



## AMCO – ASSET MANAGEMENT COMPANY S.p.A

(incorporated with limited liability in the Republic of Italy)

€6,000,000,000

### Euro Medium Term Note Programme

Under this €6,000,000,000 Euro Medium Term Note Programme (the “**Programme**”), AMCO – Asset Management Company S.p.A. (“**AMCO**” or the “**Issuer**”) may from time to time issue senior unsubordinated notes (the “**Notes**”) denominated in euro or any other currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed €6,000,000,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency), subject to increase as described herein, in compliance with the relevant provisions of the Programme Agreement as defined under “*Subscription and Sale*”. Notes issued under the Programme will not have denominations of less than €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*General Description of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”, which term shall include the Arranger (as defined below), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus (as defined below) to the “**relevant Dealer**” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “*Risk Factors*”.**

This Base Prospectus has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 6(4) of the Luxembourg Law dated 16 July 2019. This Base Prospectus will be published in electronic form, together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

References in this Base Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange’s regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended) (“**MiFID II**”).

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date of approval (being 27 July 2021) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the “**EEA**”). The end of the validity of the Base Prospectus is 27 July 2022.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information not contained herein which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the “**Final Terms**”) or, as the case may be, the Drawdown Prospectus. Copies of Final Terms (or, as the case may be, the Drawdown Prospectus) in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Notes issued under the Programme may be rated or unrated. As at the date of this Base Prospectus, Fitch Ratings Limited (“**Fitch Ratings**”) has assigned ‘BBB-’ / ‘F3’ long- and short-term ratings to Notes issued under the Programme. Fitch Ratings is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”). Fitch Ratings appears on the latest update of the list of registered credit rating agencies (as of 18 March 2019 on the ESMA website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger and Dealer

**Morgan Stanley**

The date of this Base Prospectus is 27 July 2021.

## IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus in respect of all Notes for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein (see “*Documents Incorporated by Reference*”) and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms (or Drawdown Prospectus, as the case may be).

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

The Issuer will offer Notes issued under the Programme through Morgan Stanley & Co. International plc (as a Dealer) and/or any additional dealers appointed from time to time under the Programme, for a specific Tranche of Notes or on an ongoing basis (together with Morgan Stanley & Co. International plc as a Dealer, the Dealers). The details of the relevant Dealer(s) relating to a specific Tranche of Notes will be given in the relevant Final Terms or, as the case may be, Drawdown Prospectus.

The Issuer has confirmed to the Dealers named under “*Subscription and Sale*” below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and no representation, warranty or undertaking, express or implied, is made by any of the Dealers or any of their respective affiliates and no responsibility or liability is accepted by any of the Dealers or by any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or of any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial

or otherwise) of the Issuer and its subsidiaries (the “**Group**”) and of the rights attaching to the relevant Notes and reach its own view, based upon its own judgement and upon advice from such financial, legal and tax advisers as it has deemed necessary, prior to making any investment decision. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus or any Final Terms, nor the offering, sale or delivery of any Notes, shall in any circumstances imply that the information contained in this Base Prospectus is correct at any time subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date hereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see “*Subscription and Sale*”).

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Final Terms may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the Republic of Italy), the United Kingdom and Japan, see “*Subscription and Sale*”.

**MiFID II product governance / target market** – The Final Terms or Drawdown Prospectus in respect of any Notes will include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the 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 target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR product governance / target market** - The Final Terms or Drawdown Prospectus in respect of any Notes will include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor (as defined above) should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR product governance rules set out in 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 target

market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**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 MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; 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 domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (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.

**Product Classification Pursuant to Section 309B of the Securities and Futures Act (Chapter 289 of Singapore)** – The Final Terms in respect of any Notes may include a legend entitled “Singapore Securities and Futures Act Product Classification” which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the “**SFA**”). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for the purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to “relevant persons” for the purposes of section 309B(1)(c) of the SFA.

## **PRESENTATION OF INFORMATION**

All references in this document to U.S. dollars, U.S.\$ and \$ refer to United States dollars, and references to euro, Euro and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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.

## SUITABILITY OF THE NOTES AS AN INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any supplement thereto;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from its own currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by competent authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) Notes are legal investments for it; (2) Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase of the Notes. Investors that are financial institutions should consult their legal advisers to determine the appropriate treatment of Notes under applicable risk-based capital or similar rules.

## FORWARD-LOOKING STATEMENTS

**This Base Prospectus, including, without limitation, any documents incorporated by reference herein, may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “will”, “would” or similar words. These statements are based on the Issuer’s current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer’s strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.**

## INDUSTRY AND MARKET DATA

Certain information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Issuer’s business contained in this Base Prospectus consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Issuer’s knowledge of sales and markets. In many cases, there is no readily available external information (whether from government bodies or other organisations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. In respect of information in this Base Prospectus that has been extracted from a third party, the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources.

## ALTERNATIVE PERFORMANCE MEASURES

This Base Prospectus, and the documents incorporated by reference hereto, contains certain alternative performance measures (“APMs”), complete with an explanation of the criteria used to construct them, in addition to the IFRS financial indicators obtained directly from the audited financial statements of the Issuer for the year ended 31 December 2020 incorporated by reference into this Base Prospectus under the section “*Documents Incorporated by Reference*”, and which is useful to present the results and the financial performance of the Issuer.

For information regarding the APMs, including an explanation of the criteria used to construct them, see paragraph headed “*Alternative Performance Measures*” in the section headed “*Description of the Issuer*”.

The Issuer believes that these APMs provide useful supplementary information to investors and that they are commonly used measures of financial performance complementary to, rather than a substitute for, IFRS financial indicators, since they facilitate operating performance and cash flow comparisons from period to period, time to time and company to company.

It should be noted that these financial measures are not recognised as a measure of performance or liquidity under IFRS and should not be recognized as an alternative to operating income or net income or any other performance measures recognised as being in accordance with IFRS.

These measures are not indicative of the historical operating results of the Issuer, nor are they meant to be predictive of future results. Since all companies do not calculate these measures in an identical manner, the Issuer’s presentation may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on such data.

## RATINGS

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms (or Drawdown Prospectus, as applicable). Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or by a credit rating agency which is certified under the CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms (or Drawdown Prospectus, as applicable).

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 EEA and registered under the CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. In general, UK 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 UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

## BENCHMARKS

Interest and / or other amounts payable under the Notes may be calculated by reference, *inter alia*, to EURIBOR or CMS, or such other reference rate as specified in the relevant Final Terms. As at the date of this Base Prospectus, EURIBOR is provided and administered by the European Money Markets Institute (“**EMMI**”). At the date of this Base Prospectus, EMMI is authorised as a benchmark administrator, and included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”). The

registration status of any administrator under the Benchmarks Regulation and Regulation (EU) No 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”) is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

***Legal investment considerations may restrict certain investments*** - The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by competent authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) Notes are legal investments for it; (2) Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase of the Notes. Investors that are financial institutions should consult their legal advisers to determine the appropriate treatment of Notes under applicable risk-based capital or similar rules.

Neither the Issuer, the Dealers, nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

## **STABILISATION**

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

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## GENERAL DESCRIPTION OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and the relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplemental Base Prospectus will be published.*

*This description constitutes a general description of the Programme for the purposes of Article 25 of the Commission Regulation (EU) No. 2019/980 (as amended). Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this overview.*

<b>“Issuer”</b>	AMCO – Asset Management Company S.p.A.
<b>“Description”</b>	€6,000,000,000 Euro Medium Term Note Programme
<b>“Arranger”</b>	Morgan Stanley & Co. International plc
<b>“Dealers”</b>	Morgan Stanley & Co. International plc and any other Dealers appointed in accordance with the Programme Agreement.
<b>“Certain Restrictions”</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”).
<b>“Fiscal Agent”</b>	Deutsche Bank AG, London Branch
<b>“Listing Agent”</b>	Deutsche Bank Luxembourg S.A.
<b>“Programme Size”</b>	Up to €6,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>“Issuance in Series”</b>	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will also be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
<b>“Currencies”</b>	Notes may be denominated in euro or in any other currency or currencies agreed between the Issuer and the relevant Dealer, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>“Distribution”</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>“Maturities”</b>	Any maturity of one year or more, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. No Notes having a maturity of less than one year and one day will be issued under the Programme.
<b>“Issue Price”</b>	Notes will be issued on a fully-paid basis and at any issue price, as specified in the relevant Final Terms.

**“Final Terms or Drawdown Prospectus”**

Notes issued under the Programme may be issued either: (1) pursuant to this Base Prospectus and the relevant Final Terms or (2) pursuant to a Drawdown Prospectus.

**“Form of Notes”**

The Notes will be issued in bearer form as described in “*Form of the Notes*”.

**“Interest”**

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate, or interest may initially accrue at a fixed rate and then change to a floating rate, or interest may initially accrue at a floating rate and then change to a fixed rate or otherwise. If specified in the relevant Final Terms, the Issuer may have the option of switching the interest basis between fixed rate and floating rate and vice versa in respect of different periods, upon prior notification of such switch in interest basis to Noteholders.

**“Fixed Rate Notes”**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as specified in the relevant Final Terms.

**“Floating Rate Notes”**

Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc., including, if specified in the relevant Final Terms, the ISDA Benchmark Supplement; or
- (b) on the basis of a reference rate referred to in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

**“Other provisions in relation to Floating Rate Notes”**

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as specified in the relevant Final Terms.

**“Zero Coupon Notes”**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

**“Benchmark discontinuation”**

On the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions and following consultation with an Independent Adviser) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments (each term as defined in the Conditions) in accordance with Condition 5.3 of the Terms and Conditions of the Notes.

**“Redemption”**

The relevant Final Terms will specify the redemption amount. Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount.

The Final Terms relating to each Tranche of Notes will indicate either that the Notes of that Tranche cannot be redeemed prior to their stated maturity or that such Notes will be redeemable prior to such stated maturity at the option of the Issuer on such terms as are indicated in the Terms and Conditions of the Notes and the applicable Final Terms.

The Notes may be redeemed at the option of the Issuer for tax reasons.

Other than, if any, in respect of Zero Coupon Notes, no Series of Notes will be redeemed below its principal amount under any circumstances.

**“Issuer Call”**

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject to the provisions of the relevant Terms and Conditions, redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount (Call) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

**“Investor Put”**

If Investor Put is specified as being applicable in the applicable Final Terms, holders of the Notes will have the right, subject to the provisions of the Terms and Conditions, to require redemption of the Notes.

**“Clean-Up Call Option”**

If Clean-Up Call Option is specified as being applicable in the applicable Final Terms, in the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased and cancelled by the Issuer, the Issuer may, subject to the provisions of the relevant Terms and Conditions and having given not less than 30 nor more than 60 days’ notice to the Noteholders, redeem all, but not some only, of the relevant Notes at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

**“Three-Month par Call Option”**

If Three-Month par Call Option is specified as being applicable in the applicable Final Terms, the Issuer may, at any time during the period starting three months prior to (but excluding) the relevant Maturity Date, subject to the provisions of the relevant Terms and Conditions and having given not less than 30 nor more than 60 days’ notice to the Noteholders, redeem all, but not some only, of the relevant Notes at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

**“Denomination of Notes”**

The Notes will be issued in such denominations as specified in the relevant Final Terms save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “*Certain Restrictions*” above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**“Taxation”**

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax

Jurisdiction as provided in the Terms and Conditions of the Notes. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in the Terms and Conditions of the Notes, be required to pay additional amounts to cover the amounts so deducted, as set out in Condition 9 (*Taxation*) of the Terms and Conditions of the Notes.

**“Cross Default”**

The terms of the Notes will contain a cross default provision as further described in Condition 10(c) (*Cross Default of Issuer*) of the Terms and Conditions of the Notes.

**“Status of the Notes”**

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations of the Issuer, from time to time outstanding

**“Rating”**

Notes issued under the Programme may be rated or unrated. As at the date of this Base Prospectus, Fitch Ratings Limited (**“Fitch Ratings”**) has assigned ‘BBB-’ / ‘F3’ long- and short-term ratings to Notes issued under the Programme.

However, the ratings assigned by any rating agency may change from time to time.

Any rating applicable to any Tranche of Notes issued under the Programme will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or by a credit rating agency which is certified under the CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms.

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 EEA and registered under the CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. In general, UK 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 UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

The European Securities and Markets Authority (**“ESMA”**) is obliged to maintain on its website,

<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>, a list of credit rating agencies registered and certified in accordance with the CRA Regulation.

**“Listing, admission to trading and approval”**

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and to be admitted to the Official List of the Luxembourg Stock Exchange. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**“Governing Law”**

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law. Condition 14.1 (*Meetings of Noteholders*) of the Notes and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of the Noteholders’ Representative are subject to compliance with the laws of the Republic of Italy.

**“Selling Restrictions”**

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the Republic of Italy), the United Kingdom and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “*Subscription and Sale*”.

**“United States Selling Restrictions”**

Regulation S Category 1 or 2, TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

## **RISK FACTORS**

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry(ies) in which it operates together with all other information contained in this Base Prospectus, including, in particular, the risk factors described below, including any document incorporated by reference herein.*

*The Issuer believes that the following risk factors may affect its ability to fulfil its obligations under the Notes issued under the Programme and/or may have a negative impact on the price of the Notes resulting in a partial or total loss of the investment of the Noteholders. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, 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. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including, without limitation, any documents incorporated by reference herein) and reach their own views prior to making any investment decision, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary.*

*References in these “Risk Factors” to the “Terms and Conditions” are to the Terms and Conditions of the Notes appearing elsewhere in this Base Prospectus and as completed by the Final Terms of the relevant Tranche of Notes. Words and expressions defined in “Applicable Final Terms”, “Terms and Conditions of the Notes” or elsewhere in this Base Prospectus have the same meaning in this section. Prospective investors should read the entire Base Prospectus.*

### **Risk Factors relating to the Issuer**

The risks below have been classified into the following categories:

1. Risks relating to the Issuer’s financial position;
2. Risks relating to the Issuer’s business activity and industry;
3. Risks relating to the legal and regulatory environment of the Issuer;
4. Risks relating to legal proceedings involving the Issuer;
5. Risks relating to the internal control of the Issuer.

#### **1. Risks relating to the Issuer’s financial position**

##### ***The economic conditions of Italy***

AMCO is exposed to the economic, market and fiscal conditions of Italy, the main market in which it operates. If the Italian economy suffers a material downturn for a prolonged period of time, this could increase unemployment levels in general and may also affect assigned debtors. This would, in turn, have a negative impact on recoveries of AMCO’s receivables under management due to the inability of assigned debtors to make payments. In addition to purchasing non-performing receivables owed by debtors that are already insolvent or in similar circumstances, AMCO’s core business also focuses on portfolios that comprise unlikely-to-pay (“**UTP**”) and past due (“**PD**”) receivables and various economic trends, in particular downward macroeconomic factors, may contribute to a worsening of these assigned debtors’ economic conditions and therefore prejudice their ability to pay amounts owing in respect of the assigned receivables, including in relation to any new disbursements or new lines of credit that AMCO may - with a view to maximising the realisation value of the UTP/PD Commitments - decide to grant to the assigned debtors.

Global markets currently remain characterised by high volatility and any further acceleration of the European sovereign debt crisis could likely significantly affect, among other things, the conditions of the Italian economy. In light of its significant exposure to the Italian economy, any deterioration, or delay in the recovery, of the Italian economy could have a negative impact on AMCO's business and reputation, results of operations or financial conditions and the performance by the Issuer of its obligations under the Notes.

***The Notes are neither secured nor the subject of a guarantee***

No security interest has been created by AMCO for the benefit of the Noteholders in order to secure their rights under the Notes, nor will any guarantee be issued by the Republic of Italy or any other entity in favour of the Noteholders. Consequently, the Issuer will meet its payment obligations under the Notes through the result of its business activities (see further "*Description of the Issuer – Business*"). In particular, payments of interest and principal under the Notes are envisaged to be paid out of the general assets (*Patrimonio Generale*) of AMCO. The BPVi/VB Receivables form part of dedicated asset pools (*Patrimoni Destinati*) that have been constituted by AMCO, which are segregated from the general assets (*Patrimonio Generale*) of the Issuer. These dedicated asset pools are not generally available to AMCO to pay interest, principal or other amounts under the Notes, unless (and to the extent) made available to AMCO *Patrimonio Generale* in accordance with the Receivables Transfer Agreements, and Noteholders will not have any claims against such *Patrimonio Destinato*. See further risk factor "*The BPVi/VB Liquidators have a claim over the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato*" below.

***The BPVi/VB Liquidators have a claim over the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato***

Noteholders will not have any recourse to assets forming part of the Gruppo Vicenza *Patrimonio Destinato* and the Gruppo Veneto *Patrimonio Destinato* which have been constituted by AMCO pursuant to Law Decree no. 99 of 25 June 2017 and Law Decree no. 221 of 22 February 2018 issued by the Italian Ministry of the Economy and Finance (see further "*Description of the Issuer – History*" and "*Regulatory Framework – Assignment of the BPVi/VB Receivables to the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato*"), or to any other dedicated asset pools that may be constituted by AMCO in the future, save to the extent any part of the assets forming part of each such dedicated asset pool will be paid by such *patrimonio destinato* to the *Patrimonio Generale* of AMCO or will otherwise be made available to meet payments in respect of the Notes. The claim of the BPVi/VB Liquidators for the purchase price of the BPVi/VB Receivables is to be met by the Gruppo Vicenza/Gruppo Veneto *Patrimonio Destinato* out of the amounts recovered in respect of the receivables, net of certain other items to be paid out of such recoveries including, *inter alia*, the periodic amount due and payable to AMCO (see description of AMCO's Share of Recoveries in "*Description of the Issuer – Acquisition of the BPVi/VB Receivables – AMCO's Share of Recoveries*"). Given that AMCO's Share of Recoveries is calculated as a percentage of the gross book value of the receivables, it is expected to provide AMCO with a steady source of income - regardless of the performance of the BPVi/VB Receivables - sufficient to enable AMCO to meet the periodical payments of interest and, upon scheduled maturity, the repayment of principal under Notes that AMCO resolves to issue from time to time under the Programme. In addition, pursuant to the Receivables Transfer Agreements, amounts in respect of loans or financial instruments obtained or issued (also on account of the Gruppo Vicenza/Gruppo Veneto *Patrimonio Destinato*) by AMCO, to the extent attributed from time to time to each of the Gruppo Vicenza/Gruppo Veneto *Patrimonio Destinato*, are to be deducted from the recoveries before any Purchase Price Instalment will be paid to the BPVi/VB Liquidators. This means that if net proceeds from the issuance of the Notes are being on-lent by AMCO to the Gruppo Vicenza *Patrimonio Destinato* and/or the Gruppo Veneto *Patrimonio Destinato*, the related portion of the interest and principal (re)payments arising thereunder will be attributed to the Gruppo Vicenza *Patrimonio Destinato* or, as the case may be, the Gruppo Veneto *Patrimonio Destinato*. See further "*Description of the Issuer – Acquisition of the BPVi/VB Receivables – Purchase Price*". To the extent that net proceeds from the issuance of the Notes are not on-lent to the Gruppo Vicenza/Gruppo Veneto *Patrimonio Destinato*, they will remain part of AMCO's *Patrimonio Generale*.

***Inability to recover the expected amounts on receivables under management and forecasted cash flows may prove inaccurate***

AMCO makes assumptions of gross recoveries and recovery costs of its receivables under management, which may differ (also significantly) from the actual levels of recoveries and costs incurred.

A decrease, or delay, of the expected recoveries could have a direct impact on the revenues and cash flow of AMCO. In particular, forecasted recoveries of receivables and related cash flows are based on a number of assumptions, including analysis of historical recoveries of these receivables whilst under management by their originators. Historical recoveries are influenced by factors such as the then prevailing general economic conditions and applicable legislation which are subject to changes, as well as by the recovery strategies adopted by the originators which are not indicative of the strategy to be adopted by AMCO's recovery and servicing teams. These considerations have been duly factored in when developing AMCO's projections, however there can be no assurance that there will be no significant shortfalls between the forecasted recoveries of portfolios on the one hand, and the timing and amount of actual recoveries on the other hand.

In addition, there can be no assurance that any of the current or future claims comprised in the receivables under management by AMCO will eventually be collected. Amounts recovered may be less, and the recovery period may be significantly longer, than expected. In the case of the BPVi/VB Receivables in particular, these receivables have been assigned to the Gruppo Vicenza/Gruppo Veneto Patrimoni Destinati in the absence of prior due diligence on a significant portion of the portfolios and it has not been possible for AMCO to verify the integrity or completeness of the documentation underlying the receivables. These factors, together with defects and shortcomings in the historical database as well as other critical issues and potential difficulties and delays that might arise in the context of the migration process, could compromise the ability of AMCO to administer efficiently and to recover these receivables. This difficulty has been expressly acknowledged by the BPVi/VB Liquidators in the Receivables Transfer Agreements, and the agreements furthermore expressly provide that in no circumstances shall the Gruppo Vicenza/Gruppo Veneto Patrimoni Destinati be liable towards the BPVi/VB Liquidators for the failure to recover (in whole or in part) the BPVi/VB Receivables as a result, *inter alia*, of the invalidity or non-existence of any BPVi/VB Receivables or of the cessation of any collateral or privileges assisting the BPVi/VB Receivables.

Furthermore, AMCO receives a payment for its management of the BPVi/VB Receivables that is calculated on the basis of the gross book value of the receivables, such amount is therefore determined not on the basis of the actual recoveries. To this end, even though AMCO's Share of Recoveries is calculated as a percentage of such receivables' gross book value and therefore not directly linked to the actual amounts recovered, AMCO's Share of Recoveries are nonetheless intended to be paid out of recoveries on the BPVi/VB Receivables, which are meant to fund also (*inter alia*) interest and other amounts relating to loans or financial instruments obtained or issued by AMCO, to the extent allocated to each of the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato, as well as costs and expenses (including legal fees) incurred in connection with the ownership, management, recovery and realisation of the BPVi/VB Receivables. Accordingly, if the BPVi/VB Portfolios fail to generate an adequate level of recoveries, there may not be sufficient resources to meet the payment of those amounts (including AMCO's Share of Recoveries, costs and expenses (including legal fees) incurred in connection with the ownership, management, recovery and realisation of the BPVi/VB Receivables and, to the extent all or part of the proceeds from issuance of Notes will be allocated to either Patrimonio Destinato, the related amount of interest payments on the Notes) intended to be paid out of these recoveries. If AMCO does not receive promptly the AMCO's Share of Recoveries or any other amounts owing to AMCO by the Gruppo Vicenza/Gruppo Veneto Patrimoni Destinati, or if recoveries from its other receivables under management fail to provide AMCO with adequate revenues to fund its operating costs, AMCO may – in the absence of other liquidity available to meet the shortfall in its revenues – experience difficulties covering its fixed costs and may have to take measures to reduce costs, including cuts in its debt recovery personnel. Any such move could lead to disruptions in AMCO's operations, and could potentially adversely affect AMCO's financial condition and its ability to meet payments under the Notes.

### ***Risks relating to acquisition of the BPVi/VB Portfolios***

The acquisition of the BPVi/VB Portfolios involves risks due to the difficulties inherent in taking on new receivables under management. The size of the BPVi/VB Portfolios – significantly larger than the portfolios previously managed by AMCO, comprised primarily of the residual Banco di Napoli Receivables – represents a significant challenge to AMCO's management to plan, organise, follow up on and control its recovery operations and to continuously monitor developments. In particular, the onboarding of the BPVi/VB Portfolios has involved an expansion of AMCO's organisational structure and information technology infrastructure as well as a series of other actions. See further “*Description of the Issuer – AMCO's Portfolio Management Platform*”. AMCO may face delays or difficulties in implementing process and system improvements, and the implementation costs of these actions may exceed anticipated amounts. AMCO's ability to manage effectively



the growth in size of its receivables under management and the corresponding expansion of its operations depends furthermore on the existence of an efficient internal control and financial reporting system, which has similarly been enhanced recently: see further “*Description of the Issuer – Control Functions*”. However, there can be no assurance that the measures implemented in order to monitor and supervise operations are adequate and enable AMCO’s control functions to detect all irregularities.

Any of the aforementioned events could have a material adverse effect on AMCO’s business, results of operations or financial condition, and may negatively impact the Issuer’s ability to perform its obligations under the Notes.

