes Condition 9.6 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*) and in Junior Notes Condition 9.6 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*), as the case may be.

**"Principal Priority of Payments"** means the Priority of Payments under Rated Notes Condition 7.1.2 (*Principal Priority of Payments*).

**"Priority of Payments"** means the order of priority (being the Principal Priority of Payments and the Interest Priority of Payments) pursuant to which the Issuer Available Funds shall be applied on each Payment Date prior to and/or following the service of a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

**"Privacy Law"** means the Legislative Decree 30 June 2003, n. 196 (as amended and supplemented from time to time), Regulation EU n. 2016/679 of the European Parliament and of the Council of 27 April 2016 and the related implementing legislation and any other legislative act or provision of an administrative or regulatory nature - adopted by the Italian privacy guarantor ("*Garante per la protezione dei dati personali*") and/or other competent authority - in force from time to time during the term of the Securitisation.

**"Prospectus"** means the prospectus dated on or about the Issue Date prepared in connection with the issue of the Notes by the Issuer.

**"Prospectus Regulation"** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended from time to time.

**"Purchase Price"** has the meaning ascribed to such term under clause 4.1.1. of the Master Receivables Purchase Agreement.

**"Purchase Termination Event"** has the meaning ascribed to such term in clause 8.1 of the Master Receivables Purchase Agreement.

**"Purchase Termination Notice"** means the notice to be delivered by the Representative of the Noteholders upon occurrence of a Purchase Termination Event in accordance with the terms of the Master Receivables Purchase Agreement.

**"Quarterly Collection Date"** means the last calendar day of November, February, May and August of each year, provided that the first Quarterly Collection Date shall be the last day of August 2023.

**"Quarterly Collection Period"** means:



- (i) prior to the service of a Trigger Notice, each period commencing on (but excluding) a Quarterly Collection Date and ending on (and including) the immediately following Quarterly Collection Date;
- (ii) following the service of a Trigger Notice, each period commencing on, and ending on, the dates determined by the Representative of the Noteholders; and
- (iii) in the case of the first Quarterly Collection Period, the period commencing on (but excluding) the Valuation Date in respect of the Initial Portfolio and ending on (and including) the Collection Date falling in August 2023.

"**Quarterly Delinquency Ratio**" means at any Quarterly Collection Date the ratio between (i) the Outstanding Principal Due of all the Mortgage Loans included in the Master Portfolio and classified as Delinquent Receivables; and (ii) the Outstanding Principal Due of all the Mortgage Loans included in the Master Portfolio.

"**Quarterly Delinquency Trigger**" means 1.25%.

"**Quotaholder**" means Stichting Leone Arancio.

"**Rata Costante**" means any Mortgage Loan, with fixed Instalment and variable maturity, whose rate is fixed for the first ten years and thereafter floating until maturity.

"**Rated Noteholders**" means the holders from time to time of any of the Rated Notes.

"**Rated Notes**" means each of the Class A1 Notes and the Class A2 Notes.

"**Rated Notes Conditions**" means the terms and conditions of the Rated Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or document expressed to be supplemental thereto and any reference to a particular numbered Rated Notes Condition shall be construed accordingly.

"**Rated Notes Subscription Agreement**" means the subscription agreement in relation to the Rated Notes entered into on or about the Issue Date between the Issuer, the Underwriter and the Representative of the Noteholders.

"**Rating Agencies**" means, collectively, DBRS and Fitch.

"**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.

"**Receivables**" means all rights and claims of the Issuer arising out from any Mortgage Loan Agreement and the Insurance Policies existing or arising from the Valuation Date (included), including without limitation:

- (a) all rights and claims in respect of the repayment of the outstanding principal;
- (b) all rights and claims in respect of the payment of interest (including the default interest) accruing on the Mortgage Loans;

- (c) all rights and claims in respect of payments of any amount deriving from damages suffered, costs, expenses, taxes and ancillary amounts incurred;
- (d) all rights and claims in respect of each Mortgage and any other guarantee and security relating to the relevant Mortgage Loan Agreement;
- (e) all rights and claims under and in respect of the Insurance Policies; and
- (f) the privileges and priority rights (*diritti di prelazione*) transferable pursuant to the Securitisation Law supporting the aforesaid rights and claims, as well as any other right, claim and action (including any legal proceeding for the recovery of suffered damages), substantial and procedural action and defence inherent or otherwise ancillary to the aforesaid rights and claims, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*).

"**Recoveries**" means any amounts received or recovered by the Servicer in relation to any Defaulted Receivables and any amounts received or recovered by the Servicer in relation to any Delinquent Receivable.