On 18 October 2018, AMCO’s Board of Directors approved the Strategic Guidelines for the 2019 – 2023 period, that include its industrial plan (“**Industrial Plan**”), governing both the administration and recovery of the BPVi/VB Receivables and the development plans of AMCO in general. AMCO has also in place many policies and procedures relevant to the day-to-day administration and recovery activities, some of which are still being fine-tuned and may need to be amended or adapted to reflect comments received from the BPVi/VB Liquidators. AMCO may face delay or difficulties in developing and implementing the Industrial Plan as well as in finalising the definitive policies and procedures, and costs associated with implementing such plans may be higher than expected. Any of these events could adversely impact the administration and recovery of the BPVi/VB Receivables, and therefore AMCO’s results of operations and financial condition.

### ***Recovery of non-performing receivables is subject to inherent uncertainties***

All portfolios made up of loans and receivables are comprised of defaulted, unlikely-to-pay and past due receivables. The recovery of these receivables depends largely on the ability of AMCO to implement the most appropriate and effective recovery strategy, taking into account (*inter alia*) the value of any underlying collateral, the status of the judicial proceedings and out-of-court negotiations as well as costs to be incurred in the recovery process. A part of the receivables under management by AMCO are currently the subject of insolvency, recovery or enforcement proceedings at varying stages before competent courts which, in the Republic of Italy, generally take a considerable amount of time depending on the type of action required and in which court such action is taken. Factors which can have a significant effect on the length of proceedings include the following: (i) certain courts may take longer than the national average to enforce the receivables; (ii) more time will be required for the proceedings if it is necessary first to obtain a payment injunction or if the assigned debtor raises a defence or counterclaim to the proceedings; (iii) opposition by the assigned debtors; and (iv) assigned debtors becoming subject to bankruptcy proceedings. The length of the judicial proceedings together with legal and judicial costs will negatively affect the amounts that can be recovered, and the timing of the recoveries.

## **2. Risks relating to the Issuer’s business activity and industry**

### ***Risk factors relating to the macroeconomic environment***

AMCO’s activities are conducted primarily in Italy. As such, its business is affected by the economic conditions of Italy, which are in turn influenced by European and global economic conditions.

The current macroeconomic environment is still characterised by significant uncertainty linked to: (i) the impact of the COVID-19 pandemic on global growth and individual countries (see also “– *The Group’s results of operations may be negatively impacted by the COVID-19 pandemic*”); (ii) economic trends relating to recovery expectations and consolidation of the growth dynamics of the economies of countries such as the United States and China, which have been subject to substantial growth also in recent years, and any possible consequences of the commercial tensions between the United States and China with respect to the increase in tariffs on imported goods; (iii) future developments in the monetary policy of the European Central Bank (ECB) in the Eurozone and of the Federal Reserve in the dollar-zone, as well as the policies implemented by the various countries to encourage competitive devaluation of their currency; (iv) the sustainability of sovereign debt of some countries including Italy and related tensions that are more or less recurring on financial markets; and (v) the consequences and potential lingering uncertainties caused by the ongoing negotiations between the European Union and the United Kingdom, especially with respect to the European Union integration process, the relationship between the United Kingdom and the European Union, and the impact on economies and European businesses.

***The Group's results of operations may be negatively impacted by the COVID-19 pandemic.***

The World Health Organization (“WHO”) declared a global emergency on 30 January 2020 with respect to the outbreak in 2019 of novel coronavirus (COVID-19) which emerged in Wuhan, China. The WHO subsequently characterised it as a pandemic on 11 March 2020. The outbreak has spread throughout Asia, Europe and the Middle East and currently there have been cases of COVID-19 throughout the world (including Brazil, Canada and the United States), causing companies and various international jurisdictions to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. The entire national and international scenario has been severely affected by such restrictions. The risk of resurgence of cases or variant strains of COVID-19 remains high and the timing and delay in vaccine rollouts remain uncertain. The extent to which such events will continue to impact the business, financial condition and results of operations of AMCO will depend on future developments, which are highly uncertain and cannot be predicted with any degree of confidence. Even after the COVID-19 pandemic has subsided, AMCO may continue to experience materially adverse impacts to its business as a result of the pandemic's global economic impact, and amplify some of the risks described herein. Expectations related to a gradual relaxation of the restrictive measures imposed by the pandemic are directly connected to the effective and speedy implementation of the vaccination campaign against COVID-19. Therefore, the Issuer is not currently able to reliably determine the impacts deriving from COVID-19 on the 2021 financial results and on those of the subsequent years.

To date the outbreak has not had a material adverse impact on AMCO's operations. However, the future impact of the outbreak is still highly uncertain and its final magnitude cannot be predicted and there is no assurance that the outbreak will not have a material adverse impact on the future results of the Issuer. The extent of the impact will depend on future developments, including actions taken to contain COVID-19 and the outcome of the vaccination campaign.

***AMCO's business is concentrated in a single market segment which is highly competitive***

At the date of this Base Prospectus, AMCO's business activities is comprised primarily of the servicing and recovery of non-performing exposures, primarily in Italy. The concentration of AMCO's business in this market segment and therefore the absence of significant revenues from other areas of activities exposes AMCO to the risk of any downward trend in the profitability of this market segment, which is also influenced by the economic conditions of Italy and by the macroeconomic environment. See further risk factors headed “*The economic conditions of Italy*” and “*Risk factors relating to the macroeconomic environment*” above.

The servicing and recovery of non-performing exposure market, including in Italy, is a highly competitive market, with many other local and pan-European operators present in this market segment, some of whom have greater financial and human resources than AMCO, or offer a wider and integrated range of financial services in addition to debt recovery that may prove more attractive to originators.

To the extent the Issuer's competitors are able to better maximise recoveries on their assets or are willing to accept lower rates of return, AMCO may not be able to grow or sustain its purchasing volumes or it may be forced to acquire portfolios at expected rates of return lower than historical rates of return. Some of AMCO's competitors may obtain alternative sources of financing at more favourable rates than those available to it, the proceeds from which may be used to fund expansion and to increase the amount of non-performing exposures they purchase.

AMCO participates in competitive bidding processes in the acquisition of non-performing exposures. Some of AMCO's current competitors, and potential new competitors, may have more effective pricing and collection models, greater adaptability to changing market needs, and more established relationships in the Issuer's industry than AMCO does. Moreover, AMCO's competitors may elect to pay prices for non-performing exposures that AMCO determines are not economically sustainable and, in that event, it may not be able to continue to offer competitive bids for non-performing exposures.

If AMCO is unable to develop and expand its business or to adapt to changing market needs as well as its current or future competitors, it may experience reduced access to portfolios of non-performing exposures in sufficient amounts at appropriate prices. Furthermore, AMCO's inability to compete effectively in this market segment outside the context of mandates granted to AMCO pursuant to law decrees may have an adverse impact on its goal of becoming a leading player in the Italian NPE market and therefore its future prospects. Any of these

factors could have a negative impact on AMCO's business and reputation, results of operations or financial conditions.

***AMCO may not be able to purchase portfolios of non-performing exposures on terms acceptable to it, which could limit its growth or profitability.***

AMCO's ability to continue to operate profitably depends upon the continued availability of portfolios of non-performing exposures that meet its purchasing standards and are cost-effective based upon projected collections exceeding its costs. Due, in part, to fluctuating prices for portfolios of non-performing exposures and competition within the marketplace, there has been considerable variation in purchasing volumes and pricing from quarter to quarter and AMCO expects that to continue. The volume of the Issuer's non-performing exposure purchases may be limited when prices are high and may or may not increase when portfolio pricing is more acceptable to AMCO.

Further, AMCO's rates of return may decline when portfolio prices are high. The Issuer does not know whether or how long portfolios of non-performing exposures will be available for purchase on terms acceptable to AMCO.

The availability of portfolios of non-performing exposures at prices acceptable to AMCO depends on a number of factors, including:

- volume of defaults in consumer debt;
- continued sale of portfolios of non-performing exposures by originating institutions and portfolio resellers at sufficient volumes and acceptable price levels;
- competition in the marketplace;
- AMCO's ability to develop and maintain relationships with key major credit originators and portfolio resellers;
- AMCO's ability to obtain adequate data from credit originators or portfolio resellers to appropriately evaluate the collectability of, estimate the value of, and collect on portfolios of non-performing exposures; and
- changes in laws and regulations governing consumer lending, bankruptcy, and collections, including in Italy.

If AMCO is unable to continually purchase and collect on a sufficient volume of non-performing exposures to generate cash collections that exceed its costs or to generate satisfactory returns, this could have a negative impact on AMCO's business and reputation, results of operations or financial conditions.

***AMCO's ability to achieve its strategic objectives is not assured and could be impaired, including if the critical assumptions on which its investment decisions are based proves to be incorrect***

In pursuit of AMCO's goal to play a key role in the Italian NPE market as master and special servicer of both proprietary and third parties portfolios, and in contemplation of the significant increase in size of its assets under management following the portfolio acquisitions of 2019 and 2020, the firm has carried out certain activities in order to meet its business strategy, including, *inter alia*:

- adopting a new business model and new internal organisation structure, especially in relation to the management of unlikely-to-pay and past due receivables as well as the new REOCO division, which involves hiring of additional personnel;
- entering into arrangements for outsourcing the management of selected portfolios to specialised third party special servicers;
- implementing procedures and activities to manage the onboarding process of new portfolios and for migration of the underlying documentation and data; and
- implementing a new integrated ICT system.

The strategy of AMCO is based on a series of critical assumptions, including among others, the success of the aforementioned activities, the evolution of the Italian NPE market, trends in relevant macroeconomic variables, and the evolution of the regulatory framework applicable to AMCO.

In the event that one or more of the strategy's underlying assumptions proves incorrect or events evolve differently than as contemplated in the strategy (including because of events affecting AMCO that may not be foreseeable or quantifiable, in whole or in part, as of the date of this Base Prospectus) the anticipated events and results of operations indicated in the strategy and in this Base Prospectus could differ from actual events and results of operations.

Any failure by AMCO to meet its strategic objectives, either in full in or in part, or maintain its current market position, could have a negative impact on AMCO's business and reputation, results of operations or financial conditions.

### ***Credit Risk***

AMCO is exposed to credit risk through, amongst other things, losses arising on loan positions and other receivables owned by AMCO, arising from the default of the assigned debtors or a worsening of their credit-worthiness. Failure to recover amounts owing from (or to reach any satisfactory debt restructuring arrangements with) the unlikely-to-pay or past due assigned debtors or from defaulted assigned debtors in the context of enforcement proceedings would adversely affect AMCO's revenues. The acquisition of various portfolios has significantly increased the size of AMCO's receivables under management: in particular the acquisition of Banche Venete portfolios in 2018 (off balance) and further acquisitions on balance in 2019 and 2020 (i.e., MPS and Bari portfolio, Banca Carige portfolio, ICS portfolio, BancoBPM portfolio). The portfolios comprise – in addition to defaulted loans – also unlikely-to-pay and past due receivables, as well as defaulted, unlikely-to-pay and past due leases which once acquired are treated and valued according to AMCO's internal policies and procedures subject to the auditor's independent report.

In the case of the BPVi/VB Receivables, the claim of the BPVi/VB Liquidators for the purchase price is to be paid by each Patrimonio Destinato out of the actual recoveries, after having deducted certain items specified in the Receivables Transfer Agreements including, *inter alia*, losses realised in respect of the assigned receivables. See further “*Description of the Issuer – Acquisition of the BPVi/VB Receivables – Purchase Price*”.

From time to time, AMCO may also invest in interest bearing securities, resulting in counterparty risk on the issuers of such securities which could have an adverse effect on AMCO's results of operations and financial condition. For a description of AMCO's credit risk management policies, see Section 3 (*Information on risks and on relevant hedging policies*) of the notes to the financial statements of AMCO as at and for the year ended 31 December 2020.

### ***Spread Risk***

AMCO is exposed to sovereign risk having invested its liquid assets in Italian Government bonds which could be affected by adverse changes in market value due to worsening of the market perception of credit standing of Italy. The bonds are booked into the “held to collect and sell” portfolio. A decrease in their market value, does not imply a P&L loss unless AMCO was in the position of selling them prior to their maturity; in any event at a lower value if these securities would result in a negative equity reserve.

### ***Interest rate risk***

Interest rate risk is risk of potential losses resulting from fluctuations of interest rates on the economic values of assets and liabilities. AMCO is exposed to interest rate risk given the composition of its asset and liabilities which implies a decrease in the AMCO economic value in the case of an increase of interest rates.

### ***Concentration risk***

Concentration risk is the risk arising from concentration to a single counterparty, sector or country. AMCO is exposed to concentration risk due to its exposure toward Italian Recovery Fund and toward some non performing corporate exposures.

### ***Liquidity risk***

Liquidity risk consists of the risk arising out of the lack of funds needed in the ordinary course of business and, as a consequence thereof, in the risk arising out of the inability to fulfil payment obligations when due. If any

of the aforementioned risks materialise, this could have a material adverse effect on AMCO's liquidity and operations, with potential impact on the Issuer's ability to perform its obligations in respect of the Notes. For a description of AMCO's market and liquidity risk management policies, see Section 3 (*Information on risks and on relevant hedging policies*) of the notes to the financial statements of AMCO as at and for the year ended 31 December 2020.

***AMCO relies on third party servicers for the administration and recovery of certain receivables***

AMCO has a flexible and scalable structure. Its operating model is based on (i) in-house management of mostly larger, secured portions to ensure a tailored management of high expected recoveries and (ii) outsourcing of smaller, standardized positions. The servicers are selected through structured process, keeping in account some items, for example (i) corporate profile, with a specific focus on the possibility to define sustainable partnership over time, (ii) specialization of servicers, (iii) operating capacity, (iv) historical performances, etc.

In fact, AMCO has in the past, and may in the future, acting on behalf of the relevant *Patrimonio Destinato*, entered into agreements to outsource the administration and recovery of certain foreign receivables originated through operations of branches/subsidiaries controlled by third parties.

Any failure by these third parties to adequately perform such services could result in a significant reduction of the fees to be paid to AMCO in the event of outsourcing of the management and recovery of the receivables. In particular, pursuant to Receivables Transfer Agreement, where the management and recovery of the receivables is carried out by a third party servicer, AMCO is entitled to receive a payment for coordinating and supervising the third party special servicers. Such commission, defined in the Receivables Transfer Agreement as the corporate and administration component of the AMCO's Share of Recoveries, is calculated as a fixed percentage of the gross book value of the receivable. As a result, since such commission has to be paid out of recoveries on the receivable outsourced, failure by these third party servicers to recover the receivables could materially reduce the amount of the payment and affect AMCO's reputation in the countries where they operate.

AMCO may also suffer losses in the event of failure by third party servicers to comply with the applicable rules and regulations, their contractual obligations, provide AMCO with accurate data on the claims they are servicing or act properly in the conduct of their business. Any such event could have a negative impact on AMCO's business and reputation, results of operations or financial conditions.

***AMCO is dependent on its senior management team and key employees***

AMCO's future success partially depends on the skills, experience and efforts of its senior management and other key employees who possess critical knowledge about its operations, many of whom have only recently joined AMCO, and its ability to retain such members of the management team and other key employees.

Receivables recovery operations require highly skilled personnel with experience and expertise in judicial and extrajudicial procedures. AMCO's ability to effectively manage its receivables under management and to implement its Industrial Plan depends on its ability to retain and motivate its pre-existing and newly recruited personnel as well as to attract additional qualified employees in the future. The loss of the services of any senior manager or key employees could have a material adverse effect on AMCO's business, results of operations and financial condition.

***Models and analytical tools AMCO uses to forecast cash flows may prove to be inaccurate***

AMCO relies on models and analytical tools developed by a third party provider to project cash flow generation from its receivables under management. There can be no assurance that AMCO's managers will not make material mistakes or errors in judgments when utilising these models and tools. It is furthermore possible that the projections prove inaccurate and/or impossible to achieve.

The accuracy of the projections developed depends, to some extent, on the accuracy and reliability of data and information sourced from third parties, as to which AMCO has no control, as well as the accuracy and reliability of data contained in the loan files obtained from the originators of the receivables. If such data and information prove incorrect, this could lead to miscalculations in AMCO's projections, potentially resulting in the adoption of erroneous recovery strategy by AMCO's recovery and servicing teams.

AMCO can provide no assurances that it will achieve the forecasted recoveries within the specified time periods, or at all, and a significant delay in recoveries could have a material adverse effect on AMCO's business, results of operations and financial condition.

***AMCO's historical operating results and recoveries are not indicative***

Prior to the acquisition of various portfolios in 2018, AMCO has been engaged primarily in the recovery of the Banco di Napoli Receivables, the Isveimer Receivables and the GRAAL Receivables (see further "*Description of the Issuer – Business – The Banco di Napoli Receivables, the Isveimer Receivables and the GRAAL Receivables*").

The acquisition of various portfolios has significantly increased the size of AMCO's receivables under management: in particular the acquisition of Banche Venete portfolios in 2018 (off balance) and further acquisitions on balance in 2019 and 2020 (i.e., MPS and Bari portfolio, Banca Carige portfolio, ICS portfolio). The portfolios comprise – in addition to defaulted loans – also unlikely-to-pay and past due receivables, as well as defaulted, unlikely-to-pay and past due leases.

For these reasons, the historical performance of AMCO in the recovery of the Banco di Napoli Receivables, the Isveimer Receivables and the GRAAL Receivables will not be indicative of its future performance in the recovery of the various portfolios that differ in terms of size, composition and nature.

***AMCO may not be able to successfully maintain and update a fully integrated front-back office information technology infrastructure***

The success of AMCO's operations is highly dependent on its ability to implement an information technology architecture with fully integrated back-end and front-end platforms. See further "*Description of the Issuer – AMCO's Portfolio Management Platform – Information Technology Infrastructure*". The maintenance of an efficient information technology infrastructure platform subjects AMCO to costs and risks associated with maintaining, upgrading and replacing these systems and to update the underlying technologies which are constantly evolving and are subject to potential defects.

The aforementioned actions will require AMCO to invest both capital expenditures as well as management time, and inability to anticipate, adopt or manage the necessary technological upgrades and/or corrections on a timely basis could have a material adverse effect on AMCO's operations.

There can be no assurance that the platform will operate smoothly, or that the system will be able to achieve what it sets out to achieve. Additional improvements that may prove necessary may cause delays in AMCO's daily operations and may require additional capital resources that have not been budgeted. The occurrence of such events could have a material adverse effect on AMCO's business, results of operations and financial condition.

***Unavailability of documentation relevant to the receivables***

Recovery strategies may involve the continuation or commencement of enforcement action through legal proceedings. In this respect, AMCO may discover that it is unable to produce underlying documentation (for example, account statement, schedule(s) to the loan agreement, correspondence with the assigned debtor) required to be submitted to the competent court, as a result of those documentation not being handed over (or incomplete documentation being provided).

Moreover, the absence of all relevant documentation pertinent to the receivables will hinder proper analyses of the loan files and adversely affect the efficacy and effectiveness of the judicial/extra-judicial recovery strategy adopted. Any defect in the documentation made available to AMCO could - if such documentation turns out to be legally unenforceable as a result of such defect - furthermore limit the availability of litigation as a recovery tool and prejudice the successful pursuit of those legal proceedings that have already commenced. The occurrence of such events could have a material adverse effect on AMCO's business, results of operations and financial condition.

### ***Risks relating to AMCO's investments in the Italian Recovery Fund and Banca Carige***

AMCO is subject to the risk arising out of its exposure to the Italian Recovery Fund (the “**IRF**”, formerly, the Atlante II Fund). Together with other primary Italian banking and insurance entities, AMCO entered into irrevocable commitments to subscribe units in the fund.

As at 31 December 2020, on the basis of the determination of the fair value of the investment (carried out on the basis of the Net Asset Value of the units communicated by DeA Capital Alternative Funds SGR S.p.A.) the fair value of the investment at the date of these financial statements is of EUR 470.9 million.

Based on the commitments previously made by AMCO and this extension, AMCO could be required to make further payments for a maximum amount of €20.3 million, thereby increasing the current exposure of the Issuer to the Fund.

In 2019, the AMCO's exposure to credit risk (and compliance with applicable limits on “Large Exposures”) has been modified, switching from the look-through approach to the treatment granted by Article 128 (*Items associated with particular high risk*) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended by Regulation (EU) No. 2019/876 of the European Parliament and of the Council (“**CRR**”). See further “*Description of the Issuer – Other investments and activities – Italian Recovery Fund*”.

The IRF is periodically valued on the basis of the assets comprised in its portfolio. Therefore, AMCO's investments in the fund is exposed to fluctuations in the fund's value. AMCO is similarly exposed to fluctuations in the value of its investment in Banca Carige See further “*Description of the Issuer – Other investments and activities – Banca Carige*”.

These fluctuations (if negative) could have an adverse impact on AMCO's financial condition. See further Part B (*Information on the Balance Sheet*), Section 2 (*Financial assets valued at fair value with impact on the income statement – item 20*) of the explanatory notes to AMCO's financial statements as at and for the year ended 31 December 2020.

### **3. Risks relating to the legal and regulatory environment of the Issuer**

#### ***Risks relating to laws and regulations***

As a financial intermediary enrolled on the special register pursuant to Article 106 of the Consolidated Banking Act, AMCO is subject to regulations applicable to financial intermediaries and regulatory supervision by the Bank of Italy. These regulations set forth rules relating to capital adequacy, risk control and business conduct applicable to financial intermediaries in general. See further the section headed “*Regulatory Framework – Financial intermediaries regulations*”. The Issuer's operations are furthermore subject to other local laws and regulatory supervision in relation to data protection, anti-corruption, anti-money laundering, antitrust and administrative actions. Failure to comply with the applicable laws and regulations and other requirements could result in intervention by the regulators and/or imposition of sanctions. Any material failure to process customer data in compliance with data protection laws and regulations could result in revocation of the Issuer's licence to service and recover debt, imposition of monetary fines as well as criminal charges. Changes in the regulatory framework may also lead to more stringent capital and liquidity requirements, and may result in the Issuer having to make additional provisions or reserves, or to increase its own funds in the future by raising capital in the form of debt financing, hybrid capital or additional equity, which may not be available on attractive terms, or at all. Any of these events could have a material adverse effect on the Issuer's business, results of operations or financial condition.

### **4. Risks relating to legal proceedings involving the Issuer**

#### ***The Issuer is involved in disputes, investigations and legal proceedings which could have a material adverse effect***

The Issuer is and may become involved in administrative, civil, regulatory, criminal or tax proceedings as part of its ordinary course of business which, if resolved negatively for the Issuer, could have a material adverse effect on its results of operations or financial condition. See further “*Description of the Issuer – Litigation*”.

## **5. Risks relating to internal control of the Issuer**

### ***Risks related to internal control functions***

In application of the “*Financial intermediaries regulations*” AMCO has implemented a three levels control system (line controls, Risk management & Compliance/AML controls and Audit controls) and three Functions (Risk Management, Compliance & AML and Audit) to control risk exposure. Despite these controls it is possible that AMCO could not identify, monitor and manage properly all the risks related to its activities. These events could have a material adverse effect on the Issuer’s business, results of operations or financial condition.

### ***The Issuer is exposed to reputational risk***

AMCO’s ability to collect debt in an accurate manner and to treat assigned debtors justly and equitably is important to its reputation as a leading operator in the receivables management and recovery market segment. This reputation is furthermore important in AMCO’s bid to obtain new servicing mandates from originators and in its dealings with the regulators. The recovery and enforcement of debt involves complex interpretations of the law and of the contractual terms governing the relevant receivables, and any error in such interpretations would impact the recovery strategy adopted by AMCO’s loan managers and could expose AMCO to potential challenges by assigned debtors and regulators alike. In addition, there can be no assurance that AMCO will not face complaints or claims from assigned debtors or inquiries and investigations by the regulators as a result of any incorrect behaviour or practice that falls short of the industry standard. Any of these events could have a material adverse effect on the Issuer’s business, results of operations or financial condition.

### ***Operational risk***

Operational risk is defined as the possibility of incurring losses due to inadequate or malfunctioning procedures, human resources and internal systems, or due to external events. This category of risks includes, among other things, losses resulting from fraud, human error, interruptions of operations, system unavailability and breaches of contract. AMCO has defined a series of corporate governance and internal regulations to identify, monitor and address operational risks. However, there can be no assurance that the measures implemented by AMCO in order to monitor and supervise operational risks are effective and sufficient to mitigate such risks for AMCO. Any of these events could have a material adverse effect on the Issuer’s business, results of operations or financial condition.