"**Reference Bank**" means, initially, ING Bank N.V. and, if any such bank is unable or unwilling to continue to act as a Reference Bank, such other bank the Issuer shall appoint and as may be approved in writing by the Representative of the Noteholders to act in its place.

"**Regulatory Technical Standards**" means the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation.

"**Reporting Entity**" means ING Bank N.V., Milan Branch.

"**Representative of the Noteholders**" means TMF Trustee Limited or any other person for the time being acting as such pursuant to the Transaction Documents.

"**Repurchase Option Amount**" has the meaning ascribed to such term under clause 14.2.3 of the Master Receivables Purchase Agreement.

"**Reserve Advance**" has the meaning ascribed to such term under clause 2.1.3 of the Liquidity Facility Agreement.

"**Retention Amount**" means an amount equal to Euro 50,000.

"**Revolving Advance**" has the meaning ascribed to such term under clause 2.1.1 of the Liquidity Facility Agreement.

"**Revolving Period**" means the period commencing on the Issue Date and ending on the Revolving Period End Date.

"**Revolving Period End Date**" means the earlier of (i) the Payment Date falling in January 2027; and (ii) the date on which the Representative of the Noteholders serves a Trigger Notice or a Purchase Termination Notice on the Issuer.

**"Rules of the Organisation of the Noteholders"** means the rules of the organisation of the Noteholders attached as exhibit to the Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

**"Scheduled Collection"** means any amount expected to be received by the Servicer, or any other person on its behalf, in respect of the Instalments due under the Receivables in accordance with the relevant Mortgage Loan Agreement.

**"Scheduled Instalment Date"** means any date on which an Instalment is due pursuant to each Mortgage Loan Agreement.

**"Scheduled Interest"** means any amount expected to be received by the Servicer, or any other person on its behalf, in respect of the Interest Instalments due under the Receivables.

**"Securities Act"** means the U.S. Securities Act of 1933, as amended.

**"Securitisation"** means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law.

**"Securitisation Law"** means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

**"Securitisation Regulation Investor Report"** means the securitisation regulation investor report to be prepared by the Calculation Agent in accordance with the Cash, Allocation Management and Payments Agreement.

**"Securitisation Regulation Report Date"** means the date falling one month following each Payment Date starting from the Payment Date falling on October 2023.

**"Securitisation Repository"** means the authorised securitisation repository for this transaction, namely European DataWarehouse GmbH (<https://eurodw.eu/>).

**"Security Assignment"** means the English law security assignment entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as amended and supplemented from time to time.

**"Security Interest"** means: (i) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person; and (ii) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or any other type of preferential arrangement having a similar effect.

**"Servicer"** means ING Bank N.V., Milan Branch or any other person for the time being acting as such pursuant to the Servicing Agreement.

**"Servicer's Report"** means the monthly report to be prepared by the Servicer in accordance with the Servicing Agreement.

**"Servicer's Report Date"** means the date falling on the 6<sup>th</sup> calendar day of each calendar month (and if such day is not a Business Day, the next succeeding Business Day).

**"Servicing Agreement"** means the agreement entered into on 1 September 2023 between the Issuer and the Servicer.

**"Sole Affected Party"** means an Affected Party as defined in the Swap Agreement which at the relevant time is the only Affected Party under the Swap Agreement.

**"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.

**"Southern Italian Region"** means collectively Basilicata, Calabria Campania, Molise, Puglia, Sicily and Sardinia.

**"Specific Criteria"** means the criteria listed in schedule 2 to the Master Receivables Purchase Agreement.

**"Stock Exchange"** means the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*).

**"Subscription Agreements"** means collectively the Rated Notes Subscription Agreement and the Junior Notes Subscription Agreement.

**"Subsequent Portfolio"** means each further portfolio of Receivables purchased by the Issuer in accordance with the terms of the Master Receivables Purchase Agreement and pursuant to each relevant Subsequent Portfolio Transfer Agreement.

**"Subsequent Portfolio Effective Date"** has the meaning ascribed to such term in clause 9.2 of the Master Receivables Purchase Agreement.

**"Subsequent Portfolio Offer Date"** means, during the Revolving Period and with respect to the relevant Subsequent Portfolio, the date falling no later than the 5<sup>th</sup> Business Day prior to a Payment Date.

**"Subsequent Portfolio Transfer Agreement"** has the meaning ascribed to such term in clause 6.2.2 of the Master Receivables Purchase Agreement.

**"Subsequent Portfolio Transfer Proposal"** has the meaning ascribed to such term in clause 6.1 of the Master Receivables Purchase Agreement.

**"Supervisory Regulations of the Bank of Italy"** means the supervisory instructions for the banks issued by the Bank of Italy.

**"Swap Agreement"** means the swap agreement entered into between the Issuer and the Swap Counterparty comprising a 1992 ISDA Master Agreement and Schedule thereto, a 1995 ISDA Credit Support Annex thereto and the transactions effected thereunder in respect of the Class

A Notes (or such replacement swap agreement as the Issuer may enter into in accordance with the Transaction Documents).

**"Swap Collateral"** means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by the Swap Counterparty to the Issuer in respect of such Swap Counterparty's obligations to transfer collateral to the Issuer under the Swap Agreement.

**"Swap Collateral Account"** means the Euro denominated account established in the name of the Issuer with the Dutch Account Bank with number NL34INGB0675952832), or such substitute account as opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Swap Counterparty"** means ING Bank N.V., Milan branch, or any other person for the time being acting as such pursuant to the Swap Agreement.

**"Swap Tax Credit Amount"** means any tax credit payable by the Issuer to a Swap Counterparty pursuant to the Swap Agreement.

**"Swap Transaction"** means the interest rate swap transaction made pursuant to a Swap Agreement.

**"Tax"** means any present or future tax, levy, impost, duty charge, fee, deduction or withholding of whatever nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

**"Total Nominal Amount"** means the aggregate of the Class A1 Notes Nominal Amount, the Class A2 Notes Nominal Amount, and the Class J Notes Nominal Amount.

**"Transaction Documents"** means, together, the Master Receivables Purchase Agreement (and any Subsequent Portfolio Transfer Agreement), the Servicing Agreement, the Warranty and Indemnity Agreement, the Rated Notes Subscription Agreement, the Junior Notes Subscription Agreement, the Liquidity Facility Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payments Agreement, the Dutch Deed of Pledge, the Swap Agreement, the Security Assignment, the Mandate Agreement, the Corporate Services Agreement, the Master Definitions Agreement, the Conditions, the Prospectus and any other document which may be deemed to be necessary in relation to the Securitisation.

**"Transaction Party"** means any party to the Transaction Documents.

**"Trigger Event"** means any of the following events as described in Rated Notes Condition 13 (*Trigger Events*) and in Junior Notes Condition 14 (*Trigger Events*).

**"Trigger Notice"** means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Rated Notes Condition 13 (*Trigger Events*) and in Junior Notes Condition 14 (*Trigger Events*).

**"Underwriter"** means ING Bank N.V., Milan Branch.

**"Unpaid Instalment"** means an Instalment which, at a given date, is due but not fully paid and remains such for at least 30 (thirty) days, following the date on which it should have been paid under the terms of the relevant Mortgage Loan.

**"Unscheduled Collection"** means any amount, different from the Instalments, received by the Servicer, or any other person on its behalf, in respect of the Receivables.

**"Usury Law"** means Law number 108 of 7 March 1996, as subsequently amended and supplemented, and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000.

**"Valuation Date"** means (i) in respect of the Initial Portfolio, 31 May 2023 (included), and (ii) in respect of each Subsequent Portfolio a date falling not earlier than 60 calendar days prior to the relevant Subsequent Portfolio Offer Date.

**"VAT"** means:

- (a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to Italy, value added tax imposed by Presidential Decree No. 633 of 26 October 1972 and Legislative Decree No. 331 of 30 August 1993); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

**"Warranty and Indemnity Agreement"** means the agreement entered into on 1 September 2023 between the Issuer and the Originator.

**"Weighted Average Interest Rate"** means as at the relevant Valuation Date the ratio between (A) and (B), where:

- (A) is the product, calculated on an aggregate basis, of (i) the Outstanding Principal Due of each Receivable and (ii) in respect of each such Receivable, the relevant interest rate applicable for the calculation of the Interest Instalment scheduled to be paid at the Scheduled Instalment Date immediately following the relevant Valuation Date; and
- (B) is the aggregate of the Outstanding Principal Due of all the Receivables.

**"Weighted Average Margin"** means as at relevant date, the weighted average interest rate payable on the Notes on the immediately following Payment Date, weighted by the Principal Amount Outstanding of the Notes.

**"Write-off Amount"** means, at any date and with respect to any Defaulted Receivables included in the Master Portfolio, the actual loss suffered by the Issuer with respect to the Outstanding Principal Due, after completion of any (i) out of court settlement; or (ii) in court settlement, as specified in the relevant Servicer's Report.

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