For a description of AMCO’s operational risk management policies, see Section 3 (*Information on risks and on relevant hedging policies*) of the notes to the financial statements of AMCO as at and for the year ended 31 December 2020.

### ***The Issuer collects, stores and processes sensitive personal data belonging to assigned debtors***

In the context of its receivables recovery activities, the Issuer collects, stores and processes sensitive personal data belonging to assigned debtors. Such data is stored and protected in AMCO’s information technology infrastructure platform with determined protocols and limitations for access and utilisation, to avoid unauthorised use, misappropriation or disclosure. There can, however, be no assurance that these protocols will be fully effective and that adequate remedies will be readily available in case of unauthorised uses or disclosures, and the Issuer may be subject to unforeseen events, entirely or partly out of the control of the Issuer which results in the authorised disclosure of such data (including, for example, fraud, deception or losses resulting from the disloyalty of employees and/or from the violation of protocols, IT virus (cyber-attacks or the malfunction of electronic and/or communication services). A failure to protect the personal data of assigned debtors from unauthorised uses or disclosures could result in a breach by AMCO of privacy law and other applicable legislation, which, in turn, could have a material adverse effect on the Issuer’s business, results of operations or financial condition.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

The risks below have been classified into the following categories:

1. Risks related to the structure of a particular issue of Notes; and
2. Risks related to Notes generally



## **1. Risks related to the structure of a particular issue of Notes**

### ***Notes subject to optional redemption by the Issuer***

Any optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, with respect to the options under Condition 7.2 (*Redemption for Tax Reasons*), Condition 7.3 (*Redemption at the Option of the Issuer – Issuer Call*), Condition 7.5 (*Clean-Up Call Option*) and Condition 7.6 (*Redemption at the Option of the Issuer from three months prior to the Maturity Date of the relevant Notes*), the Issuer's right to redeem at par all or, as the case may be, part of the Notes will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the relevant option the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested. If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

Furthermore, with respect to the Clean-Up Call Option, there is no obligation under the Terms and Conditions of the Notes for the Issuer to inform investors if and when the percentage of 80 per cent. is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-Up Call Option, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

### ***The Issuer Call is exercisable in whole or in part and such exercise by the Issuer in respect of certain Notes may affect the liquidity of the Notes in respect of which such option is not exercised***

The Issuer Call provided in Condition 7.3 (*Redemption at the Option of the Issuer – Issuer Call*) is exercisable in whole or in part. If the Issuer decides to redeem certain Notes in part only, such partial redemption may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised. Depending on the number of the Notes of the same Series in respect of which the Issuer Call is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

### ***Early redemption of the Notes for tax reasons***

In the event that (i) the Issuer has or will become obliged to pay additional amounts in respect of the Notes due to withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision thereof or any authority therein having power to tax, or (ii) if early redemption for tax non-deductibility is specified as applicable to the Notes in the Final Terms and deductibility of interest payable by the Issuer in respect of the Notes is materially reduced for Italian income tax purposes, in each case, as a result of changes, amendments or clarifications to applicable laws and regulations, all as better specified in Condition 7.2 (*Redemption for Tax Reasons*), the Issuer may exercise its option to redeem all outstanding Notes.

### ***Fixed Rate Notes***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of such Notes.

### ***Floating Rate Notes***

The Issuer may issue Notes with interest determined by reference to the CMS Rate (a “**Relevant Factor**”). Potential investors should be aware that:

- (i) the market price of such Notes may be very volatile;
- (ii) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices,
- (iii) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on payments on the Notes is likely to be magnified; and
- (iv) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Furthermore, with regard to Floating Rate Notes, where the Reference Rate used to calculate the applicable Rate of Interest turns negative, the Rate of Interest will be below the Margin or may be zero. Where the Rate of Interest is equal to zero, the holders of such Floating Rate Notes may not be entitled to interest payments for certain or all interest periods.

### ***The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”***

Interest rates and indices which are deemed to be “benchmarks”, (including the euro interbank offered rate (EURIBOR)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark, such as Floating Rate Notes.

Regulation 2016/1011 (the “**Benchmarks Regulation**”) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The Benchmarks Regulation as it forms part of domestic law of the UK by virtue of the EUWA (the “**UK Benchmarks Regulation**”) applies to the provision of benchmarks and the use of a benchmark also in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorized by the UK Financial Conduct Authority (“**FCA**”) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognized or endorsed).

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

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published Benchmark, including an inter-bank offered rate such as EURIBOR or other relevant reference rates (including, without limitation, mid-swap rates), or any page on which such Benchmark may be published (or any successor service) becomes unavailable. In certain circumstances the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. The Terms and Conditions furthermore provide for certain fallback arrangements in case a Benchmark Event otherwise occurs, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant Benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser). However, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

In addition, pursuant to the Terms and Conditions of the Notes, if a successor rate, alternative rate or adjustment spread is to be applied following the occurrence of a Benchmark Event, certain changes may be made to the interest calculation provisions of the Floating Rate Notes without the requirement for consent of the Noteholders, if the Issuer - following consultation with the Independent Adviser and acting in good faith - determines that such amendments are necessary to ensure the proper operation of the successor rate, alternative rate and/or adjustment spread.

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

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates***

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

***Maximum/Minimum Rate of Interest***

To the extent that a Minimum Rate of Interest applies, investors should consider that where the interest rate does not rise above the level of Minimum Interest Rate, comparable investments in notes which pay interest based on a fixed rate which is higher than the Minimum Interest Rate are likely to be more attractive to potential investors than an investment in the Notes. Under those conditions, investors in the Notes might find it difficult

to sell their Notes on the secondary market (if any) or might only be able to realise the Notes at a price which may be substantially lower than the nominal amount.

To the extent that a Maximum Rate of Interest applies, investors should be aware that the Rate of Interest is capped at such Maximum Interest Rate level. Consequently, investors may not participate in any increase of market interest rates, which may also negatively affect the market value of the Notes.

***If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned***

Fixed/Floating Rate Notes are Notes which bear interest at a rate that changes from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to change the interest basis, and any change of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

## **2. Risks related to Notes generally**

Set out below is a description of material risks relating to the Notes generally:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). Although application has been made for the Notes issued under the Programme to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Furthermore, if the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

***The Notes do not restrict the amount of debt which the Issuer may incur***

The Conditions do not contain any restriction on the amount of indebtedness which the Issuer may from time to time incur. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with the Issuer's other unsecured senior indebtedness and, accordingly, any increase in the amount of the Issuer's unsecured senior indebtedness in the future may reduce the amount recoverable by Noteholders. In addition, the Notes are unsecured and do not contain any restriction on the giving of security by the Issuer (as defined in the Conditions) over present and future indebtedness and the Conditions also do not contain a negative pledge. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets.

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes***

One or more independent credit rating agencies may assign credit ratings to the Notes. Where an issue of Notes is rated, investors should be aware that: (i) such rating will reflect only the views of the rating agency and may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes; (ii) a rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency; and (iii) notwithstanding the above, an adverse change in a credit rating could adversely affect the trading price for the Notes.

The Issuer's entire share capital is owned by the Italian Ministry of the Economy and Finance, any change in ownership of the Issuer might impact ratings and consequently the Issuer's ability to refinance debt.

In general, EU regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are restricted from using a rating for regulatory purposes unless (1) such rating is issued by a credit rating agency established in the UK and registered under the UK CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances) or (2) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation (and such endorsement has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances) or (3) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation (and such endorsement certification has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

If the status of the rating agency rating the Notes changes, EU and UK regulated investors, as applicable, may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in EU and UK regulated investors, as applicable, selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

***Fluctuations in exchange rates may adversely affect the value of Notes***

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the applicable Final Terms). This presents certain risks relating to currency conversions if Noteholders' financial activities are denominated principally in a currency or currency unit (the "**Noteholder's Currency**") other than the Specified Currency. These include the risk that there may be a material change in the exchange rate between the Specified Currency and the Noteholder's Currency or that a modification of exchange controls by the applicable authorities with jurisdiction over the Noteholder's Currency will be imposed. The Issuer has no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for the applicable currencies. Moreover, if payment on the Notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. An appreciation in the value of the Noteholder's Currency relative to the Specified Currency would decrease: (i) the Noteholder's Currency equivalent yield on the Notes; (ii) the Noteholder's Currency equivalent value of the principal payable on the Notes; and (iii) the Noteholder's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

### ***Delisting of the Notes***

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system (each, a “listing”), as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder’s ability to resell the Notes on the secondary market.

### ***Modification and waivers***

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Any such modifications to the Notes may have an adverse impact on Noteholders’ rights and on the market value of the Notes.

### ***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

### ***Potential conflict of interest of a Dealer acting as Calculation Agent***

The Issuer may appoint a Dealer as Calculation Agent or, as the case may be, Additional Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent or, as the case may be, Additional Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent or, as the case may be, Additional Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

### ***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be

traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

## DOCUMENTS INCORPORATED BY REFERENCE

The information set out in the cross-reference tables below, which is contained in the following documents which have previously been published, shall be incorporated by reference in, and form part of, this Base Prospectus.

- (a) audited consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2020 and the auditors' report thereon:

Balance Sheet .....	Pages 59 – 60
Income Statement .....	Page 61
Statement of Comprehensive Income.....	Page 62
Statement of Changes in net equity.....	Pages 63 – 64
Statement of Cash Flows .....	Pages 65 -66
Notes to the Financial Statements.....	Pages 71 -169
Independent Auditors' Report.....	Pages 199 – 206

The audited consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2020 and the auditors' report thereon can be accessed at the following link:

[https://www.amco.it/wp-content/themes/amco2019/societa-trasparente-pdf/06\\_Bilanci/AMCO\\_ENG\\_%20Bilancio%20consolidato%202020\\_v6.pdf](https://www.amco.it/wp-content/themes/amco2019/societa-trasparente-pdf/06_Bilanci/AMCO_ENG_%20Bilancio%20consolidato%202020_v6.pdf)

- (b) audited consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2019 and the auditors' report thereon:

Balance Sheet .....	Pages 49 – 50
Income Statement .....	Page 51
Statement of Comprehensive Income.....	Page 52
Statement of Changes in net equity.....	Page 53
Statement of Cash Flows .....	Pages 54 -55
Notes to the Financial Statements.....	Pages 57 -152
Independent Auditors' Report.....	Pages 175 – 185

The audited consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2019 and the auditors' report thereon can be accessed at the following link:

[https://www.amco.it/wp-content/themes/amco2019/societa-trasparente-pdf/06\\_Bilanci/2019%20Consolidated%20Annual%20Report-ENG.pdf](https://www.amco.it/wp-content/themes/amco2019/societa-trasparente-pdf/06_Bilanci/2019%20Consolidated%20Annual%20Report-ENG.pdf)

- (c) the section entitled “**Terms and Conditions**” on pages 30-59 of the base prospectus relating to the Programme dated 8 July 2020 (the “**2020 Base Prospectus**”).

The 2020 Base Prospectus can be accessed at the following link:

<https://www.amco.it/wp-content/uploads/2020/07/AMCO-EMTN-2020-Update-Base-Prospectus-08.07.2020.pdf>

Any other information contained in any of the documents specified above that is not included in the cross-reference list above is either not relevant to investors rather than information required by the relevant Annexes of the Delegated Regulation, or is covered elsewhere in this Base Prospectus. Unless specifically incorporated by reference into this Base Prospectus, information contained on any website to which this Base Prospectus refers does not form part of this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.



Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus can be obtained from the website of the Issuer as specified above, from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in 60 avenue J.F. Kennedy L-1855 Luxembourg and will be available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## FINAL TERMS AND DRAWDOWN PROSPECTUS

In this section the expression “**necessary information**” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the rights attaching to the Notes and the reason for the issuance of the Notes and its impact on the Issuer. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes and the reason for the issuance of the Notes and its impact on the Issuer which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus, *provided that* any such information which constitutes a significant new factor relating to the information contained in this Base Prospectus will not be included in the Final Terms but will - together with all of the other necessary information in relation to the relevant series of Notes - be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of relevant Final Terms, those relevant Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of relevant Final Terms are the Conditions as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document (the “**Registration Document**”) containing the necessary information relating to the Issuer, a securities note (the “**Securities Note**”) containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Notes, a supplement to the Registration Document will be prepared.

## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a “**Temporary Global Note**”) or, if so specified in the applicable Final Terms, a permanent global note (a “**Permanent Global Note**”) which, in either case, will:

- if the Global Notes are intended to be issued in new global note (“**NGN**”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and, together with Euroclear, the “**ICSDs**”); and
- if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the “**Exchange Date**”) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) an Event of Default (as defined in Condition 10 (*Events of Default*) of the Terms and Conditions) occurs; (ii) both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 16 (*Notices*) of the Terms and Conditions if an Exchange Event occurs. In the event of the occurrence of an

Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes (other than Temporary Global Notes) and on all interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE”.

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 (*Events of Default*) of the Terms and Conditions. For a description of the relevant provisions applicable in such circumstances where any Note is still represented by a Global Note, see “*Overview of Provisions relating to the Notes while in Global Form*”.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed in accordance with the provisions of Part A of the relevant Final Terms of the Notes, will be applicable to each Tranche of Notes. These Terms and Conditions, as so completed, shall be endorsed on each Note in definitive form issued under the Programme.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Overview of Provisions Relating to the Notes while in Global Form” below.*

### 1. Introduction

#### (a) Programme

AMCO – Asset Management Company S.p.A., formerly known as Società per la Gestione di Attività – S.G.A. S.p.A. (“**AMCO**” or the “**Issuer**”) has updated a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of €6,000,000,000 in aggregate principal amount of notes (the “**Notes**”).

#### (b) Final Terms

Notes issued under the Programme in accordance with these terms and conditions of the Senior Notes (the “**Conditions**”) are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a Final Terms (the “**Final Terms**”) which complete these Conditions. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms.

#### (c) Agency Agreement

The Notes are the subject of an issue and paying agency agreement dated 27 July 2021 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agent named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

#### (d) The Notes

All subsequent references in these Conditions to “**Notes**” are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.

#### (e) Summaries

Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) and, where applicable, talons for further Coupons (“**Talons**”) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. The expression “Notes” shall, where the context so permits, include Receipts. Copies of the Agency Agreement are available for inspection during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

## 2. Interpretation

### (a) Definitions

In these Conditions the following expressions have the following meanings:

**“Accrual Yield”** has the meaning given in the relevant Final Terms;

**“Additional Business Centre(s)”** means the city or cities specified as such in the relevant Final Terms;

**“Additional Calculation Agent”** (if any) means such Person specified in the relevant Final Terms as the party responsible for calculating such amount(s) (other than the Rate(s) of Interest and Interest Amount(s)) as may be specified in the relevant Final Terms;

**“Additional Financial Centre(s)”** means the city or cities specified as such in the relevant Final Terms;

**“Broken Amount”** means the amount specified as such in the relevant Final Terms;

**“Business Day”** means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre (including Luxembourg); and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

**“Business Day Convention”**, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**“Calculation Agent”** means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

**“Calculation Amount”** has the meaning given to it in the relevant Final Terms;

**“Cap”** means a percentage per annum as specified in the relevant Final Terms;

**“CMS Rate”** shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question, all as determined by the Additional Calculation Agent;

**“CMS Rate 1”** and **“CMS Rate 2”** shall mean the CMS Rate with a particular Designated Maturity as specified in the relevant Final Terms;

**“CMS Reference Banks”** means (i) where the Reference Currency is Euro, the principal office of five major banks in the Euro-zone inter-bank market; (ii) where the Reference Currency is Sterling, the principal London office of five major banks in the London inter-bank market; (iii) where the Reference Currency is United States dollars, the principal New York City office of five major banks in the New York City inter-bank market; or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five major banks in the Relevant Financial Centre inter-bank market, in each case selected by the Additional Calculation Agent;

**“Coupon Sheet”** means, in respect of a Note, a coupon sheet relating to the Note;

**“Day Count Fraction”** means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **“Actual/Actual”** or **“Actual/Actual (ISDA)”** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **“Actual/Actual (ICMA)”** is specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (c) if “**Actual/365 (Fixed)**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (d) if “**Actual/360**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (f) if “**30E/360**” or “**Eurobond Basis**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows;

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and



“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (g) if “**30E/360 (ISDA)**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

“**Early Redemption Amount (Tax)**” has the meaning given to it in Condition 7.2 (*Redemption for Tax Reasons*);

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount, subject to any purchase, cancellation, early redemption or repayment, expressed as the amount per Calculation Amount specified in the relevant Final Terms;

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms; “**Floor**” means a percentage per annum as specified in the relevant Final Terms;

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

“**Indebtedness**” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised under any note purchase facility;

- (ii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (iii) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (iv) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

**“Interest Amount”** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**“Interest Basis”** has the meaning given in the relevant Final Terms;

**“Interest Commencement Date”** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**“Interest Determination Date”** has the meaning given in the relevant Final Terms;

**“Interest Payment Date”** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**“Interest Period”** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**“ISDA Definitions”** means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

**“Issue Date”** has the meaning given in the relevant Final Terms;

**“Legislative Decree No. 239”** has the meaning given in Condition 9 (*Taxation*);

**“Leverage”** means a percentage per annum as specified in the relevant Final Terms;

**“Margin”** has the meaning given in the relevant Final Terms;

**“Maturity Date”** has the meaning given in the relevant Final Terms;

**“Maximum Redemption Amount”** has the meaning given in the relevant Final Terms;

**“Minimum Redemption Amount”** has the meaning given in the relevant Final Terms;

**“Optional Redemption Amount (Call)”** means, in respect of any Note, the amount per Calculation Amount specified in the relevant Final Terms;

**“Optional Redemption Amount (Put)”** means, in respect of any Note, the amount per Calculation Amount specified in the relevant Final Terms;

**“Optional Redemption Date (Call)”** has the meaning given in the relevant Final Terms;

**“Optional Redemption Date(s)”** has the meaning given in the relevant Final Terms;

**“Optional Redemption Date (Put)”** has the meaning given in the relevant Final Terms;

**“Payment Business Day”** means:

- (i) if the currency of payment is euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in London and in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**“Permitted Reorganisation”** has the meaning given in Condition 10 (*Events of Default*);

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**“Principal Financial Centre”** means, in relation to any currency, the principal financial centre for that currency *provided, however, that*:

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**“Put Option Notice”** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**“Put Option Receipt”** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**“Rate of Interest”** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

**“Reference Banks”** has the meaning given in Condition 5 (*Interest*);

**“Reference Price”** has the meaning given in the relevant Final Terms;

**“Reference Rate”** has the meaning given in the relevant Final Terms;

**“Regular Period”** means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**“Relevant Date”** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**“Relevant Financial Centre”** has the meaning given in Condition 5.2 (*Interest on Floating Rate Notes*);

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, 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 Reference Rate;

**“Relevant Swap Rate”** means:

- (i) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;
- (ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of

six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;

- (iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (iv) where the Reference Currency is any other currency, or if the applicable Final Terms specify otherwise, the mid-market swap rate as determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

**“Relevant Time”** has the meaning given in the relevant Final Terms;

**“Representative Amount”** means an amount that is representative for a single transaction in the relevant market at the relevant time.

**“Reserved Matter”** has the meaning given to it in the Agency Agreement and includes any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or, as the case may be, interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment, to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution or to amend the definition of “Reserved Matter”;

**“Specified Currency”** has the meaning given in the relevant Final Terms;

**“Specified Denomination(s)”** has the meaning given in the relevant Final Terms;

**“Specified Office”** has the meaning given in the Agency Agreement;

**“Specified Period”** has the meaning given in the relevant Final Terms;

**“Subsidiary”** means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

**“Talon”** means a talon for further Coupons;

**“TARGET2”** means the Trans-European Automated real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

**“TARGET Settlement Day”** means any day on which TARGET2 is open for the settlement of payments in euro;

“**Tax Event**” means any of the events referred to in paragraphs (a)(A) or (B) of Condition 7.2 (*Redemption for Tax Reasons*).

“**Treaty**” means the Treaty establishing the European Communities, as amended; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Final Terms.

(b) **Interpretation**

In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 9 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 9 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement; and
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes.

**3. Form, Denomination and Title**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery.

The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No Person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

**4. Status of the Notes**

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer present and future (save for such obligations as may be preferred by provisions of law that are both mandatory and of general application).

## **5. Interest**

*Condition 5.1 (Interest on Fixed Rate Notes) below is applicable to the Notes if (a) the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable; and (b) if Change of Interest Basis is specified in the relevant Final Terms as being applicable, in respect of those Interest Periods for which the Fixed Rate Note Provisions of the relevant Final Terms are stated to apply.*

### **5.1 Interest on Fixed Rate Notes**

#### **(a) Accrual of Interest**

The Notes bear interest from the Interest Commencement Date (or the applicable Interest Payment Date) at the Rate(s) of Interest payable in arrear on each Interest Payment Date, subject as provided in these Conditions. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

#### **(b) Fixed Coupon Amount**

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination. Payment of any Broken Amount will be made on the Interest Payment Date so specified in the Final Terms.

#### **(c) Calculation of Interest Amount**

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

*Condition 5.2 (Interest on Floating Rate Notes) is applicable to the Notes if (a) the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable; and (b) if Change of Interest Basis is specified in the relevant Final Terms as being applicable, in respect of those Interest Periods for which the Floating Rate Note Provisions of the relevant Final Terms are stated to apply.*

### **5.2 Interest on Floating Rate Notes**

#### **(a) Accrual of Interest**

The Notes bear interest from the Interest Commencement Date (or the applicable Interest Payment Date) at the Rate(s) of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 8 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(b) **Rate of Interest**

(i) **Screen Rate Determination:**

(A) **Floating Rate Notes (other than CMS Linked Interest Notes)**

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (1) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (2) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (3) if, in the case of (1) above, such rate does not appear on that page or, in the case of (2) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Additional Calculation Agent will:
  - (I) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (II) determine the arithmetic mean of such quotations; and
- (4) if fewer than two such quotations are provided as requested, the Additional Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Additional Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Additional Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Additional Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate (or as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.



**(B) Floating Rate Notes which are CMS Linked Interest Notes**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be:

- (1) where “CMS Reference Rate” is specified as the Reference Rate in the applicable Final Terms, determined by the Additional Calculation Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

- (2) where “Leveraged CMS Reference Rate” is specified as the Reference Rate in the applicable Final Terms, determined by the Additional Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{CMS Rate}$$

- (3) where “Leveraged CMS Reference Rate 2” is specified as the Reference Rate in the applicable Final Terms, determined by the Additional Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{CMS Rate} + \text{Margin}$$

- (4) where “Steepner CMS Reference Rate” is specified as the Reference Rate in the applicable Final Terms, determined by the Additional Calculation Agent by reference to the following formula:

Either:

- (I) where “Steepner CMS Reference Rate: Unleveraged” is specified in the applicable Final Terms:

$$\text{CMS Rate 1} - \text{CMS Rate 2}$$

or

- (II) where “Steepner CMS Reference Rate: Leveraged” is specified in the applicable Final

$$\text{Terms: } \text{Leverage} \times [(\text{Min}(\text{CMS Rate 1}; \text{Cap} - \text{CMS Rate 2})) + \text{Margin}]$$

- (5) where “Call Spread CMS Reference Rate” is specified as the Reference Rate in the applicable Final Terms, determined by the Additional Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{Min} [\text{Max} (\text{CMS Rate} + \text{Margin Floor}); \text{Cap}]$$

If the Relevant Screen Rate is not available, the Additional Calculation Agent shall request each of the CMS Reference Banks to provide the Additional Calculation Agent with its quotation for the Relevant Swap Rate at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Additional Calculation Agent with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Additional Calculation Agent with

such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Additional Calculation Agent in good faith on such commercial basis as considered appropriate by the Additional Calculation Agent in its absolute discretion, in accordance with standard market practice.

(ii) **ISDA Determination:**

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
- (C) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

The definition of ‘Fallback Observation Day’ in the ISDA Definitions shall be deemed deleted in its entirety and replaced with the following: “‘Fallback Observation Day’ means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, unless otherwise agreed, the day that is five Business Days preceding the related Payment Date”.

(c) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period *provided however that* if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate.

“**Designated Maturity**” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(d) **Maximum or Minimum Rate of Interest**

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(e) **Calculation of Interest Amount**

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The amount of interest payable in respect of any Note for any period will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(f) **Calculation of Other Amounts**

If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent or, as the case may be, Additional Calculation Agent, the Calculation Agent or, as the case may be, Additional Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent or, as the case may be, Additional Calculation Agent in the manner specified in the relevant Final Terms.

(g) **Publication**

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(h) **Notifications Etc.**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent or, as the case may be, Additional Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent or, as the case may be, Additional Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(i) For the purposes of this Condition 5.2, unless defined above,

“**Reference Banks**” has the meaning given thereto in the relevant Final Terms or, if none, four major banks selected by the Additional Calculation Agent in the market that is most closely connected with the Reference Rate.

“**Reference Rate**” means the Euro-zone interbank offered rate (“**EURIBOR**”) for the relevant period, as specified for each in the Final Terms, or otherwise specified in the Final Terms.

“**Relevant Financial Centre**” means the financial centre specified as such in the Final Terms or if none is so specified, in the case of a determination of EURIBOR, Brussels.

### 5.3 Benchmark Discontinuation

Notwithstanding the provisions above in Conditions 5.2 (*Interest on Floating Rate Notes*), if a Benchmark Event occurs in relation to an Original Reference Rate when any required Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions of this Condition 5.3 shall apply.

(a) **Independent Adviser**

The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.3(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5.3(c)) and any Benchmark Amendments (in accordance with Condition 5.3(d)).

An Independent Adviser appointed pursuant to this Condition 5.3 shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Fiscal Agent, the Paying Agents, or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5.3.

(b) **Successor Rate or Alternative Rate**

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.3(c)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.3), with effect as from the date or, as the case may be, Interest Period, as specified in the notice delivered pursuant to Condition 5.3(e) below; 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 5.3(c)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.3), with effect as from the date or, as the case may be, Interest Period, as specified in the notice delivered pursuant to Condition 5.3(e) below.

(c) **Adjustment Spread**

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (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 applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable), in such manner as will be specified in the notice delivered pursuant to Condition 5.3(e) below.

(d) **Benchmark Amendments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.3 and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (A) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and

(B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.3(e), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5.3(d) the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) **Notices, Etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.3 will be notified promptly by the Issuer to the Fiscal Agent, Calculation Agent, Additional Calculation Agent (if any), the Paying Agents and, in accordance with Condition 16 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify (*inter alia*) the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by an authorised signatory of the Issuer:

- (i) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5.3; and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours.

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 the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, Additional Calculation Agent (if any), the Paying Agents and the Noteholders.

(f) **Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer under Condition 5.3(a) to 5.3(e), the Original Reference Rate and the fallback provisions provided for in Condition 5.2 will continue to apply unless and until the Fiscal Agent, the Calculation Agent and the Noteholders have been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5.3(e).

For the avoidance of doubt, if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer fails to determine a Successor Rate or Alternative Rate (as applicable) on or before the date falling five Business Days prior to the Interest Determination Date relating to the next Interest Period, or if a Successor Rate or an Alternative Rate is not determined or adopted pursuant to the operation of this Condition 5.3 prior to such date, then the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of Condition 5.2 (*Interest on Floating Rate Notes*).

(g) **Definitions**

For the purposes of this Condition 5.3, unless defined above:

“**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 Issuer, following

consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders (as a class) as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of an Alternative Rate, is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate; or
- (iii) if no such recommendation or option has been made (or made available), or the Issuer determines there is no such spread, formula or methodology in customary market usage, the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (iv) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate in the circumstances.

**“Alternative Rate”** means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 5.3(b) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes.

**“Benchmark Amendments”** has the meaning given to it in Condition 5.3(d).

**“Benchmark Event”** means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to exist or be published; or
- (ii) the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (b) the date falling six months prior to the date specified in (ii)(a); or
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (iv) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, by a specified date, be permanently or indefinitely discontinued and (b) the date falling six months prior to the date specified in (iv)(a); or
- (v) the later of (a) a public statement by the supervisor of the administrator of the Original Reference Rate, stating, or to the effect, that the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences and (b) the date falling six months prior to the date specified in (v)(a); or
- (vi) it has or will prior to the next Interest Determination Date become unlawful for any Paying Agent, the Calculation Agent, the Additional Calculation Agent or the Issuer to

calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable).

**“Independent Adviser”** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 5.3(a).

**“Original Reference Rate”** means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes.

**“Relevant Nominating Body”** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board, the European Systemic Risk Board, or any part thereof.

**“Successor Rate”** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

#### 5.4 Change of Interest Basis

If Change of Interest Basis is specified as applicable in the applicable Final Terms, the interest payable in respect of the Notes will be calculated in accordance with Condition 5.1 (*Interest on Fixed Rate Notes*) or Condition 5.2 (*Interest on Floating Rate Notes*), each applicable only for the relevant Interest Periods specified in the applicable Final Terms.

If Change of Interest Basis is specified as applicable in the applicable Final Terms, and Issuer’s Switch Option is also specified as applicable in the applicable Final Terms, the Issuer, may, on one or more occasions, as specified in the applicable Final Terms, at its option (any such option, a **“Switch Option”**), having given notice to the Noteholders in accordance with Condition 16 (*Notices*) on or prior to the relevant Switch Option Expiry Date, change the Interest Basis of the Notes from Fixed Rate to Floating Rate or Floating Rate to Fixed Rate or as otherwise specified in the applicable Final Terms with effect from (and including) the Switch Option Effective Date specified in the applicable Final Terms to (but excluding) the Maturity Date (or, where more than one Switch Option Effective Date is specified in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date), provided that (A) the Switch Option may be exercised only in respect of all the outstanding Notes, (B) upon exercise of a Switch Option, the Interest Basis change will be effective from (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change.

**“Switch Option Expiry Date”** and **“Switch Option Effective Date”** shall mean any date specified as such in the applicable Final Terms provided that any date specified in the applicable Final Terms as a Switch Option Effective Date shall be deemed as such subject to the exercise of the relevant Switch Option having been notified by the Issuer pursuant to this Condition and in accordance with Condition 16 (*Notices*) prior to the relevant Switch Option Expiry Date.

*Condition 6 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.*

## **6. Zero Coupon Notes**

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

## **7. Redemption and Purchase**

### **7.1 Scheduled Redemption**

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date together with interest accrued (if any) to the date of redemption, subject as provided in Condition 8 (*Payments*).

### **7.2 Redemption for Tax Reasons**

- (a) The Notes may be redeemed at the option of the Issuer (subject as mentioned below) in whole, but not in part:
  - (i) at any time (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being not applicable or otherwise do not apply in respect of the Interest Period in which the date fixed for redemption falls); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable or apply in respect of the Interest Period in which the date fixed for redemption falls),

and, in either case, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer (1) has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Republic of Italy or of any political subdivision or any authority thereof or therein having power to tax, or as a result of any change in, or amendment or clarification to, the application or interpretation (or application or interpretation made for the first time) of such laws, regulations or other rules, including the publication or pronouncement of any decision or interpretation by any competent court or authority providing for a position with respect to such laws, regulations or other rules that differs from the previously generally accepted position or otherwise differs from prior written confirmation given by the competent authority in respect of tax treatment of the Notes, which change, amendment or clarification becomes effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures it deems appropriate; or



- (B) if early redemption for tax non-deductibility is specified in the relevant Final Terms, (1) deductibility of interest payable by the Issuer in respect of the Notes is materially reduced for Italian income tax purposes as a result of any change in, or amendment or clarification to, the laws or regulations or applicable accounting standards of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or as a result of any change in, or amendment or clarification the application or interpretation (or application or interpretation made for the first time) of such laws, regulations or applicable accounting standards, including the publication or pronouncement of any decision or interpretation by any competent court or authority providing for a position with respect to such laws, regulations or other rules that differs from the previously generally accepted position or otherwise differs from prior written confirmation given by the competent authority in respect of tax treatment of the Notes, which change, amendment or clarification becomes effective on or after the date of issuance of the Notes; and (2) such non-deductibility cannot be avoided by the Issuer taking reasonable measures available to it,

*provided, however, that no such notice of redemption shall be given earlier than:*

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or, in the case of (B), be unable to deduct such amounts for Italian income tax purposes; or
  - (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or, in the case of (B), be unable to deduct such amounts for Italian income tax purposes.
- (b) Prior to the publication of any notice of redemption pursuant to this Condition 7.2, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by a senior officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts or, in the case of (B), is or will be unable to deduct such amounts for Italian income tax purposes, in each case, as a result of such change, amendment or clarification. Upon the expiry of any such notice as is referred to in this Condition 7.2, the Issuer shall redeem the Notes in accordance with this Condition 7.2.
- (c) The “**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance to, the relevant Final Terms.

*Condition 7.3 below is applicable if the Issuer’s Call Option is specified in the relevant Final Terms as being applicable.*

### **7.3 Redemption at the Option of the Issuer – Issuer Call**

- (a) The Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date at the relevant Optional Redemption Amount (Call) on the Issuer’s giving not less than 15 nor more than 30 days’ notice to the Noteholders, at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date. Upon the expiry of any such notice as is referred to in this Condition 7.3, the Issuer shall

redeem the Notes or, as the case may be, the Notes specified in such notice, in accordance with this Condition 7.3.

- (b) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 7.3(a), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 7.3(a) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

*Condition 7.4 is applicable if the Noteholders Put Option is specified in the relevant Final Terms as being applicable.*

#### **7.4 Redemption at the Option of Noteholders**

- (a) The Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date.
- (b) In order to exercise the option contained in this Condition 7.4, the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons and unexchanged Talons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 7.4, may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 7.4, the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

*Condition 7.5 is applicable if the Clean-up Call Option is specified in the relevant Final Terms as being applicable.*

#### **7.5 Clean-Up Call Option**

If the Clean-up Call Option (as defined herein) is specified in the relevant Final Terms as being applicable, in the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased and cancelled by the Issuer, the Issuer may, at its option (the “**Clean-Up Call Option**”) but subject to having given not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the relevant Notes, at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

*Condition 7.6 is applicable if the Three-Month par Call Option is specified in the relevant Final Terms as being applicable.*

## **7.6 Redemption at the Option of the Issuer from three months prior to the Maturity Date of the relevant Notes**

If the Three-Month par Call Option (as defined herein) is specified in the relevant Final Terms as being applicable, the Issuer may, at any time during the period starting three months prior to (but excluding) the relevant Maturity Date, at its option (“**Three-Month par Call Option**”), but subject to having given not less than 30 nor more than 60 days’ notice to the relevant Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the relevant Notes, at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

## **7.7 No Other Redemption**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 7.1 (*Scheduled Redemption*), Condition 7.2 (*Redemption for Tax Reasons*), Condition 7.3 (*Redemption at the Option of the Issuer*), Condition 7.4 (*Redemption at the Option of Noteholders*), Condition 7.5 (*Clean-Up Call Option*) and Condition 7.6 (*Redemption at the Option of the Issuer from three months prior to the Maturity Date of the relevant Notes*) above.

## **7.8 Early Redemption of Zero Coupon Notes**

- (a) The Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date, or upon its becoming due and repayable pursuant to Condition 10 (*Events of Default*), shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.
- (b) Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 7.8 or, if none is so specified, a Day Count Fraction of 30E/360.

## **7.9 Purchase**

The Issuer may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons and unexchanged Talons are purchased therewith.

## **7.10 Cancellation**

All Notes purchased by or on behalf of the Issuer may be surrendered for cancellation by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations in respect of any such Notes shall be discharged. Any Notes purchased by or on behalf of the Issuer and not so surrendered for cancellation may be reissued or resold.

# **8. Payments**

## **(a) Principal**

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in that currency (or, if that currency is euro, any

other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

(b) **Interest**

Payments of interest shall, subject to Condition 8(h) (*Payments other than in Respect of Matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 8(a) (*Principal*) above.

(c) **Payments in New York City**

Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) **Payments Subject to Fiscal Laws**

All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 to 1474 (inclusive) of that Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Deductions for Unmatured Coupons**

If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment)

which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 8(a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons.

(f) **Unmatured Coupons Void**

If the relevant Final Terms specifies that this Condition 8(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 7.2 (*Redemption for Tax Reasons*), Condition 7.3 (*Redemption at the Option of the Issuer*), Condition 7.4 (*Redemption at the Option of Noteholders*), Condition 7.5 (*Clean-Up Call Option*), Condition 7.6 (*Redemption at the Option of the Issuer from three months prior to the Maturity Date of the relevant Notes*) or Condition 10 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) **Payments on Business Days**

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) **Payments other than in Respect of Matured Coupons**

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 8(c) (*Payments in New York City*) above).

(i) **Partial Payments**

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) **Exchange of Talons**

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 11 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## **9. Taxation**

(a) **Gross Up**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts

as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (i) in the Republic of Italy; or
- (ii) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Republic of Italy other than the mere holding of such Note or Coupon; or
- (iii) in relation to any payment or deduction on principal, interest or other proceeds of any Note on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended or supplemented (“**Decree No. 239**”); or
- (iv) in all circumstances in which the requirements and procedures set forth in Legislative Decree No. 239 have not been met or complied with except where such requirements and procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (v) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note or Coupon on the last day of such period of 30 days; or
- (vi) in respect of Notes classified as atypical securities where such withholding or deduction is required under Law Decree No. 512 of 30 September 1983, as amended and supplemented from time to time; or
- (vii) any combination of items (i) through (vi).

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of Sections 1471 through 1474 of the Code, any regulation or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto (“**FATCA Withholding**”) as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, the paying agent or any other party.

(b) **Taxing Jurisdiction**

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to and/or such other jurisdiction.

## 10. Events of Default

If any of the following events occurs and is continuing:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes within five days, or fails to pay any amount of interest in respect of the Notes within fifteen days, in each case of the due date for payment thereof;
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other material obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent;

- (c) **Cross default of Issuer:**
- (i) any Indebtedness of the Issuer which, taken individually or in the aggregate, exceeds EUR 50,000,000 (or its equivalent in any other currency or currencies) (i) is not paid when due or (as the case may be) within any original applicable grace period; or (ii) becomes due and payable prior to its stated maturity by reason of default (howsoever described) by the Issuer; or
  - (ii) the Issuer fails to pay when due any amount payable by it under any Guarantee of any Indebtedness, taken individually or in the aggregate, in excess of EUR 100,000,000 (or its equivalent in any other currency or currencies);
- (d) **Unsatisfied judgment:** one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of any amount/an amount in excess of Euro 10,000,000 (or its equivalent in any other currency or currencies), in aggregate, is rendered against the Issuer and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment;
- (e) **Security enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or substantially the whole of the undertaking, assets and revenues of the Issuer, and such taking of possession or appointment is not terminated within 90 days after the date thereof;
- (f) **Insolvency etc.:** the Issuer:
- (i) is adjudicated or found bankrupt or insolvent;
  - (ii) becomes subject to any bankruptcy, compulsory liquidation, or otherwise becomes subject to or initiates or consents to judicial or administrative proceedings under any applicable insolvency, liquidation, composition or other similar laws; or
  - (iii) ceases generally to pay its debts or is unable to pay its debts as they fall due; or
  - (iv) enters into, or passes any resolution for, or becomes subject to any order by any competent court or administrative agency, or takes any action in relation to:
    - (A) any arrangement with its creditors generally or any calls of creditors; or
    - (B) the appointment of an administrative or other receiver, administrator, trustee or other similar official in relation to the Issuer of the whole or substantially the whole of its undertakings or assets;
- (g) **Winding-up etc.:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent);
- (h) **Unlawfulness:** it becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes;
- (i) **Corporate Reorganisation:** the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for (i) the purposes of a reorganisation, restructuring, merger, amalgamation, transfer or contribution of assets or other similar transaction on terms approved by the Noteholders or (ii) the purposes of a Permitted Reorganisation.

For the purpose of this provision, “**Permitted Reorganisation**” means an amalgamation, merger, spin-off, reconstruction, reorganisation, restructuring, transfer or contribution of assets or other similar transaction (a “**relevant transaction**”) whilst solvent whereby the assets and undertaking of the Issuer (or, as appropriate, all or substantially all of such assets and undertaking) are vested in a body corporate in good standing and such body corporate, as a result of the relevant transaction, (i) assumes the obligations of the Issuer in respect of the Notes and (ii) carries on the whole or substantially the whole of the business carried on by the Issuer

immediately prior thereto; and (iii) beneficially owns the whole or substantially the whole of the undertaking, property and assets owned by the Issuer immediately prior thereto; or

- (j) **Failure to take action:** at any time any act, condition or thing which is required to be done, fulfilled or performed by the Issuer in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes; (ii) to ensure that those obligations are legal, valid, binding and enforceable; or (iii) to make the Notes admissible in evidence in the Republic of Italy, is not done, fulfilled or performed,

then, subject as stated below, any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, at its principal amount (or, in the case of Zero Coupon Notes, at the amount indicated at Condition 7.8 (*Early Redemption of Zero Coupon Notes*)) together with accrued interest without further action or formality.

## 11. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

## 12. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 13. Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent and initial Additional Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent or Additional Calculation Agent and additional or successor paying agents; *provided, however, that:*

- (a) the Issuer shall at all times maintain a Fiscal Agent; and
- (b) if a Calculation Agent and/or, as the case may be, Additional Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent and/or, as the case may be, Additional Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system the rules of which require the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by the rules of such listing authority, stock exchange and/or quotation system; and



- (d) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer is incorporated.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

## **14. Meetings of Noteholders; Modification and Waiver; Substitution**

### **14.1 Meetings of Noteholders**

- (a) The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not and irrespective of how their vote was cast at such meeting.
- (b) In relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution, the following provisions shall apply but are subject to compliance with the laws, legislation, rules and regulations of Italy in force and applicable to the Issuer from time to time:
  - (i) a meeting may be convened by the board of directors of the Issuer or the Noteholders' Representative and shall be convened by either of them upon the request in writing of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes;
  - (ii) a meeting of Noteholders will be validly held *provided that* there are one or more person(s) present holding or representing:
    - (A) in the case of the first meeting, at least one half of the aggregate principal amount of the outstanding Notes; and
    - (B) in the case of the second meeting, third meeting or any subsequent meeting, more than one-third of the aggregate principal amount of the outstanding Notes,

*provided, however, that Italian law and/or the by-laws of the Issuer may from time to time (to the extent permitted under applicable Italian law) require a different quorum at any of the above meetings (also depending on the matter to be transacted at such Meeting);*

  - (C) the majority required to pass an Extraordinary Resolution (including any meeting convened following adjournment of the previous meeting for want of quorum) will be one or more person(s) holding or representing:
    - (1) in the case of a meeting convened to resolve on a matter other than a Reserved Matter:
      - (I) at the first meeting, more than one-half of the aggregate principal amount of the outstanding Notes; and
      - (II) at the second meeting, third meeting and any subsequent meeting, at least two-thirds of the aggregate principal amount of the Notes represented at the meeting;
    - (2) in the case of a meeting convened to resolve on a Reserved Matter, at least one-half of the aggregate principal amount of the outstanding Notes, whether at first meeting, second meeting, third meeting or any subject meeting,

*provided that* the by-laws of the Issuer may from time to time (to the extent permitted under applicable Italian law) require a different majority which shall be indicated in the notice convening the relevant meeting.

#### **14.2 Noteholders' Representative**

Pursuant to Articles 2415 and 2417 of the Italian Civil Code, a Noteholders' Representative (*rappresentante comune*) may be appointed, *inter alia*, to represent the interests of Noteholders in respect of Notes, such appointment to be made by an Extraordinary Resolution or by an order of a competent court at the request of one or more Noteholders or the Issuer. Each such Noteholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

#### **14.3 Modification**

The Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error or to effect a modification of a formal, minor or technical nature or to comply with mandatory provisions of law.

In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

#### **15. Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

#### **16. Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if the Notes which are listed or admitted to trading on the Luxembourg Stock Exchange and the rules of that exchange so require, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

#### **17. Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## 18. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 19. Governing Law and Jurisdiction

### (a) Governing Law

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, English Law, except that Condition 14.1(b) (*Meetings of Noteholders*) and the relevant provisions of the Agency Agreement concerning meetings of Noteholders and the appointment of a Noteholders' Representative (*rappresentante comune*), where applicable, are subject to compliance with the laws of the Republic of Italy.

### (b) Jurisdictions

The Issuer agrees for the benefit of the Noteholders that the courts of England shall 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 Notes (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

### (c) Appropriate Forum

The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

### (d) Service of Process

The Issuer irrevocably appoints Laurentia Financial Services Limited with registered office at 15 Northfields Prospect, London SW18 1PE, England as its agent of process in any Proceedings before the English courts in relation to any Dispute. If Laurentia Financial Services Limited is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.

### (e) Non-Exclusivity

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Notes will be substantially in the following form, completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms of the Notes but denotes directions for completing the Final Terms of the Notes. The Final Terms of the Notes are for use in connection with issues of Notes with a denomination of at least €100,000 only (or its equivalent in another currency).*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**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 MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the “**FSMA**”) to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/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 MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK MiFIR product governance / professional investors and ECPs only target market** – Solely for the purposes of [the/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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/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/s’] target market assessment) and determining appropriate distribution channels.]

**[Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore)(as modified or amended from time to time, the “**SFA**”), the Issuer has determined, and hereby



- [admitted to trading]:
- [(i)] [Series:] [●]
- [(ii)] [Tranche:] [●]
4. Issue Price: [●]% of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*).]
5. (i) Specified Denomination(s): [●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●].]
- (ii) Calculation Amount: *(Minimum denomination of the Notes will be €100,000.)*
- [●] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.)*
6. [(i)] Issue Date: [●]
- [(ii)] Interest Commencement Date: *[Specify/Issue Date/Not Applicable]*
7. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year.]*
8. Interest Basis:
- [[●] % Fixed Rate [for the Interest Periods from (and including) [●] to (but excluding) [●] (the “**Fixed Rate Period**”)]]
- [[●] month EURIBOR] +/- [●]% per annum Floating Rate [for the Interest Periods from (and including) [●] to (but excluding) [●] (the “**Floating Rate Period**”)]]
- [Floating Rate: CMS Linked Interest [for the Interest Periods from (and including) [●] to (but excluding) [●] (the “**Floating Rate Period**”)]]
- See paragraphs [11/12] below.
- [Zero Coupon]
- (further particulars specified below)
9. Change of Interest Basis: [Applicable/Not Applicable]
- [(further particulars specified in paragraphs 11 and 12 below)]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Switch Option(s): [Applicable – *[specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis subject to the Switch Option(s) applies]* / [Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(N.B. The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 16 (Notices) on or prior to the relevant Switch Option Expiry Date)*

[(ii) Switch Option Expiry Date: [●]]

[(iii) Switch Option Effective Date: [●]]

10. Put/Call Options [Investor Put]

[Issuer Call]

[Clean-Up Call Option]

[Three-Month par Call Option]

(see paragraph [14/15/16/17] below)

Early redemption for tax non-deductibility [Applicable/Not Applicable]

## **PROVISIONS RELATING TO [INITIAL] INTEREST (IF ANY) PAYABLE**

11. **Fixed Rate Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

(i) Rate(s) of Interest: [●]% per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]

(ii) Interest Payment Date(s): [[●] in each year from (and including) [●] up to and including the Maturity Date/[●]]

(iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount

(iv) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/ Not Applicable]

(v) Day Count Fraction: [30/360] / [360/360] / [Actual/Actual] / [Actual/Actual (ICMA)] / [Actual/365 (Fixed)] / [Actual/Actual (ISDA)] / [Actual 360] / [Bond Basis] / [30E/360] / [30E/360 (ISDA)] / [Eurobond Basis]

12. **Floating Rate Note Provisions** [Applicable/Not Applicable.]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

(i) Interest Period(s): [●]

(ii) Interest Payment Date(s): [●]

(iii) Business Day Convention: [Floating Rate Convention] / [FRN Convention] / [Eurodollar Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention] / [No Adjustment]

[Specified Period: [●]]

(iv) Additional Business Centre(s): [Not Applicable/give details.]

- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [●] [Name] shall be the Calculation Agent (*no need to specify if the Fiscal Agent is to perform this function*)
- (vii) Calculation of other amounts by the Additional Calculation Agent [Applicable/Not Applicable] [●] [Name] shall be the Additional Calculation Agent for the purposes of calculating [●] [*Specify manner of calculation*]
- (viii) Screen Rate Determination:
- Reference Rate: [●] month [EURIBOR]  
[CMS Reference Rate/Leveraged CMS Reference Rate/Leveraged CMS Reference Rate 2/Steepner CMS Reference Rate: Unleveraged/Steepner CMS Reference Rate: Leveraged/Call Spread CMS Reference Rate]
  - Reference Currency: [●]/[Not Applicable]
  - Designated Maturity: [●]/[Not Applicable]  
[The CMS Rate having a Designated Maturity of [●] shall be “CMS Rate 1” and the CMS Rate having a Designated Maturity of [●] shall be “CMS Rate 2”]  
*(Where more than one CMS Rate, specify the Designated Maturity for each relevant CMS Rate)*
  - Interest Determination Date(s): [●]  
*(In the case of a CMS Rate where the Reference Currency is euro):* [Second day on which the Target2 system is open prior to the start of each Interest Period]  
*(In the case of a CMS Rate where the Reference Currency is other than euro):* [Second (*specify type of day*) prior to the start of each Interest Period]
  - Relevant Screen Page: [For example, Reuters page EURIBOR01/other (*give details*)]  
*(In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions)*
  - Relevant Time: [For example, 11.00 a.m. [London/Brussels] time/other (*give details*)]
  - Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro/other (*give details*))]
  - Cap: [[●] % per annum]
  - Floor: [[●] % per annum]



- Leverage:  $[[\bullet]]$  % per annum]
- (ix) ISDA Determination:
  - Floating Rate Option:  $[\bullet]$
  - Designated Maturity:  $[\bullet]$
  - Reset Date:  $[\bullet]$

*(In the case of an EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked)*
- (x) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]  $[+/-]$   $[\bullet]$  per cent. per annum
- (xi) Margin(s):  $[+/-][\bullet]\%$  per annum.
- (xii) Minimum Rate of Interest: [Not applicable/ $[\bullet]\%$  per annum.]
- (xiii) Maximum Rate of Interest: [Not applicable/ $[\bullet]\%$  per annum.]
- (xiv) Day Count Fraction:  $[\text{Actual/Actual}] / [\text{Actual/Actual (ISDA)}] / [\text{Actual/Actual (ICMA)}] / [\text{Actual/365 (Fixed)}] / [\text{Actual/360}] / [30/360] / [360/360] / [\text{Bond Basis}] / [30E/360] / [30E/360 (ISDA)] / [\text{Eurobond Basis}]$

### 13. Zero Coupon Note Provisions

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

- (i) Accrual Yield:  $[\bullet]\%$  per annum.
- (ii) Reference Price:  $[\bullet]\%$  of Aggregate Nominal Amount
- (iii) Day Count Fraction for the purpose of Condition [7.8(b)] (*Redemption and Purchase – Early Redemption of Zero Coupon Notes*):  $[\text{Actual/Actual}] / [\text{Actual/Actual (ISDA)}] / [\text{Actual/Actual (ICMA)}] / [\text{Actual/365 (Fixed)}] / [\text{Actual/360}] / [30/360] / [360/360] / [\text{Bond Basis}] / [30E/360] / [30E/360 (ISDA)] / [\text{Eurobond Basis}]$

## PROVISIONS RELATING TO REDEMPTION

### 14. Call Option

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

- (i) Optional Redemption Date(Call):  $[\bullet]$  per Calculation Amount
- (ii) Optional Redemption Dates:  $[[\bullet]]$  in each year beginning on the Optional Redemption Date (Call).
- (iii) Optional Redemption Amount. Amount(s) (Call):  $[\bullet]$  per Calculation Amount

- (iv) Redemption in part: [Applicable/Not Applicable]
- (v) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
15. **Put Option** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Optional Redemption Date(s) (Put): [●]
- (ii) Optional Redemption Amount Amount(s) (Put): [●] per Calculation
16. **Clean-Up Call Option** [Applicable/Not Applicable]
17. **Three-Month par Call Option** [Applicable/Not Applicable]
18. **Final Redemption Amount** [[●] per Calculation Amount]
19. **Early Redemption Amount (Tax)** [[Not Applicable] / [●] per Calculation Amount]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon the occurrence of an Exchange Event.]
- [Temporary Global Note exchangeable for Definitive Notes on or after the Exchange Date.]
- [Permanent Global Note exchangeable for Definitive Notes upon the occurrence of an Exchange Event.]
- [In relation to any Notes issued with a denomination of €100,000 (or equivalent) and integral multiples of €1,000 (or equivalent), the Permanent Global Note representing such Notes shall only be exchangeable to Definitive Notes in the limited circumstances of (1) closure of the ICSDs; and (2) default of the Issuer.]*
21. New Global Note: [Applicable/Not Applicable]
22. Additional Financial Centre(s) or other special provisions relating to Payment Business Days: [Not Applicable/give details. Note that this paragraph relates to the place of payment.]
23. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments. Talons may be required if, on exchange into definitive form, more than 28 coupon payments are still to be made]/[No]
- (If yes:)* [Dates on which Talons mature: [●]]
24. Unmatured Coupons void [Condition 8(f) applies/does not apply]

### **Third Party Information**

[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

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By:

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. Listing and Admission to Trading

- (i) Listing: [Official List of the Luxembourg Stock Exchange/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange] with effect from [●].] and on [*specify*] with effect from [●].] / [Not Applicable.] (*where documenting a fungible issue need to indicate that original securities are already admitted to trading.*)
- (iii) Estimate of total expenses of admission to trading [●]

### 2. Ratings

Ratings: [The Notes are not expected to be rated]/[The Notes to be issued have been rated:

[Fitch: [●]]

[[Other]: [●]]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*]

***Option 1 - CRA established in the EEA and registered under the CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”). [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu>]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”).] /[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the “**UK**

**CRA Regulation”)/** *[[Insert legal name of particular credit rating agency entity providing rating]* has not been certified under Regulation (EU) No. 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK).]

***Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***

*[[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”), although notification of the corresponding registration decision has not yet been provided by the *[relevant competent authority]* /*[European Securities and Markets Authority]*. *[[Insert legal name of particular credit rating agency entity providing rating]* appears on the latest update of the list of registered credit rating agencies (as of *[insert date of most recent list]*) on the ESMA website <http://www.esma.europa.eu>. [The rating *[[Insert legal name of particular credit rating agency entity providing rating]* has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the UK and registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”).] /*[[Insert legal name of particular credit rating agency entity providing rating]* has been certified under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”).] /*[[Insert legal name of particular credit rating agency entity providing rating]* has not been certified under Regulation (EU) No. 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

***Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***

*[[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and is

neither registered nor has it applied for registration under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”). *[[Insert legal name of particular credit rating agency entity providing rating]* appears on the latest update of the list of registered credit rating agencies (as of *[insert date of most recent list]*) on the ESMA website <http://www.esma.europa.eu>. [The rating *[Insert legal name of particular credit rating agency entity providing rating]* has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the UK and registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”).] */[[Insert legal name of particular credit rating agency entity providing rating]* has been certified under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”).] */[[Insert legal name of particular credit rating agency entity providing rating]* has not been certified under Regulation (EU) No. 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

***Option 4 - CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the UK and registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”). *[[Insert legal name of particular credit rating agency entity providing rating]* appears on the latest update of the list of registered credit rating agencies (as of *[insert date of most recent list]*) on *[FCA]*. [The rating *[Insert legal name of particular credit rating agency entity providing rating]* has given to the Notes to be issued under the Programme is endorsed by *[insert legal name of credit rating agency]*, which is established in the EEA and registered under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”).] *[[Insert legal name of particular credit rating agency entity providing rating]* has been certified under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”).] *[[Insert legal name of particular credit rating agency entity providing rating]* has not been certified under Regulation (EU) No 1060/2009, as amended (the “**UK CRA Regulation**”) )

and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

***Option 5 - CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation AND/OR under the UK CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but the rating it has given to the Notes to be issued under the Programme is endorsed by [[insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”)] [and] [[insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the “**UK CRA Regulation**”)].

***Option 6 - CRA not established in the EEA or the UK and relevant rating is not endorsed under the CRA Regulation or the UK CRA Regulation but CRA is certified under the CRA Regulation AND/OR under the UK CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but is certified under [Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”)] [and] [Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”)].

***Option 7 - CRA neither established in the EEA or the UK nor certified under the CRA Regulation or the UK CRA Regulation and relevant rating is not endorsed under the CRA Regulation or the UK CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK and is not certified under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”) or Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in either the EEA and registered under the CRA Regulation or in the UK and registered under the UK CRA Regulation.

### 3. Additional Interests of Natural and Legal Persons Involved in the Issue

*(Need to include a description of any additional interest, including conflicting ones, that is material to the issue/offer, in addition to those described in the Base Prospectus, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement in the form shown below.)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its][their] affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)]

### 4. Reasons for the Offer and Estimated Net Amount of Proceeds

Reasons for the offer: [●] [See [“Use of Proceeds”] in Base Prospectus”/Give details] [If reasons differ from what is disclosed in the Base Prospectus give details here.]

Estimated net proceeds: [●]

### 5. Yield (Fixed Rate Notes only)

[Indication of yield: [●] / [Not Applicable]

### 6. Benchmark Rates (Floating Rate Notes only)

[[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [name of administrator] is not currently required to obtain authorisation/registration (or, if located outside the European Union or the United Kingdom, recognition, endorsement or equivalence)]/ [Not Applicable]

### 7. Operational Information

(i) ISIN: [●]

(ii) Common Code: [●]

[(iii) CFI Code: [[include code], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

[(iv) FISN: [[include code], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]



- (v) Intended to be held in a manner which would allow Eurosystem eligibility [Not Applicable/Yes/No]
- [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *(Include this text if “Yes” selected in which case the Notes must be issued in NGN form)* / [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- (vi) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, S.A., Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number (s)]
- (vii) Delivery: Delivery [against/free of] payment.
- (viii) Names and addresses of additional Paying Agent(s) (if any): [●]
- (ix) Method of distribution [Syndicated/Non-syndicated]
- (x) If syndicated: [Not Applicable]
- (a) Names and addresses of Dealers: [●]
- (b) Date of subscription agreement: [●]
- (c) Stabilising manager(s) (if any): [Not Applicable]/[●]
- (xi) If non-syndicated, name of Dealer [Not Applicable]/[●]

**8. US Selling Restrictions:**

Reg. S Compliance Category: [1/2]

[TEFRA C] / [TEFRA D] / [TEFRA not applicable]

## OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of a NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

### Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the forty-fifth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions, or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 18 July 2019 (the “**Deed of Covenant**”) executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Exchange of Permanent Global Notes**

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the forty-fifth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions, or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Conditions applicable to Global Notes**

Each Global Note will contain provisions which modify the Terms and Conditions as they apply to the Global Note. The following is an overview of certain of those provisions:

**Payments:** All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the

Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

**Exercise of put option:** In order to exercise the option contained in Condition 7.4 (*Redemption at the Option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, instruct the Fiscal Agent through the ICSDs.

**Partial exercise of call option:** In connection with an exercise of the option contained in Condition 7.3 (*Redemption at the Option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Terms and Conditions and the Notes to be redeemed will not be selected as provided in the relevant Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

**Notices:** Notwithstanding Condition 16 (*Notices*), while all the Notes are represented by a Permanent Global Note and/or a Temporary Global Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**Payment Business Day:** Notwithstanding the definition of “**Payment Business Day**” in Condition 2(a) (*Definitions*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, “**Payment Business Day**” means:

- (a) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

## **USE OF PROCEEDS**

Save as otherwise specified in the Final Terms (or Drawdown Prospectus, as applicable), the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, including but not limited to refinancing of existing debt. In particular, AMCO may, on the basis of future liquidity requirements of each of the Gruppo Vicenza Patrimonio Destinato and the Gruppo Veneto Patrimonio Destinato on the one hand, and the requirements of AMCO Patrimonio Generale on the other hand, decide to on-lend to either or both Patrimonio Destinato part or all of the net proceeds from each issue of Notes in order to fund its (or their) operational needs, determining the relevant terms on which the net proceeds will be so on-lent. Net proceeds from each issue of Notes may be applied by the Issuer for financing business growth strategies.

## DESCRIPTION OF THE ISSUER

### Overview

AMCO – Asset Management Company S.p.A. (“**AMCO**” or the “**Issuer**”) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law. Its registered office and headquarters are at Via Santa Brigida 39, 80133 Naples, Italy and Via del Lauro 5/7, 20121 Milan, respectively, and its telephone numbers are +39 081 7601111 (Naples) and +39 02 94457511 (Milan). AMCO is registered with the register of companies of Naples under number 1635/89 and on the Registry of Financial Intermediaries pursuant to article 106 of Legislative Decree 385/93 (the “**Consolidated Banking Act**”) under number 6. Its fiscal code and VAT number is 05828330638.

AMCO is a financial intermediary specialising in the management, servicing and recovery of non-performing exposures (*crediti deteriorati*) (“**NPE**”). It has accumulated experience in the management of loans classified as defaulted (*in sofferenze*<sup>1</sup>), unlikely-to-pay (*inadempienza probabili*<sup>2</sup>) and overdrawn and/or past-due (*esposizioni scadute e/o sconfinanti*<sup>3</sup>) as a result of its role in the bailout of Banco di Napoli S.p.A. (“**Banco di Napoli**”). See further “*History*” below. Following Legislative Decree no. 59 of 3 May 2016 (converted into law by Law no. 119 of 30 June 2016), the entire share capital of AMCO was acquired by the Italian Ministry of the Economy and Finance (“**MEF**”) and the corporate purpose of AMCO was modified thereby stating expressly that AMCO may perform the servicing and recovery of receivables originated by parties other than Banco di Napoli.

Pursuant to its by-laws, AMCO’s period of incorporation will end on 31 December 2100, subject to any extension. As provided by Article 3 of its by-laws, AMCO’s corporate purpose is to acquire and manage with a view to realise, in a cost-effective manner, receivables originated by banks registered in the register referred to in article 13 of the Consolidated Banking Act, by companies belonging to banking groups registered in the register referred to in article 64 of the Consolidated Banking Act and by financial intermediaries registered in the register referred to in article 106 of the Consolidated Banking Act, even if such entities do not belong to a banking group. In addition, AMCO may purchase shares and other financial assets, including asset backed securities collateralised by receivables originated by banks, companies belonging to banking groups and by financial intermediaries even if such entities do not belong to a banking group and shares of closed-end investment funds, reserved for professional investors, set up for the subscription of shares issued by banks or for the subscription and/or purchase of securities issued by companies established to finance the purchase of receivables originated by banks, companies belonging to banking groups and financial intermediaries even if such entities do not belong to a banking group, or for the direct purchase of such receivables. Furthermore, AMCO may – also acting through dedicated asset pools (*patrimoni destinati*) constituted in accordance with Article 5 of Law Decree no. 99 of 25 June 2017 (converted into law by Law no. 121 of 31 July 2017) and the conditions set forth in the ministerial decrees adopted pursuant thereto – (i) grant loans, directly or indirectly, to debtors assigned to it or managed by it pursuant to such law, as well as to vehicles or undertakings for collective investment set up to purchase and manage, directly or indirectly, loans and receivables originated by banks, financial intermediaries even if such entities do not belong to a banking group and by companies belonging to banking groups, provided that such loans pursue, also through the intermediation of the management platform, to maximise the realisation value of the underlying receivables (and other assets and legal relationships accessory thereto or connected therewith); and (ii) carry out leasing activities and as such become party to the receivables and obligations arising under the relating leasing contracts.

AMCO’s corporate purpose includes management and judicial/extra-judicial recovery of receivables originated by banks, by companies belong to banking groups and by financial intermediaries even if such entities do not belong to a banking group, pursuant to mandates received from the originators. When acting pursuant to mandates from securitisation vehicles incorporated under Law no. 130 of 30 April 1999 (the “**Securitisation Law**”), AMCO may perform the role of the party appointed to carry out receivables collection, cash and

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<sup>1</sup> *In sofferenze* are exposures to debtors that are insolvent or in substantially similar circumstances.

<sup>2</sup> *Inadempienza probabili* (other than those classified as *in sofferenza*), also referred to as **UTP**, are those exposures in respect of which it is believed the debtors are unlikely to meet their contractual obligations in full unless action such as the enforcement of guarantees is taken.

<sup>3</sup> *Esposizioni scadute e/o sconfinanti* (other than those classified among *in sofferenza* and *inadempienza probabili*), also referred to as **PD**, are those exposures that are overdrawn and/or past-due by more than 90 days and for above a predefined amount.

payment services and to verify compliance with the law and the prospectus in accordance with Article 2, paragraphs 6 and 6bis of the Securitisation Law.

The aforementioned activities are to be performed with reference to NPEs and, secondarily, receivables that are classified (whether upfront or at a later stage) as performing. These activities may be carried out in Italy and, subject to compliance with applicable law and any requisite authorisations, outside Italy.

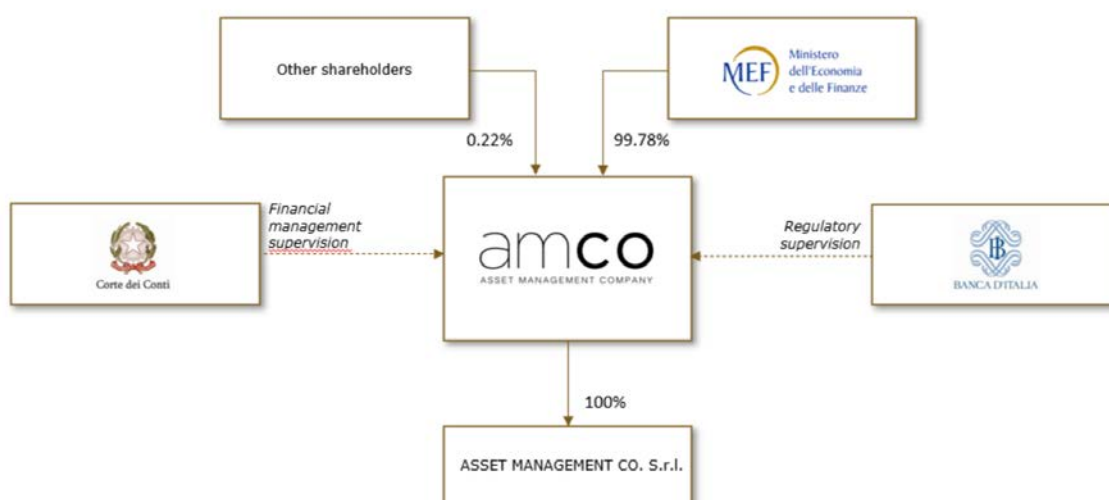
In order to achieve its corporate purpose, AMCO may carry out transactions concerning the management, in any form, the disinvestment and the disposal of receivables, participations and other financial assets; as well as, incidentally, any other commercial, financial, securities and real estate transactions in compliance with applicable law. In accordance with Article 18, paragraph 3 of Legislative Decree no. 58 of 24 February 1998, AMCO may carry out, *vis-à-vis* the assigned debtors as part of its receivables management activities, trading for its own account and execute orders on behalf of customers, in each case including derivative financial instruments.

AMCO may also issue bonds in compliance with applicable laws and regulations. The Board of Directors has authority to approve issuances of financial instruments other than shares or that are not convertible into shares. The adoption of a programme for the issuance of these financial instruments that are to be listed on the regulated markets, or individual issuances of such instruments otherwise than under a programme that has been approved by the shareholders, may only be made if there are ascertained financial needs of AMCO and are subject to prior approval by the shareholders pursuant to Article 2364, paragraph 1(5) of the Italian Civil Code.

According to Law no. 259 of 21 March 1958, the Court of Auditors (*Corte dei Conti*) has the authority to supervise the financial management of companies owned by the Italian Government, including AMCO. As a financial intermediary registered on the register of financial intermediaries pursuant to Article 106 of the Consolidated Banking Act, AMCO is also subject to regulatory supervision by the Bank of Italy as the competent supervisory authority.

In addition, in August 2018, AMCO has set up a subsidiary in Romania, AMCO – Asset Management Company Srl (“**AMCO Srl**”, previously named Società per la Gestione di Attività S.r.l.). AMCO Srl is wholly owned by AMCO and has been incorporated to carry out the administration and recovery of receivables originated through operations of VB’s branches/subsidiaries in Romania (see further “*Recent developments – VB Receivables originated through operations of branches/subsidiaries in Croatia, Albania, Moldova and Romania*”).

The following diagram illustrates the structure of AMCO as at the date of this Base Prospectus.



At the Shareholder’s Meeting of 29 November 2019, the Ministry of Economy and Finance approved the share capital increase of AMCO for a total of Euro 1,000,000,000, of which Euro 597,000,000 to the nominal share capital and Euro 403,000,000 to the share premium reserve. Following the full subscription of the above-mentioned share capital increase by AMCO’s sole shareholder, the share capital of the company went from Euro



3,000,000 (represented by 3,000,000 ordinary shares without nominal value) to Euro 600,000,000 (represented by 600,000,000 ordinary shares without nominal value).

As at the date of this Base Prospectus, following the acquisition of the MPS Compendium (see "*Other Investments and activities—Monte Paschi di Siena S.p.A.*"), AMCO's share capital is equal to Euro 655,153,674 divided into (i) 600,000,000 ordinary shares with no nominal value owned by the MEF, and (ii) 55,153,674 Class B Shares with no nominal value and no voting rights owned by the MEF and other shareholders and include treasury shares. The MEF retains 99.78% of the ownership and 100% of voting rights of AMCO.

## History

Incorporated in 1989, AMCO commenced its activities with the servicing and recovery of receivables owned by Banco di Napoli in December 1996 in the context of the bailout and subsequent privatisation of the bank pursuant to Italian Legislative Decree no. 497 of 24 September 1996 (converted into law by Law no. 588 of 19 November 1996).

Over the years, AMCO purchased receivables then administered by AMCO, with a view to a recovery of the receivables aimed at maximising their realisation value. These purchases included in particular:

- the acquisition in December 1996 from Banco di Napoli of a portfolio of defaulted loans, problem and restructured loans and certain other receivables at risk (the "**Banco di Napoli Receivables**") with an aggregate nominal value of approximately €8.98 billion, for a consideration of approximately €6,425.9 million, of which €6,272.9 million constituted loan receivables and €153 million constituted other receivables. See further "*Business – Banco di Napoli Receivables*" below;
- the acquisition in July 2000 of a portfolio of problem loans from Isveimer – Istituto per lo Sviluppo Economico dell'Italia Meridionale S.p.A. (in liquidation) ("**Isveimer**") with a gross book value of €1,098.8 million, for a consideration of €288.6 million (the "**Isveimer Receivables**"). See further "*Business – Isveimer Receivables*" below.

In September 2002, AMCO acquired from Isveimer its entire participation in Gestione e Recupero Attivi Anomali da Leasing – G.r.a.a.l. – S.r.l., that was subsequently merged into AMCO.

Since April 2016, AMCO has been registered as a financial intermediary pursuant to Article 106 of the Consolidated Banking Act.

Following Legislative Decree no. 59 of 3 May 2016 (converted into law by Law no. 119 of 30 June 2016), the entire share capital of AMCO was acquired by the MEF and the corporate purpose of AMCO was modified so as to refer expressly to the servicing and recovery of receivables originated by parties other than Banco di Napoli. In the context of the liquidation of Banca Popolare di Vicenza S.p.A. ("**BPVi**") and Veneto Banca S.p.A. ("**VB**"), Law Decree no. 99 of 25 June 2017 (converted into law by Law no. 121 of 31 July 2017) ("**Law Decree 99/2017**"), as implemented by the decree no. 221 issued by MEF on 22 February 2018 (the "**MEF Decree**"), provide for AMCO to purchase a portfolio of non-performing receivables from the liquidators of BPVi and VB (respectively, the "**BPVi Liquidators**" and "**VB Liquidators**") classified as defaulted, unlikely to pay or past due (respectively, the "**BPVi Portfolio**" and the "**VB Portfolio**" and the corresponding receivables, the "**BPVi Receivables**" and the "**VB Receivables**") having underlying approximately 110,000 debt positions with an aggregate gross book value of approximately €16.7 billion as of 11 April 2018, and for AMCO to administer and service such receivables with a view to their recovery and to maximise their realisation values. As used in this Base Prospectus, the term "**BPVi/VB Liquidators**" shall refer to the BPVi Liquidators and/or the VB Liquidators, and the terms "**BPVi/VB Portfolios**" and "**BPVi/VB Receivables**" shall refer to the BPVi Portfolio and/or the VB Portfolio, and the BPVi Receivables and/or the VB Receivables, in each case, as the context requires. See further "*Recent Developments – Acquisition of the BPVi/VB Receivables*". AMCO played a strategic role in the context of the liquidation of BPVi and VB and the sale of part of the two banks' activities (other than the non-performing exposures) to Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**"). In this connection, it should be noted that since the Italian State has guaranteed the repayment of loans granted by Intesa Sanpaolo to finance the winding down of BPVi and VB in case the liquidation mass was insufficient to reimburse such loans, an efficient and speedy recovery of the BPVi/VB Receivables is in the interest of all parties concerned (MEF, AMCO and the BPVi/VB Liquidators alike).

The size of the BPVi/VB Portfolios (comprised of approximately €16.7 billion in gross book value of receivables assigned up front plus additional non-performing receivables to be added to the portfolios further to their re-assignment by Intesa Sanpaolo) rendered AMCO the fifth largest player in the Italian NPE market in terms of volume of assets under management and the first operator in the management of unlikely to pay and past due loans. Management believes that the BPVi/VB transaction gives AMCO a competitive advantage to become the preferred management platform for other NPE portfolios in Italy by enabling AMCO to benefit from economies of scale in its activities and to continue to accumulate expertise in its core business of NPE servicing and recovery.

As at 31 December 2020, AMCO holds a portfolio of non-performing exposures with a gross book value of about €34.0 billion. Such assets under management are comprised of approximately 58% bad loans and 42% UTP and PD, managed with an approach aimed at fostering corporates' sustainability.

## Business Strategy

In pursuit of AMCO's goal to play a key role in the Italian NPE market as master and special servicer of both proprietary and third parties portfolios, and in contemplation of the significant increase in size of its assets under management following the portfolio acquisitions of 2019 and 2020, the firm:

- amended its by-laws to provide for the attribution of powers and delegation of authorities to specific board members, taking into consideration the new business model and the new internal organisation and so as to allow for the flexibility needed in the management of the enlarged portfolios of receivables;
- defined a new business model, especially for the management of unlikely-to-pay and past due receivables; finalising the arrangements for outsourcing the management of selected portfolio clusters to specialised third party special servicers and the interim special servicing arrangements for the securitised positions (see further paragraphs headed "*In-house structure*" and "*Interim Special Servicing of the securitised receivables*" in "*AMCO's portfolio management platform*" below);
- introduced a new organisational structure and hiring of personnel to have an adequate staff structure consistent with the increased volume and complexity of AMCO's activities (see further "*Corporate Governance, Organisational Structure and Internal Controls*" below);
- implemented relevant procedures and activities to manage the onboarding process of new portfolios and for migration of the underlying documentation and data tapes (see further "*AMCO's portfolio management platform – Back office and documentation management activities*" below); and
- leveraged on a new integrated ICT system to efficiently manage back-end and front-end activities for the current portfolios under management and ready for onboarding of new portfolios (see further "*AMCO's portfolio management platform – Information Technology Infrastructure*" below).

## Business

AMCO's core business is the servicing and recovery of non-performing receivables. The company has accumulated significant expertise over the years in the management and value enhancement of non-performing exposures, through both judicial and extra-judicial processes, and possesses an efficient platform for the servicing of receivables and realisation of the underlying real estate properties and other collaterals.

To assist in the pursuit of its objective to become a leading player in the Italian NPE market, AMCO has obtained a servicer rating from Fitch Ratings. In particular, Fitch Ratings assigned to AMCO an Italian Residential and Commercial Special Servicer rating of respectively 'RSS2-' and 'CSS2-', and an Asset-Backed Securities (ABS) Special Servicer rating of 'ABSS2-'. Level 2 ratings are assigned to servicers that demonstrate high performance in overall servicing ability in accordance with Fitch Ratings' methodology. For further updates on the recent ratings confirmation refer to the *Recent Developments* section of this Base Prospectus and to the Issuer's institutional website.

On 12 December 2019, the rating agency Fitch placed AMCO's Long-Term and Short-Term Issuer Default Ratings (IDRs), respectively "BBB-" and "F3", on positive watch. The decision follows the resolution of the

capital increase (announced on 29 November 2019) and the involvement in the derisking plan of Carige Group (announced on 3 December 2019). On 6 May 2020 – following a rating review process started in December 2019- Fitch Ratings confirmed the “BBB-” and “F3” ratings, moving the Outlook to Stable. As a result, AMCO’s current rating is equal to the Italian Sovereign rating.

On 23 July 2019, AMCO also obtained by S&P Ratings an LTIDR and a Senior Unsecured Debt IDR of BBB with a negative outlook. The rating was confirmed on occasion of the second bond issuance of €600m placed in October 2019. In 2019 AMCO continued the growth started in 2018, through the acquisition of new portfolios and the development of new business initiatives to offer receivables servicing and management services to third parties, as well as other consultancy and technical support services in the NPE market in Italy. For further updates on the recent ratings confirmation refer to the *Recent Developments* section of this Base Prospectus and to the Issuer’s institutional website.

The following paragraphs set out an overview of the portfolios currently under management.

Within the aforementioned assets under management, in addition to servicing and managing proprietary loans that form part of its general assets, AMCO also services and manages receivables that form part of dedicated asset pools constituted specifically for such purposes (each, a “**Patrimonio Destinato**”). In accordance with the arrangements with the BPVi/VB Liquidators, a portion of the recoveries that form part of the dedicated assets of each Patrimonio Destinato constituted for the purposes of the BPVi Receivables (the “**Gruppo Vicenza Patrimonio Destinato**”) and the VB Receivables (the “**Gruppo Veneto Patrimonio Destinato**”), referred to in the Receivables Transfer Agreements as *Competenze AMCO*, will be paid to AMCO and will form part of AMCO’s general assets: see further below “*Recent Developments – Acquisition of the BPVi/VB Receivables – AMCO’s Share of Recoveries*”. As used in this Base Prospectus, the term “**Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato**” shall refer to the Gruppo Vicenza Patrimonio Destinato and/or the Gruppo Veneto Patrimonio Destinato, as the context requires.

## **The Banco di Napoli Receivables, the Isveimer Receivables and the GRAAL Receivables**

### ***Banco di Napoli and Isveimer Receivables***

The Banco di Napoli Receivables were purchased by AMCO from Banco di Napoli pursuant to a receivables transfer agreement dated 31 December 1996 for a consideration of approximately €6.42 billion. At the same time, Banco di Napoli granted to AMCO a loan corresponding to the purchase price of the Banco di Napoli Receivables and other loans to cover the expenses for servicing the receivables. AMCO acted initially as master servicer of the Banco di Napoli Receivables, while Banco di Napoli carried out, on a gratuitous basis, the day-to-day servicing and administration of the receivables under the supervision and coordination of AMCO pursuant to a separate mandate (the “**Servicing Mandate**”). AMCO commenced servicing a small portion of the Banco di Napoli Receivables in 2001 (approximately 250 loans for a gross book value of €0.3 billion). Following an agreement between the parties in October 2014, AMCO assumed directly the servicing of the entire portfolio (approximately 5,200 loans for a gross book value of €3 billion) and the Servicing Mandate terminated in April 2015. In April 2016 AMCO entered into a settlement with companies of the Intesa Sanpaolo group pursuant to which AMCO received €2.5 million by way of compensation towards the conclusive settlement of all outstanding claims between the parties in respect of the Banco di Napoli Receivables.

The Isveimer Receivables (with a gross book value as at 1 July 2000 of approximately €1,098.8 million) were purchased by AMCO from Isveimer, with Bank of Italy’s authorisation, pursuant to a receivables transfer agreement dated 5 July 2000 for a consideration of approximately €288.6 million, which was paid in part by the assumption by AMCO of Isveimer’s debt obligation to repay €28.9 million pledged to secure the receivables and in part by instalments against amounts subsequently recovered by AMCO in respect of the Isveimer Receivables net of servicing expenses which were withheld. As a result of a guarantee obtained by AMCO from Isveimer that the overall recoveries would correspond the consideration, any shortfall between the net recoveries on the Isveimer Receivables and the consideration due from AMCO to Isveimer would have been compensated by an enforcement of such guarantee.

On 19 September 2002, AMCO acquired from Isveimer its entire participation in Gestione e Recupero Attivi Anomali da Leasing – G.r.a.a.l. – S.r.l. (“**GRAAL**”) together with claims under a loan agreement granted to GRAAL by Isveimer, for a consideration of approximately €35.3 million, with a view to enabling the subsequent

acquisition by GRAAL of a portfolio of problem loans owned by B.N. Commercio e Finanza S.p.A., a subsidiary of Isveimer. GRAAL merged with, and was incorporated into, AMCO in 2009.

The consideration for the Isveimer Receivables was paid in full by AMCO to Isveimer by the fourth quarter of 2006 out of net recoveries from the Isveimer Receivables. During 2007, AMCO and Isveimer entered into an agreement to settle all outstanding disputes between them concerning the Isveimer Receivables, pursuant to which AMCO agreed to pay to Isveimer a further amount representing servicing expenses withheld, which amount was fully covered by sums recovered on the Isveimer Receivables after the fourth quarter of 2006. Overall, €291.6 million was paid by AMCO to Isveimer by way of consideration for the Isveimer Receivables.

## **BPVi/VB Receivables**

### ***The Receivables Transfer Agreements***

In accordance with Law Decree 99/2017 and the MEF Decree, on 11 April 2018 AMCO entered into a receivables transfer agreement with each of the BPVi Liquidators and the VB Liquidators (the “**BPVi Receivables Transfer Agreement**” and the “**VB Receivables Transfer Agreement**”, respectively, together the “**Receivables Transfer Agreements**” and each, a “**Receivables Transfer Agreement**”) pursuant to which the BPVi/VB Liquidators assigned to AMCO (acting through and on behalf of the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato) without recourse (*pro soluto*), the BPVi Receivables and the VB Receivables, with legal effect as of 11 April 2018 and economic effect as of 1 January 2018, and with reference to selected receivables whose assignment is subject to satisfaction of separate conditions stated in the agreements, legal and economic effect as of the first day of the calendar month after all the conditions precedent to their assignment have been satisfied (respectively, the “**Legal Effective Date**” and the “**Economic Effective Date**”).

In accordance with the Receivables Transfer Agreements:

- all amounts received and recovered in respect of the BPVi/VB Receivables as of the Economic Effective Date shall belong to the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato, **provided that** the BPVi/VB Liquidators may retain amounts received and recovered in respect of the BPVi/VB Receivables during the period from (and including) the Economic Effective Date to (and excluding) the Legal Effective Date towards satisfaction of the Purchase Price (as defined below); and
- all expenses and costs incurred in respect of the recovery activities from (and including) the Economic Effective Date and accrued in respect of the period subsequent to the Economic Effective Date (to the extent not already paid by the BPVi/VB Liquidators) shall be borne by the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato.

In compliance with the provisions of Law Decree 99/2017, notice of the assignment of the BPVi Receivables and the VB Receivables was published by the Bank of Italy on its internet website on 11 April 2018, rendering thereby the assignment of the BPVi/VB Receivables – in accordance with the provisions of Articles 3(2) and 5(1) of Law Decree 99/2017 – fully effective *vis-à-vis* third parties.

### ***The BPVi Receivables and the VB Receivables***

The BPVi/VB Receivables are a portfolio of non-performing loans and, in the case of VB, classified as defaulted, unlikely-to-pay in accordance with Bank of Italy Circular no. 272/2008 and accounting principles, as at 26 June 2017 or following the outcome of the due diligence performed by Intesa Sanpaolo. The BPVi/VB Receivables furthermore comprise, with a view to maximising the realisation value, also the obligations of BPVi and VB to make additional disbursements under unlikely-to-pay loans that are not yet fully disbursed as at the Legal Effective Date (the “**UTP Commitments**”) as well as the asset backed securities issued by the special purpose vehicles (Flaminia SPV S.r.l. and Ambra SPV S.r.l.) in the context of securitisation transactions implemented by BPVi and VB, respectively.

As at 11 April 2018, the BPVi Portfolio comprised approximately 70,000 debt positions with a gross book value of approximately €9.0 billion; and the VB Portfolio comprised approximately 42,000 debt positions owed by debtors located in Italy with a gross book value of approximately €7.7 billion as well as approximately 9,000 debt positions owed by debtors located in Croatia, Albania, Moldova and Romania with a gross book value of approximately €0.7 billion.

On 16 April 2020 and 12 June 2020, Banca Popolare di Vicenza S.p.A. (in compulsory administrative liquidation) and Veneto Banca S.p.A. (in compulsory administrative liquidation) sold, respectively, a third and fourth tranche of so-called “high-risk or reclassified high-risk” credit to the Issuer, as transferred back by Intesa Sanpaolo S.p.A. in accordance with the provisions of article 5, paragraph 1, of Law Decree no. 99 of 25 June 2017 and by the Decree of the Minister of Economy and Finance of 22 February 2018. Furthermore, the so-called “high-risk or reclassified high-risk” credit sold by Veneto Banca to the Issuer included credit transferred back to Veneto Banca by Banca Commerciale Intesa Sanpaolo Romania S.A., Privredna Banka Zagreb d.d. and Intesa Sanpaolo Bank Albania Sh.a.

***VB Receivables originated through operations of branches/subsidiaries in Croatia, Albania, Moldova and Romania***

The VB Receivables Transfer Agreement provides that the assignment of VB Receivables (originated through VB’s operations of branches/subsidiaries in Croatia, Albania, Moldova and Romania) is subject to obtaining all relevant Italian and foreign authorisations, as well as the appointment by AMCO of sub-servicers to perform the management and recovery of these receivables. Pursuant to the VB Receivables Transfer Agreement, the legal and economic effective date of the assignment of these receivables shall take place as of the first day of the calendar month following satisfaction of both conditions precedent to their assignment which, in any case, shall be deemed to be satisfied one month after all relevant Italian and foreign authorisations have been obtained.

After having obtained confirmation that no authorisation was required relating to the assignment of the receivables originated through operations of branches/subsidiaries in Croatia, Albania and Moldova, AMCO and the VB Liquidators reached an agreement on 19 July 2018 to amend and supplement the VB Receivables Transfer Agreement. Under the VB Receivables Transfer Agreement, the parties agreed that the legal and economic effective date for the assignment of these receivables would be 1 July 2018. In relation to the receivables originated through operations of subsidiaries in Romania, the parties agreed that the legal and economic effective date for their assignment would be 1 August 2018 (or, in the case of properties that are the subject of leasing receivables, such later date indicated in the notarised deed, if any) and 1 July 2018, respectively.

AMCO (acting through the Gruppo Veneto Patrimonio Destinato) has entered into agreements to outsource the recovery of some of these receivables (including leasing receivables) to third party servicers.

***Assignment to AMCO (acting through Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato) of additional non-performing receivables forming part of legacy BPVi and BV securitisation transactions***

The sale of part of the business activities of BPVi and VB to Intesa Sanpaolo (other than non-performing exposures and the other assets and liabilities excluded pursuant to Law Decree 99/2017 from the sale to Intesa Sanpaolo) envisaged, *inter alia*, that in connection with Intesa Sanpaolo’s acquisition of certain asset-backed notes issued in the context of performing loans securitisation transactions implemented by BPVi and VB, non-performing receivables included in the portfolios underlying these securitisations would be transferred back to BPVi/VB and would be added to the BPVi/VB Receivables assigned to AMCO (acting through Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato) pursuant to the BPVi/VB Receivables Transfer Agreements.

Intesa Sanpaolo therefore transferred back to BPVi, on three separate occasions, nine portfolios of non-performing receivables (comprising, in aggregate, approximately 3,220 debt positions with a gross book value of approximately €560 million) and underlying securitisation transactions implemented by BPVi through (i) Berica 5 Residential MBS S.r.l., Berica 6 Residential MBS S.r.l. and Berica Funding 2016 S.r.l.; (ii) Berica ABS S.r.l., Berica 9 Residential MBS S.r.l. and Berica 8 Residential S.r.l.; and (iii) Berica ABS 2 S.r.l., Berica 10 Residential MBS S.r.l. and Berica PMI2 S.r.l. These receivables were subsequently assigned by BPVi to AMCO (acting through the Gruppo Vicenza Patrimonio Destinato) pursuant to three separate agreements entered into on 2 August 2018, 10 October 2018 and 23 November 2018, respectively, on substantially the same terms and conditions as the BPVi Receivables Transfer Agreement (including as to Purchase Price and the adjustment thereof, the retention by AMCO of the AMCO’s Share of Recoveries as well as provisions relating to the recovery of these receivables).

Banca Apulia and Intesa Sanpaolo similarly transferred back to VB five portfolios of non-performing receivables (comprising, in aggregate, approximately 2,060 debt positions with a gross book value of approximately €321 million).

### ***Special Servicing of the securitised receivables (Ambra SPV S.r.l. and Flaminia SPV S.r.l.)***

Between 9 and 12 October 2018, Credito Fondiario S.p.A. (in its capacity as master servicer), with the consent of AMCO (in its capacity, on behalf of the relevant *Patrimonio Destinato*, as holder of the asset backed securities issued in the context of the securitisation transactions implemented by Ambra SPV S.r.l. and Flaminia SPV S.r.l.), entered into agreements for the appointment of special servicers of these securitisation transactions. As a result, with effective *step-in* date from 22 October 2018, the special servicing activities relating to these portfolios are performed by: (i) AMCO, with regard to those clusters identified as medium secured (Euro 200-500k) and large (Euro >500k); (ii) third party special servicers, with regard to those clusters identified as small (Euro 0-200k) and medium unsecured (Euro 200-500k); and (iii) Farbanca, in respect of the portion of the portfolio originated by it with reference to the Ambra securitisation.

On 27 April 2021, AMCO finalized the unwinding of the Ambra SPV S.r.l. and Flaminia SPV S.r.l. See “*Recent Developments*” for additional information.

### ***Purchase Price***

In line with the provisions of the MEF Decree, the purchase price for the BPVi/VB Receivables (the “**Purchase Price**”) takes the form of a claim by the BPVi/VB Liquidators against the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato, corresponding initially to the book value of the relevant receivables, as periodically adjusted to align with the greater or lesser realisation value of such receivables, subject to prior deduction of AMCO’s Share of Recoveries, costs and expenses (including those relating to the technical-organisational set-up and those relating to AMCO’s funding, also by way of issuance of financial instruments, in such amounts as allocated to the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato) as well as losses and liabilities incurred, in each case in relation to the purchase, ownership, management, recovery and realisation (also through disposals) of the BPVi/VB Receivables. The Receivables Transfer Agreements set out a list of items that must be deducted (without double counting) from the recoveries when determining the Purchase Price. These items include (*inter alia*) interest and other amounts relating to loans/financial instruments obtained/issued (also on account of the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato) by AMCO, or cash advances granted by AMCO in favour of the BPVi/VB Patrimonio Destinato, in such amounts as allocated to the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato, and AMCO’s Share of Recoveries, all as better specified in the Receivables Purchase Agreements. The Purchase Price shall be paid by AMCO to the BPVi/VB Liquidators in quarterly instalments. Each such quarterly instalment (a “**Purchase Price Instalment**”) shall correspond to the recoveries realised in respect of the BPVi/VB Receivables during the preceding Quarterly Reporting Period, less the items specified in the Receivables Transfer Agreements referring to expenses incurred, amounts disbursed, and interest/principal (re)payments made by the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato during the preceding Quarterly Reporting Period as well as AMCO’s Share of Recoveries for such period (the “**Net Recoveries**”), subject to the right to retain certain sums out of the Net Recoveries towards creation of a liquidity reserve.

Pursuant to the Receivables Purchase Agreements, AMCO (on behalf of each Patrimonio Destinato) is authorised to retain a part of the Net Recoveries to create a liquidity reserve to meet future expenses and disbursements. The Receivables Purchase Agreements provide for the Purchase Price Instalment to be increased in determined circumstances, with the increase to be paid out of the sums so retained by AMCO, subject to the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato’s right to reintegrate the liquidity reserve out of future Net Recoveries, or out of AMCO’s excess liquidity.

The Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato shall notify the BPVi/VB Liquidators when the receivables management and recovery activities are deemed to have been concluded and exhausted and shall deliver the Final Report which shall indicate, amongst other details, the last Purchase Price Instalment due to the BPVi/VB Liquidators - being the difference between the Purchase Price and the sum of all Purchase Price Instalments already made - to be paid to the BPVi/VB Liquidators on the fifth business day after delivery of the Final Report.

### ***AMCO’s Share of Recoveries***

Each Receivables Transfer Agreement provides, in line with Law Decree 99/2017 and the MEF Decree, that prior to paying each Purchase Price Instalment to the BPVi/VB Liquidators, AMCO may retain a sum out of the amounts recovered in respect of the BPVi/VB Receivables. This amount, defined in each Receivables

Transfer Agreement as *Competenze AMCO* (referred to herein as “**AMCO’s Share of Recoveries**”), is comprised of the following components:

- a ‘corporate and administration’ component: for activities such as coordinating and supervising third party special servicers; general book-keeping and administrating accounting entries in respect of the debt positions; VAT, tax, anti-money laundering and other regulatory compliance activities; compliance with the accounting and periodic reporting obligations of each Patrimonio Destinato. This component is calculated as a fixed percentage of the gross book value of the BPVi/VB Receivables (excluding those that are the subject of securitisations) as of the commencement of the relevant Quarterly Reporting Period;
- a ‘special servicing’ component: for managing the recovery of receivables from time to time classified as defaulted or otherwise have characteristics analogous to receivables classified as such, where such recovery activities are performed directly by AMCO. This component is calculated as a percentage of the gross book value of the relevant receivables (excluding those that are the subject of securitisation) as of the commencement of the relevant Quarterly Reporting Period, which percentage decreases over time in order to incentivise a speedy recovery of the receivables;
- a ‘UTP servicing’ component: for managing the recovery of receivables from time to time classified as unlikely-to-pay, or classified as performing but in any case do not have characteristics analogous to receivables classified as defaulted, where such recovery activities are performed directly by AMCO. This component is calculated as a fixed percentage of the gross book value of the relevant receivables (excluding those that are the subject of securitisation) as of the commencement of the relevant Quarterly Reporting Period.

The Receivables Transfer Agreements provide for a mechanism pursuant to which AMCO’s Share of Recoveries shall be adjusted at the end of every three years by reference to the ratio between the cumulative operating margin and the cumulative operating costs of AMCO in respect of the BPVi/VB Receivables during the relevant adjustment period (the “**Margin Ratio**”), the first such adjustment to be made with reference to the period from the Legal Effective Date to 31 December 2020. The Receivables Transfer Agreements set forth defined parameters and depending on the range within which the Margin Ratio falls, there will either be nil adjustment, or alternatively AMCO will receive from the relevant Patrimonio Destinato an additional sum, or will return to the relevant Patrimonio Destinato all or part of the sums received during the adjustment period.

#### ***Servicing and recovery activities***

The Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato shall administer the BPVi/VB Receivables with the objective of maximising their value, in accordance with Article 5(3) of Law Decree 99/2017 and with due professional diligence in compliance with Article 1176(2) of the Italian Civil Code.

The Receivables Transfer Agreements provide that:

- Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato may delegate the management, recovery and servicing of determined categories of BPVi/VB Receivables to third party operators, in compliance with regulatory provisions governing the outsourcing of activities;
- Gruppo Veneto Patrimonio Destinato shall perform the obligations under the unlikely-to-pay; and the BPVi/VB Patrimonio Destinato may agree to modify the contractual terms of the BPVi/VB Receivables or agree to waivers or payment deferrals or restructuring; apply for enforcement of the collateral securing the receivables for the disposal thereof; purchase or subscribe for shares or other instruments deriving from the conversion of selected receivables, in compliance with prudent banking practice; sell selected receivables to third parties, or confer selected receivables to funds in consideration for participations in such funds, or implement transactions to securitise selected receivables;
- the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato may make further disbursements pursuant to UTP/PD Commitments or, for the sole purpose of improving the prospects to recover the assigned receivables, grant new lines of credit to the assigned debtors in the context of debt restructuring arrangements agreed with the BPVi/VB Liquidators or in accordance with agreements stipulated in the context of applicable bankruptcy proceedings,

in each case, in line with what has been set forth in the Industrial Plan originally drafted.

In line with the Receivables Transfer Agreements, and in order to meet liquidity needs relating to the management of the BPVi/VB Receivables and implementation of the each Receivables Transfer Agreement (including to perform obligations assumed, to meet recovery expenses and to grant new disbursements), the Receivables Transfer Agreements provide that:

- a) AMCO may (also on account of the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato) obtain a line of credit or issue financial instruments, and/or may grant cash advances to the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato, in each case at market rates. The parties to the Receivables Transfer Agreements agree that sums towards repayment of principal under such line of credit, financial instruments or cash advances, as well as payment of interests and other expenses relating thereto, shall be made by AMCO out of recoveries in respect of the BPVi/VB Receivables, in priority to payment of the Purchase Price to the BPVi/VB Liquidators;
- b) upon request from the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato, the BPVi/VB Liquidators may, from time to time, agree to grant to each Patrimonio Destinato interest free cash advances, to be repaid by each Patrimonio Destinato:
  - in priority to payment of the Purchase Price; and
  - if agreed between the parties, after repayment of principal outstanding under loans or financial instruments referred to under sub-a) above, and/or payment of interests accrued and related expenses in respect thereof.

### ***Change of control of AMCO***

Pursuant to the Receivables Transfer Agreements, if AMCO ceases to be controlled by the Italian state, or in case of transfer or assignment of the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato to a party over which the Italian state does not exercise control pursuant to Article 2359(1)(1) of the Italian Civil Code, certain provisions regarding the management and servicing of the BPVi/VB Receivables, the funding of AMCO's liquidity needs and the performance of extraordinary transactions shall be promptly renegotiated between the parties. Pending completion of such renegotiations, certain acts specified in the Receivables Transfer Agreements may be performed by the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato only with the prior approval of the BPVi/VB Liquidators.

### **Banca del Fucino receivables**

On 14 September 2019 the securitisation transaction of Non Performing Exposure portfolio of Banca Fucino was finalised with effect from 1 January 2019, for a Gross Book Value of Euro 297 million. The portfolio, composed of around 3,000 debtors, includes both bad loans (for a Gross Book Value as at 31 December 2019 of Euro 201 million) and loans classified as unlikely to pay/past due (for a Gross Book Value as at 31 December 2019 of Euro 96 million). In this transaction the parent company AMCO plays the role of master servicer and special servicer, as well as underwriting all tranche equity (junior and mezzanine notes) issued by the securitisation vehicle Fucino NPL's S.r.l. With regard to the dual role that AMCO plays in the securitisation transaction, as well as the role of the only investor in the Junior and Mezzanine Notes, in application of the IFRS 10 accounting standards, AMCO has a significant position of control over the securitisation vehicle according to such accounting standards. Therefore, AMCO is responsible for the preparation and presentation of the consolidated financial statements.

The Banca del Fucino transaction was part of AMCO's plan to increase its business volumes, as contemplated in the recently approved 2019 – 2023 Strategic Guidelines.

### **ICS Receivables**

In December 2019 AMCO acquired without recourse a portfolio of mortgage loans, constituted by positions classified as "Bad loans" from Istituto per il Credito Sportivo ("ICS"), for a Gross Book Value of EUR 47 million. The economic effectiveness of the operation was fixed at 1 April 2019.



## ***Banca Carige receivables***

During the first half of 2019 Carige launched competitive processes aimed at obtaining binding offers from market operators in the purchase and management of non-performing loans.

On 20 December 2019, AMCO's sale and purchase agreement of a portfolio of non-performing loans from Carige Group became effective following the closing of the capital increase of Banca Carige, which was a condition precedent to the contract. The portfolio was purchased on a non-recourse basis (pro soluto) has a gross book value (GBV) of approximately €2.8 billion.

As mentioned above, during 2020, on the basis of the agreements signed on 15 and 16 November 2019 between Banca Carige and AMCO, the purchase of loans relating to the Messina Group (gross book value of €310 million) was successfully finalized.

On 16 December 2020, AMCO signed an agreement with Banca Carige S.p.A. for the without recourse (pro soluto) block purchase - pursuant to Article 58 of Legislative Decree No. 385 of September 1, 1993 - of a portfolio of non-performing exposures (NPEs). The portfolio has a gross book value of €54 million, mostly related to corporate counterparties (100% unsecured), entirely classified as of non-performing loans (NPLs). The transaction, legally effective from 16 December 2020 and economically effective from 1 July 2020, confirms AMCO's objective to pursue sustainable growth leveraging economies of scale, within a highly competitive market.

On 22 March 2021, AMCO and Banca Carige announce closing of the transfer of a portfolio of non-performing loans arising from leasing contracts included in the scope of disposal defined by the parties in December 2019. Legally effective since 20 March 2021 and economically effective since 1 January 2021, the transaction is related to the disposal of a portfolio of bad loans and UTPs of approximately €70 million of GBV, arising primarily from real estate leasing contracts. The transaction is AMCO's first purchase of leasing contracts and marks the substantial completion of Banca Carige's radical derisking strategy set out in 2019.

In managing the leasing portfolio, AMCO will leverage the expertise and capabilities of its Real Estate Division, which coordinates activities with the aim of enhancing the assets underlying the leasing agreements.

## **Cuvée**

On 23 December 2019 AMCO subscribed an agreement for the constitution of a multioriginator platform to manage loans classified as unlikely to pay deriving from loans and credit facilities with a different nature granted to companies operating in the property sector. The operation, called "Cuvée", saw the creation of a management platform operation on several levels through:

- the disposal of UTP loans by Banca Monte dei Paschi di Siena, MPS Capital Services per le Imprese, UBI Banca, Banco BPM and AMCO itself to a securitisation vehicle (called "Ampre SPV Srl");
- the subscription of securities issued by the vehicle by a closed-end investment mutual fund reserved to professional investors (called "Back2Bonis") and managed by Prelios SGR; and
- assignment of the fund shares to the transferring shareholders in proportion to the value of the loans transferred.

The Cuvée operation, with the objective of maximising the recovery through synergies and mechanisms of loans transferred otherwise not fully realisable (or in any case not realisable at the same economic conditions) requires AMCO, as master and special servicer and Prelios S.p.A. in its role of property advisor, to manage in partnership the loans portfolio derived from loans from EUR 3 million to EUR 30 million, aiming to strengthen the economic conditions of the debtor companies, where possible, to enhance the value of the property assets underlying the loan.

It is planned for the operation to be implemented in several stages; in the first stage, completed in December 2019, the positions of around 50 debtors were conferred to Ampre SPV S.r.l. for a total Gross Book Value of around EUR 450 million, of which EUR 111 million from MPS Group, EUR 121 million from UBI Banca, EUR 66 million from Banco BPM and EUR 154 million from AMCO, also through the Segregated Estates. The

objective is to achieve a portfolio of EUR 1.5 billion managed through subsequent contributions. In this operation, therefore, AMCO plays the role of:

- direct transferor of loans with subsequent deconsolidation of transferred loans;
- transferor via the loans Segregated Estates;
- shareholder of the Back2Bonis Fund with a third-party fund of around 23%;
- master and special servicer of the securitisation company Ampre SPV S.r.l.; and
- subject issuing New Finance to the Back2Bonis Fund within the limits of the financing agreement subscribed.

On 8 December 2020, AMCO announced that the Cuvée project entered its second phase, managed through the innovative multi-originator platform for management of UTP (Unlikely to Pay) loans in the real estate sector, subsequently extended to real estate leasing files, a truly new feature in the market. Cuvée started in 2019 thanks to AMCO and Prelios Group, under an agreement with Banca Monte dei Paschi di Siena, MPS Capital Services Banca per le Imprese, UBI Banca and Banco BPM. With a new contribution of about €400 million in gross book value, the total amount of loans managed by the platform has grown to about €850 million, confirming its position among the leaders in the Italian market and making the Back2Bonis Fund one of Europe's most important credit funds specializing in Unlikely to Pay loans in the real estate sector.

The Back2Bonis Fund managed by Prelios SGR allows participating banks to benefit from potential recovery of the value of these files through shares held in the fund. It also facilitates the turnaround process for debtor companies, also thanks to the new financing issued by the Fund, allowing for a proactive management of the loans and the underlying assets.

Through this new deal, Intesa Sanpaolo, UniCredit Leasing and Banco Desio became Back2Bonis Fund shareholders along with Banca Monte dei Paschi di Siena, MPS Capital Services, UBI Banca, AMCO and Banco BPM (the “**Participating Banks**”). More specifically, files of about 60 debtors totaling approximately €400 million have been conferred to the Back2Bonis Fund. This second phase was brought about with a new securitization of loans and leases, together with Banca Finint purchasing unrevoked credit contracts. In the platform, AMCO acts as master and special Servicer, while Prelios Group is Manager of the Fund and Real Estate Partner, as well as - following the inclusion of leases - special servicer managing only loans with underlying real estate leases.

On 26 May 2021 AMCO announced that the Cuvée project further expanded its assets under management thanks to a €52 million contribution from BPER Banca. The addition of new Participating Banks and the increase in total amount of loans under management (€971 million as at 31 May 2021), confirm AMCO's leadership in the Italian market.

### ***Creval***

On 12 March 2020 the Issuer entered into an agreement with Creval for the purchase of a portfolio on a non-recourse basis (pro soluto) with a gross book value (GBV) of approximately €177 million. The portfolio is comprised of bad loans secured by real estate collateral from approximately 1,600 customers, namely corporate.

On 5 August 2020 AMCO signed an agreement with Creval S.p.A. for the without recourse (pro soluto) purchase - pursuant to Article 58 of Legislative Decree No. 385 of September 1, 1993 - of a portfolio of non-performing exposures (NPEs) of Creval. The portfolio has a gross book value of approximately €270 million, mostly related to corporate counterparties, and is composed of approximately 60% of non-performing loans (NPLs) and of approximately 40% of unlikely to pay (UTP).

### ***Igea Fucino***

In June 2020 the acquisition of a portfolio of UTP and bad loans credits for a GBV of a total of Euro 33 million is expected from Igea Banca S.p.A. and Banca del Fucino S.p.A.

## **Monte Paschi di Siena S.p.A.**

On 29 June 2020 the Board of Directors of Monte Paschi di Siena S.p.A. (“**MPS**”) and the Issuer resolved upon the partial demerger of MPS in favour of the Issuer, of a compendium comprising of non-performing exposures, deferred tax assets (“**DTA**”), other liabilities and net equity, on the basis of data as of 31 December 2019, namely:

- Impaired loans classified by MPS as bad debts for a net book value of Euro 2,313 million (book value of Euro 4,798 million);
- Impaired loans classified by MPS as UTP for a net book value of Euro 1,843 million (gross book value of Euro 3,345 million);
- Bond and equity securities for a book value of Euro 5 million;
- Derivative contracts for a book value of Euro 1 million;
- DTA, transferred on the basis of the amount of the demerged net equity with respect to the total net equity of MPS, for a net book value of Euro 104 million.

Any potential changes in the size of the assets at the effective date of the Demerger with respect to the balance sheet as of 31 December 2019 will be settled through an adjustment of the equity resources of the demerged Compendium and in cash.

Hereinafter referred to as the “**Compendium**”.

The project was subject to certain conditions, first of all the positive scrutiny by the European Central Bank (the “**ECB**”), that will also have to analyze the impacts and the worth sustainability of the transaction for MPS.

The rationale behind the demerger is strategical for both parties, the transaction allows MPS to complete its de-risking plan whilst enabling the Issuer to position itself as market leader in the servicing of Unlikely to Pay (“**UTP**”) sector, thanks to a significant increase in its management portfolio.

The transaction is structured for the Issuer as follows:

- In order to continue to expand, by gaining Euro 33.4 billion of Assets under Management<sup>4</sup>;
- In order to consolidate its position in the UTP market in Italy, with a management aiming to corporate sustainability.

In the context of the transaction AMCO has issued shares with an exchange ratio equal to 0.4000 of AMCO newly issued shares for each MPS share to be cancelled (the “**Exchange Ratio**”)

The AMCO newly issued class B Shares (the “**Class B Shares**”) assigned as a result of the transaction will not grant voting rights and will not be traded on any regulated market or multilateral trading facility.

The Class B Shares were assigned to the MPS shareholders and the corresponding MPS shares were cancelled in a non-proportional measure (ca. 90% to the MPS Majority Shareholder and ca. 10% to the other shareholders).

According to the above-mentioned Exchange Ratio and distribution ratios:

- MEF was assigned no. 0.0638 AMCO Class B Shares for each MPS share held and no. 0.1595 MPS shares for each MPS share held was cancelled;
- each MPS minority shareholder was assigned no. 0.0152 Class B Shares for each MPS share held and no. 0.0380 MPS shares for each MPS share held will be cancelled.

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<sup>4</sup> Management data as of June 2020, adjusted for the inclusion of Euro 2 billion from Popolare di Bari and Euro 8.1 billion from MPS.

MPS minority shareholders (including MPS as holder of treasury shares) may elect to retain their MPS shares and therefore not receive any Class B Shares, therefore remaining MPS shareholders (the “**Asymmetric Option**”).

The project received a positive appraisal of the European Commission - Directorate General for Competition, deeming the transaction in line with market conditions. At the date of this Base Prospectus there are ongoing discussions with CONSOB regarding matters falling within the Authority’s competence.

The transaction had a notable impact on the Issuer, including:

- allowing the Issuer to consolidate its role in the Non-Performing Exposures market in Italy, by supporting banks with their de-risking procedures.
- Achieving an optimal balance of the managed business as an investor and a servicer, thanks to the expertise acquired through the management of large portfolios.
- Improving the effectiveness of the recoveries through a large number of common debtors in the managed portfolios that save time and standardized recovery procedures for common portfolio clusters (for example, by geographic location).

Liabilities and equity deriving from the transaction included:

- liabilities deriving from a bridge loan disbursed to MPS by JPMorgan Chase Bank, N.A., Milan Branch (“**JP Morgan**”) and UBS Europe SE (“**UBS**”) equal to Euro 3,179 million (“**Bridge Loan**”);
- derivative contracts for a book value of €0.1 million;
- net equity in the amount of €1,087 million.

Part of the assets and liabilities that were transferred with the Compendium are currently owned by MPS Capital Services Banca per le Imprese S.p.A. (“**MPS CS**”), a company wholly owned by MPS. These credits will be included in the demerger by means of a demerger of MPS CS in favour of MPS (the “**MPS CS Demerger**”), which will come into force prior to the demerger and be provided for as a condition precedent to the transaction.

JP Morgan and UBS undertook the commitment to execute and grant the Bridge Loan before the extraordinary shareholders’ meetings of MPS and AMCO convened to resolve upon the demerger. The effectiveness and the issuance of the Bridge Loan were subject to certain conditions including, among others, the approval by the corporate bodies of the financing banks also in relation to the final contractual documentation and the absence of events that could have a significant and adverse effect on MPS or the Compendium.

Simultaneously with the issuance of the Bridge Loan, it was envisaged that the Bridge Loan was guaranteed by a cash or securities portfolio, at MPS’ discretion within certain fixed criteria that will be released contextually at the effectiveness of the demerger.

At the date of the demerger, the Bridge Loan was transferred to AMCO as part of the Compendium and was partially reimbursed through the cash flows generated by the receivable portfolios and in part re-financed through access to the market.

The debt comprising the liabilities transferred into the MPS Compendium consisted of a loan which, at the date of the demerger, J.P. Morgan Securities Plc and UBS Europe SE made available to MPS in the form of a bridge loan for a total value of EUR 3,179 million. The debt was disbursed prior to the date of the AMCO Shareholders’ Meeting that resolved on the Transaction and was divided into 4 lines:

- Facility A for an amount of EUR 1,329 million;
- Facility B for an amount of EUR 850 million;
- Facility C1 for an amount of EUR 500 million;
- Facility C2 for an amount of EUR 500 million.

On the effective date of the Transaction:

- Facility A was replaced by a Secured Loan, divided into 2 sub-facilities A1 and A2 with a maturity of 1 year (the “Sub-facilities A1 and A2”), secured through the securitisation of the NPE portfolio of the MPS Compendium through the creation of a Separate Asset pursuant to Art. 7.1 (a) of Italian Law 130/99;
- Facility B was repaid in full through AMCO cash on hand and proceeds from the spot sale of AMCO’s banking book;
- Facilities C1 and C2 were fully repaid with the proceeds of the issues carried out by AMCO under the EMTN programme in July 2020.

Sub-facilities A1 and A2 are in turn structured as follows:

- Sub-facility A1, for an amount of EUR 1,000 million maturing on 1 December 2021 and repayable through the amounts generated by the management of the MPS Portfolio and/or AMCO’s available liquidity (starting from the sixth month following the disbursement of the Secured Loan – see *Recent Developments* for further information on the reimbursement);
- Sub-facility A2, for an amount of EUR 329 million, already fully repaid through unsecured issues under AMCO’s EMTN programme in July 2020.

In order to guarantee the so-called Secured Loan, the funding structure envisages that the Segregated Estate receives a loan from the vehicle HydraM SPV Srl. On the basis of this credit exposure granted to the Segregated Estate pursuant to Article 7.1 (a) of Italian Law 130/99, the securitisation vehicle HydraM SPV Srl issued a single untranching note fully subscribed by an Irish vehicle (wholly owned by AMCO), the liabilities of which include sub-facility A1. Since the NPE portfolio does not qualify for derecognition under IFRS 9 and substance over form prevails, the loan to J.P. Morgan Securities Plc and UBS Europe SE has been directly disclosed in these separate financial statements, thus “eliminating” both the HydraM vehicle and the Irish Vehicle.

The demerger took place in continuity of accounting values as the involved companies are subject to common control and therefore the transaction did not lead to any realization of value. Once the assets and liabilities are transferred to AMCO, these will be managed and evaluated under AMCO’s internal policies and procedures.

The reasons that justify the Exchange Ratio are illustrated in the reports drawn up by the Boards of Directors of MPS and AMCO pursuant to article 2501-quinquies of the Italian Civil Code, as referred to in art. 2506-ter of the Italian Civil Code, which will be made available to the public pursuant to the relevant law and regulation.

The Exchange Ratio has been subjected to the adequacy judgment of Covino & Partners SpA, independent expert pursuant to article 2501-sexies of the civil code appointed by the Court of Naples on the joint request of MPS and AMCO.

The demerger was implemented by assigning AMCO B Shares to MPS shareholders and cancelling MPS ordinary shares to an extent not proportional to the investments they held in MPS. In particular:

- (i) MEF was assigned 49,650,138 AMCO B Shares, corresponding to approximately 90% of the total number of AMCO B Shares to be issued, against the cancellation of 124,125,345 ordinary MPS shares held by the same, corresponding to approximately 90% of the total number of ordinary MPS shares to be cancelled; while
- (ii) the Minority shareholders of MPS will be assigned 5,503,536 AMCO B Shares, corresponding to approximately 10% of the total number of AMCO B Shares to be issued, against the cancellation of 13,758,840 ordinary MPS shares held, corresponding to approximately 10% of the total number of ordinary MPS shares to be cancelled, without prejudice to the right to exercise the asymmetric option, as defined below.

Therefore, according to the Exchange Ratio and the distribution relationships described above, and without prejudice to the right to exercise the asymmetric option by the minority shareholders of MPS:

(A) AMCO B Shares were allocated as follows:

- 0.0638 AMCO B Shares to the MEF for each no. 1 ordinary MPS share held;
- 0.0152 AMCO B Shares to each of the minority shareholders for each n. 1 ordinary MPS share held;

(B) ordinary MPS shares were cancelled as follows:

- 0.1595 ordinary MPS shares for each no. 1 ordinary MPS share held;
- to each of the minority shareholders of MPS will be cancelled 0.0380 ordinary MPS shares for each 1 ordinary MPS share held.

The potential increases and corresponding decreases of AMCO Class B Shares to be allocated and MPS shares to be cancelled are allowed, respectively, to MEF and to MPS Minority Shareholders, as well as to MPS, in the context of exercise of the Asymmetric Option.

With reference to the Asymmetric Option, MPS Minority shareholders (including MPS in relation to its treasury shares) may elect to not receive AMCO Class B Shares through the exercise of the Asymmetric Option.

In particular, MPS Minority shareholders that had exercised the Asymmetric Option:

- I. did not receive any AMCO Class B Shares; and
- II. did not have any of their MPS shares cancelled with consequent increase, in percentage, of their shareholding in MPS.

On the other hand, the exercise of the Asymmetric Option, based on the Exchange Ratio and the distribution ratios, entailed:

- a) the increase of AMCO Class B Shares to be allocated to MEF (corresponding to the amount of shares that would have been allocated to MPS Minority shareholders in case they had not exercised the Asymmetric Option); and
- b) the consequent increase of MPS shares held by MEF to be cancelled (corresponding to the amount of shares that would have been cancelled to MPS Minority shareholders in case they had not exercised the Asymmetric Option).

Any MPS shareholder who approved the Demerger will have the right to exercise:

- i. the right to sell (the “**Right of Sale**”), i.e. the right to have its MPS shares purchased in accordance with art. 2506-bis, para. 4, of the Italian Civil Code;
- ii. the right of withdrawal (the “**Right of Withdrawal**”), given that (a) AMCO corporate purpose is significantly different from the one of MPS; (b) Class B Shares will not have the voting right in AMCO ordinary and extraordinary shareholders’ meetings, and (c) Class B Shares are not and will not be traded on any regulated market or multilateral trading facility.

The Right of Sale and the Right of Withdrawal could be exercised in whole, and not in part of, the MPS shares of the requesting shareholder.

Both for the purposes of the exercise of the Right of Sale and the Right of Withdrawal, the consideration of each MPS share will be determined applying the criteria set forth under art. 2437-ter, para. 3, of the Italian Civil Code, namely the arithmetical average of the closing prices of MPS share in the six months preceding the publication of the notice of call of the extraordinary shareholders’ meeting of MPS convened to approve the Demerger (the “**Liquidation Value**”). The Liquidation Value will be communicated through a specific press release available on MPS website ([www.gruppomps.it](http://www.gruppomps.it)) and through the publication of a notice on at least one national newspaper.

The procedure for the exercise of the Right of Sale and the Right of Withdrawal is the one provided for the exercise of the Right of Withdrawal under art. 2437-bis of the Italian Civil Code.

The effectiveness of the Transaction was subject to the condition precedent that MPS' maximum disbursement for the potential purchase of MPS shares, in relation to which MPS shareholders have exercised the Right of Withdrawal or the Right of Sale, did not exceed Euro 150 million. This condition was set in the interest of MPS and MPS itself may waive it at its own discretion.

As at the date of this Prospectus, following the acquisition of the MPS compendium, AMCO's share capital is equal to Euro 655,153,674 divided into (i) 600,000,000 ordinary shares with no nominal value owned by the MEF, and (ii) 55,153,674 Class B Shares with no nominal value and no voting rights owned by the MEF and other shareholders and include treasury shares. The Italian Ministry of the Economy and Finance retains 99.78% of the ownership and 100% of voting rights of AMCO.

AMCO informs that, pursuant to Articles 2501-ter and 2506-bis of the Italian Civil Code, the plan for the partial, non-proportional demerger with an asymmetrical option of a compendium consisting, inter alia, of non-performing exposures from Banca Monte dei Paschi di Siena S.p.A. in favour of AMCO (the "Demerger Plan") has been filed and on 3 September, registered with the competent Companies' Register.

AMCO has therefore deposited at its registered office, as well as published on its institutional website [www.amco.it](http://www.amco.it) in the Investor Relations section ("Corporate Transactions"), the documentation required by Articles 2501-septies and 2506-ter of the Italian Civil Code. The Shareholders' Meeting has also been convened in extraordinary and ordinary session on 4 October 2020, in first call, and on 5 October 2020, in second call, to resolve on the Demerger Plan and take inherent and consequent resolutions.

The Shareholders' Meeting of AMCO - Asset Management Company S.p.A. held on 4 October 2020 in ordinary and extraordinary session - approved the project of the partial non-proportional demerger with an asymmetric option of a compendium consisting of non-performing exposures, deferred tax assets, other assets, financial debt, other liabilities and net equity (the "Demerger Project") from Banca Monte dei Paschi di Siena S.p.A. (the "Demerged Company") in favour of AMCO (the "Receiving Company"), also resolving on related additional matters. Such resolution taken by AMCO Shareholders Meeting has been registered on October 6, 2020 with the Companies' Register in Naples.

Having received the approval of the Transaction by the ECB, the demerger project has been made available to the public in the manners and within the terms pursuant to the applicable law together with the further documentation required by applicable law. According to the expected timetable, the extraordinary shareholders' meetings of MPS and AMCO, called to resolve upon the Demerger, will be held within September 2020, on the assumption that at least thirty days as from the issuance of ECB approval have passed, with the aim to executing the Demerger deed within November 15<sup>th</sup>, 2020 and that the Demerger may be effective as of 1 December 2020.

As of the date of this Base Prospectus, MPS and AMCO executed an agreement containing representations and warranties in relation to the transfer of the portfolio of credits comprised in the Compendium and through which the parties intended to regulate and discipline, among others, the preliminary and functional activities to the realization of the Demerger.

The Demerger is classified as a "major importance related-party transaction" in accordance with the Regulation of related parties transactions, adopted by CONSOB with Resolution no. 17221 of March 12<sup>th</sup>, 2010, as subsequently amended and modified (the "**Related Parties Regulation**") and in accordance with MPS internal regulations, since MPS and AMCO are subject to the common control of MEF.

The Related Parties Committee of MPS has been involved in the negotiations and preliminary investigation for the Transaction for the purposes of issuing a reasoned opinion on the bank's interest in carrying out the Transaction, as well as on the economic interest and substantive fairness of the relevant conditions. On June 29<sup>th</sup>, 2020 the Committee expressed unanimously a favourable opinion on MPS' interest in the execution of the Demerger and in signing the Framework Agreement, as well as on the economic interest and procedural and substantive fairness of the Transaction.

### ***Banca Popolare di Bari***

On 29 June 2020, the Issuer entered into an agreement with Banca Popolare di Bari for the purchase of a portfolio, pursuant to article 58 of Legislative Decree no. 385 of 1 September 1993, of non-performing loans and related contractual rights and obligations, on a non-recourse basis (*pro soluto*), of Banca Popolare di Bari with a gross book value (GBV) of approximately €2 billion, composed of approximately 60% of unlikely-to-

pay loans and 40% of deteriorated loans. The execution of the agreement is conditional upon the increase in share capital of Banca Popolare di Bari, which was also approved on 29 June 2020. The transaction amounts to approximately €500 million.

AMCO in its capacity as a full-service credit management company proposes the management of the unlikely to pay loans in favour of business continuity and relaunch of industrial businesses.

### ***Banco BPM***

On 5 November 2020, AMCO issued a binding offer in favour of Banco BPM for the purchase - without recourse (*pro soluto*) block purchase - pursuant to Article 58 of the Legislative Decree No. 385 of September 1, 1993 – of a portfolio of non-performing exposures of the bank. The portfolio has a gross book value of more than €600 million, mostly related to corporate counterparties classified as Unlikely to Pay (UTP). The transaction was conducted as a competitive bidding process; as a result of which two debt servicers - one of which is AMCO - will purchase two separate portfolios, both part of the bidding process. AMCO confirms its objective to pursue sustainable growth leveraging economies of scale, within a highly competitive market.

On 23 December 2020, AMCO announces the closing of a contract for the without recourse (*pro soluto*) block purchase - pursuant to Article 58 of the Legislative Decree No. 385 of September 1, 1993 – of a portfolio of non-performing exposures from Banco BPM, as previously announced on 5 November 2020. The transaction, legally effective from 12 December 2020 and economically effective from 1 April 2020, was conducted as a competitive bidding process; as a result of this, two portfolios were sold, one of which awarded to AMCO. The portfolio has a gross book value of more than €600 million, mostly related to corporate counterparties classified as Unlikely to Pay (UTP).

### ***Other investments and activities***

AMCO also invests in financial assets that are directly or indirectly related to its core business. These investments are recorded in AMCO's balance sheet including the investments in the IRF and in Banca Carige S.p.A. described below.

### ***Italian Recovery Fund***

In August 2016, AMCO entered into an irrevocable commitment to subscribe €450 million of the units in the IRF, a fund managed by Quaestio Capital Management SGR S.p.A. set up with the purpose of investing in junior/mezzanine tranches in the securitisation of non-performing loans.

On 13 May 2019 the IRF Investors' Meeting unanimously approved the extension of the Fund's Investment Period until 31 March 2021 and the AMCO commitment is equal to €20.6 million.

For the year ended 31 December 2020, AMCO paid €438.6 million by way of drawdown of its own commitment, net of the reimbursements already received and the entry in the 2020 Financial Statements is equal to €470.9 million. During 2020, the Italian Recovery Fund shareholders' meeting resolved to extend the maturity date of the fund from 31 March 2021 to 31 December 2026.

The investment in the Italian Recovery Fund represents a method of operating indirectly for AMCO in the segment representing its core business.

### ***Banca Carige shares***

The total investment held by AMCO in Banca Carige at 31 December 2020 was equal to 1,804,490 shares (following the aggregation deliberated by Banca Carige), for a countervalue of EUR 1.9 million, in line with the valuation made at 31 December 2019, based on the official price of the capital increase.

### ***Issuer Ratings***

#### ***S&P Rating***

On 27 October 2020, S&P Global Ratings affirmed its 'BBB' long-term issuer credit rating on AMCO. S&P also affirmed its 'BBB' issue rating to AMCO's senior unsecured debt obligations. Furthermore, the outlook



was improved to Stable from Negative. The rating was confirmed on occasion of the announcement of the Monte Paschi di Siena and Banca Popolare di Bari deals described above.

On 29 April 2021 AMCO S.p.A. informed that Standard and Poor's ("S&P") has assigned to AMCO its 'A-2' Short-Term rating. S&P considers AMCO a Government-related entity, therefore continuing to equalize the 'BBB' rating to that of the Italian Sovereign

On 30 June 2021, AMCO S.p.A. announces that S&P has recently performed its annual review of the credit ratings of AMCO and published an updated full analysis; the ratings remain the following: LongTerm at "BBB", Short-Term at "A-2" and the Outlook as "stable".

### *Fitch Rating*

On 1 July 2020, Fitch Ratings affirmed AMCO's investment grade rating, with the Long-Term Issuer Default Rating (IDR) at 'BBB-', with Stable Outlook and the Short-Term Foreign Currency IDR at 'F3'. The affirmation follows AMCO's recent announcements of the BP Bari and the Monte Paschi transactions described above, which, according to Fitch Ratings, strengthens AMCO's proximity to the national Government.

On 16 June 2021 AMCO informed that Fitch has published no action on AMCO's rating. Therefore, the Long-Term IDR rating of "BBB-", the Short-Term rating of "F-3" and the "stable" Outlook remain unchanged.

## **Recent Developments**

### *Fitch Servicer Rating*

AMCO announced that on 14 January 2021 Fitch Ratings upgraded AMCO's commercial, residential and asset-backed special servicer ratings to 'CSS2', 'RSS2', 'ABSS2' from 'CSS2-', 'RSS2-', 'ABSS2-'. Fitch mentions AMCO's business growth through multiple sources, demonstrating its ability to successfully pursue its business strategy. Among the factors that Fitch took into consideration in their rating analysis there are AMCO's staff increase to 287 employees at the end of 2020 from 71 at the end of 2017 to meet servicing needs and strengthen corporate functions as well as the fact that in 2020 AMCO enhanced its loan boarding process making it more efficient, launched its data warehouse, created a new set-up to the UTP/PD business and lastly, from 1 January 2021, created a separate Real Estate business unit. Furthermore, the servicer responded well to the COVID-19 outbreak in 2020 and experienced very minor disruption; all employees resorted to remote working and were supplied with all the necessary equipment.

### *Partnerships with leading Italian servicers*

On 1 February 2021, AMCO announced the conclusion of a competitive process for the outsourcing of specific clusters of NPEs, following the acquisition of the MPS portfolio. Active collaboration with an increasing number of leading servicers in the Italian market allows AMCO to continue leveraging on its operating model. AMCO's operating model creates scale efficiencies also through the outsourcing of granular positions, benefiting from the specialization and economies of scale of its partner servicers. The competitive process was launched in October 2020 and involved c. 40 servicers. Servicers' offers have been evaluated on the basis of well-defined selection criteria, taking into consideration the level of specialization in managing credits, operational skills, performance levels and track record. As a result of the process, AMCO assigned to the following 11 servicers the outsourcing management of c. €3.3bn of NPEs, related to approximately 72,000 debtors: AT S.p.A., Banca Ifis, Cerved Credit Management S.p.A., Covisian Credit Management S.p.A. (former CSS), Credito Fondiario S.p.A., CRIBIS Credit Management, doValue Group (doValue S.p.A. and Italfondinario S.p.A.), Fire SpA, FININT REVALUE SPA (Gruppo Finanziaria Internazionale), Intrum Italy, Sistemica S.p.A. (member of iQera Group). The number of servicers managing specific clusters of NPEs in outsourcing on behalf of AMCO is therefore increasing from 7 to 12.

### *Reimbursement of Secured Loan facility*

On 1 February 2021, AMCO announced a €250 million reimbursement of the loan with UBS and JPMorgan, due to expire on 1 December 2021 and guaranteed by the securitization of the MPS Compendium's portfolio. The principal amount outstanding of the Secured Loan decreased from €1,000m to €750m. The reimbursement took place on the back of MPS portfolio's cash generation, in line with the expected plan.

On 1 June 2021, AMCO announced the reimbursement of the €750 million of the loan outstanding with UBS and JPMorgan which was guaranteed by the securitization of the MPS Compendium's portfolio.

### ***Approval of 2020 financial statements***

On 21 April 2021, AMCO's General Meeting of shareholders, held on April 20, 2021, approved the 2020 Financial Statements.

### ***Unwinding of Ambra and Flaminia Securitizations***

On 27 April 2021, AMCO finalized the unwinding of the Ambra SPV S.r.l. and Flaminia SPV S.r.l. securitizations which were transferred in 2017 as part of the BPVi/VB Receivables Transfer Agreements in accordance with Law Decree 99/2017 and the MEF Decree. The unwinding was aimed at rendering AMCO's operating structure more efficient by applying the same technical and operative practices used for the non-securitized BPVi/VB Receivables already managed by AMCO (acting through and on behalf of the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato).

### ***Amendments to the articles of association***

On 28 April 2021, AMCO S.p.A. announces that the amendments to the articles of association approved by the General Meeting have become effective and that the Board of Statutory Auditors has been appointed (refer to the "Management - Board of Statutory Auditors" section).

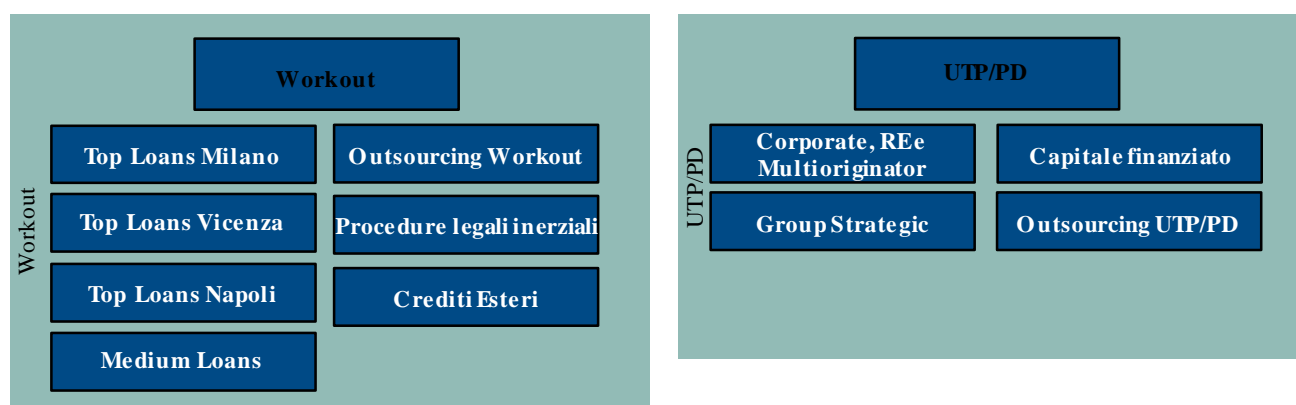
The first amendment to the articles of association will allow AMCO to carry out synthetic securitisations of performing loans classified as "Stage 2" (sub investment grade). This opens-up new business prospects for AMCO, which will complete in the coming months the organisational setup to adapt procedures supporting the new operations.

The second amendment to the articles of association proves AMCO's strong focus on gender balance in the company's governance, requiring at least two-fifths of the appointed directors and statutory auditors to be of the least represented gender within their respective corporate bodies.

## **AMCO'S PORTFOLIO MANAGEMENT PLATFORM**

### ***In-house structure***

AMCO's in-house portfolio management structure has undergone significant changes in contemplation of the acquisition of the BPVi/VB Receivables together with the portfolios acquired recently. In particular, this structure has witnessed a continuous increase in terms of headcount and has been reorganised into two separate business lines, as illustrated in the diagram below:



- a workout business line, adopting pure recovery strategies dedicated to the management of defaulted exposures as well as 'gone concern' unlikely-to-pay and past due exposures that will be managed as defaulted exposures;

- a UTP business, dedicated to the proactive management of ‘going concern’ unlikely-to-pay and past due exposures.

Each unit has its own teams of loan managers, who are assigned to specific groups (clusters) of receivables based on debtor’s geographical location, size of exposure, type of debtor, status of the legal procedure, availability and nature of collateral, etc. Each business unit has defined strategies to be adopted by the loan managers according to the cluster categorisation of the debt position under management. These strategies envisage proactive in-house direct management of positions with high potential recovery and/or high level of criticality, as well as those positions where internal management is more cost-effective (for example, when the judicial recovery procedure is towards the end stage), whereas fragmented positions with low gross book value and/or low recovery probability will be outsourced, also to leverage on the economies of scale of external specialised servicers. There will also be dedicated and independent teams for portfolio strategy and monitoring, for back offices activities (reporting to the Chief Operating Officer), for managing the outsourcing processes and for selecting and monitoring external lawyers.

AMCO has laid down detailed operational guidelines and parameters to be followed by the loan managers when considering whether to agree to restructuring of UTP/PD positions, or whether to grant new credit lines or approve further disbursements, as well as clearly defined levels of decision making. Depending on the complexity of the debt position and the size of the exposure, additional formalities may be requested such as analyses of the assigned debtor’s business plan or risk opinion from the Chief Risk Officer. The cluster allocation of the files takes into account (*inter alia*) the originator and the gross book value of the debt positions, whether the assigned debtor is a corporate or retail and whether the position is subject to restructuring, to ensure that each file is assigned to a loan manager/asset manager and recovery team with the most appropriate expertise and focus.

### **REOCO Division**

AMCO set-up its REOCO in Q1 2020, the project is operating so AMCO can include direct asset purchase in its resolution strategies. The latter does not constitute a separate legal entity but the Real Estate Management activities operating under AMCO S.p.A. with reference to on-balance credit portfolios and by the BPVi/VB for the respective portfolios.

The goal of the REOCO is to secure the value of the collateral and therefore to increase or preserve the value of credits recovery owned or managed by AMCO.

An internal real estate team, supported by external advisors, perform pro-active and direct REOs’ management including asset management, valuations, property & facility management, project & construction management, asset disposal after repossessing REOs through auction bid, *datio in solutum* or from leasing contracts defaulted.

REOCO pursues its goal through:

- reacting promptly to repossessing REOs in order to save the collateral value (the value of real estate assets, auction after auction, has continue to fall);
- planning an achievable Business Plan, constantly monitoring and managing actively REOs; and
- maximizing real estate assets value applying a tailor-made exit strategy.

REOCO solution is ancillary to the first and main recovery strategy, led by Workout and UTP Directors, applied by AMCO in managing its credit portfolio.

Internal policies settle and define organisational principles and main guidelines of REOCO, regulating all the activities starting from screening selections, evaluating the new business and risks associated and defining the remit of the relevant Committee and all control structures.

As of 1 January 2021, the Real Estate Division was created, operating in close collaboration with the Workout and UTP Divisions. Thanks to a team of specialists, AMCO has the skills necessary to implement targeted strategies to enhance collaterals’ value of secured loans and competences to manage proprietary real estate assets (Reoco/Leasing) through a wide range of activities.

## ***Outsourcing of non-securitised receivables in Italy***

In line with the company business model, the recovery of positions with low gross book value (small ticket) are outsourced by AMCO, also to leverage on the economies of scale of external specialised servicers. The external servicers have been chosen following a transparent and competitive selection based on the characteristics of the different portfolio segments and the area of specialization of each company. The outsourcing agreements have a three-year duration, with the right of termination by AMCO in case of underperformance. Multiple outsourcing mandates have been granted referring to the same portfolio clusters to stimulate competition and therefore to optimize performance. The external servicers are required to follow common “collection policies” that regulate standard processes and timings (for example, policies limiting instances in which recourse is to be made to judicial recovery procedures). Under these outsourcing agreements, AMCO pays to the external servicers a servicing fee calculated as a percentage of the recoveries, with different commission levels depending on the nature of the position(s) managed.

### **Arrangement with Intesa Sanpaolo for front-end services**

The BPVi/VB Receivables comprise unlikely-to-pay and past due positions in respect of which certain disbursement obligations are still outstanding. With a view to maximising the realisation value of these receivables, the Receivables Transfer Agreements envisage that the Gruppo Vicenza/Gruppo Veneto Patrimoni Destinati may make disbursements and advances or grant new loans and lines of credit to the assigned debtors. In addition, certain front-end banking activities can be functional to the recovery of the UTP/PD debt positions, such as current account, export finance and factoring.

Since AMCO, as a non-bank financial intermediary, is not authorised to perform certain of these banking activities, AMCO has entered into an agreement with Intesa Sanpaolo on 11 April 2018 which governs the provision by Intesa Sanpaolo’s retail network of these banking services to support the management and recovery of the relevant BPVi/VB Receivables.

### **Arrangement with Banca Carige for front-end services**

After the acquisition of Carige Receivables, carried out in December 2019, it has been defined a front-end services protocol to manage unlikely-to-pay and past due positions in respect of which certain disbursement obligations are still outstanding. Since 23 December 2019, Carige’s retail network supports front-end banking activities functional to the recovery of the UTP/PD positions.

### **Arrangement with Banca MPS for front-end services**

According to the transfer of MPS Receivables, carried out in December 2020, it has been activated a front-end services protocol to manage unlikely-to-pay and past due positions in respect of which certain disbursement obligations are still outstanding, also to maintain revolving operations for these borrowers. An integrated protocol of data exchange has been implemented and operational since 7 December 2020, allowing MPS’s retail network to support front-end banking activities functional to the recovery of the UTP/PD positions.

### **Arrangement with BancoBPM for front-end services**

After the acquisition of BancoBPM Receivables (see “*Recent Developments*”), carried out in December 2020, AMCO and Banco BPM defined a front-end services protocol to manage unlikely-to-pay and past due positions in respect of which certain disbursement obligations are still outstanding, using BancoBPM’s retail network supports front-end banking activities functional to the recovery of the UTP/PD positions.

### **Interim Special Servicing of the securitised receivables**

The BPVi/VB Receivables comprise asset backed securities issued by Ambra SPV S.r.l. (the special purpose vehicle of a securitisation transaction implemented by BPVi and its former subsidiaries, Banca Nuova S.p.A. and Farbanca S.p.A.) and Flaminia SPV S.r.l. (the special purpose vehicle of a securitisation transaction implemented by VB). While the master servicing activities for these securitisations will continue to be performed by Credito Fondiario S.p.A., the special servicing activities are currently performed: (i) by AMCO pursuant to the original interim special servicing agreements entered into with the originators, to which AMCO has acceded and has consequently replaced VB (in the case of the Flaminia securitisation) and BPVi and Banca Nuova (in the case of the Ambra securitisation), in each case with effect from 11 April 2018 (the “**Interim**

**Special Servicing Agreements**”); and (ii) by Farbanca, as interim special servicer, in respect of the portion of the portfolio originated by it with reference to the Ambra securitisation. Pursuant to the fee letters entered into in connection with AMCO’s accession to the Interim Special Servicing Agreements, AMCO will receive a fee from each SPV for its services, in an amount corresponding to the special servicing component of AMCO’s Share of Recoveries as determined pursuant to the Receivables Transfer Agreements.

### **Back office and documentation management activities**

A wide range of operations are performed by the back office to support the workout of defaulted exposures and the management of unlikely-to-pay and past due positions. These include credit payments accounting, credit management closing operations, regulatory reporting to the *Centrale dei Rischi*, anti-money laundering management and reporting formalities, reporting to the tax authorities as well as handling investigations on the assigned debtors by competent authorities. A significant overhaul of AMCO’s back office operations has been involved as part of the general improvements to its information technology systems, completed in 2019 and focused on a view to unifying all the operations, achieving unified back-end and front-end platforms.

AMCO recognises that the pre-existing documentary archives management adopted by it for the Banco di Napoli Receivables – according to which active files are archived internally by AMCO on site and closed files are archived externally – would not be adequate or appropriate to handle the onboarding of the BPVi/VB Portfolios as well as the more recently acquired portfolios, which involve a huge quantity of physical documentation and data tapes. Third party specialised suppliers have therefore been identified to handle the categorization, digitization and physical archiving of the loan files and documentation, according to a migration plan defined with other parties.

### **Information Technology infrastructure**

AMCO’s information technology system comprises a set of accounting, management and regulatory reporting applications to support its core business processes. Customised data management procedures generate periodic analyses and reports according to AMCO’s specific needs, including impairment tests, recovery forecasts, outstanding and extinguished positions, breakdown by geographic areas and by business sector, etc.

AMCO updated its ICT strategic plan on January 2021, after the successful completion of the first plan released on October 2018. AMCO has developed a new ICT architecture and framework, based on front-end and back-end integration with a new enterprise data warehouse. Between 2018 and 2020, AMCO achieved a target ICT model based on a tailored ICT architecture with fully integrated back-end and front-end platforms, structured on a core banking system provided from Cedacri (a leading non-captive supplier of ICT services to financial institutions in the Italian market, selected by a competitive process). The core business platform is EPC (Italian NPE market leading solution, provided by RAD Informatica spa) and is fully integrated with the core banking system and the main important info provider. EPC is the unique operational platform used by internal and external asset managers.

AMCO has also reviewed the ICT infrastructure, adopting state-of-the-art solutions and frameworks that has fully supported the company to manage the sanitary emergency, switching in a few hours to “smart working” processes for all the employees, fully operational from home.

Furthermore, AMCO has started and completed other important projects - according to the set-up of a new data governance environment and to the development of new business lines - involving selection of business intelligence solutions through a competitive process, setting up real estate management and leasing platforms, achieving a fully operational new ICT infrastructure from the second half of 2020.

### **Shareholders**

As at the date of this Base Prospectus, following the acquisition of the MPS Compendium, AMCO’s share capital is equal to Euro 655,153,674 divided into (i) 600,000,000 ordinary shares with no nominal value owned by the MEF, and (ii) 55,153,674 Class B Shares with no nominal value and no voting rights owned by the MEF and other shareholders and include treasury shares. The Italian Ministry of the Economy and Finance retains 99.78% of the ownership and 100% of voting rights of AMCO.

In accordance with the provisions of article 19, paragraph 6 of Legislative Decree 78/2009 which states that the exercise of supervision and coordination pursuant to Article 2497(1) of the Italian Civil Code refers to the

exercise of such supervision and coordination by legal entities (other than the State) holding an equity participation in the course of their business activities or for economic/financial purposes, AMCO is not subject to any supervision or coordination pursuant to Article 2497(1) of the Italian Civil Code by the MEF.

## **Corporate Governance, Organisational Structure and Internal Controls**

AMCO has adopted a “traditional” system of corporate governance, based on a conventional organisational model involving shareholders’ meetings, a board of directors, a board of statutory auditors and independent auditors.

Pursuant to its Articles of Association, the management of AMCO is entrusted to a collegial body made up of three or five members, appointed by the shareholders’ meeting (collectively the “**Board of Directors**” and each member so appointed a “**Director**”). Directors are appointed for a term not exceeding three financial years, to expire on the date of the shareholders’ meeting convened to approve the financial statements for the last financial year of their office. The Directors may be reappointed pursuant to articles 2383 of the Civil Code.

According to AMCO’s Articles of Association, the Directors are responsible for the management of the company and shall perform transactions necessary to achieve AMCO’s corporate objects. Without prejudice to limitations as regards interlocking directorships imposed by Law Decree no. 201 of 6 December 2011 (converted into law with modifications by Law no. 214 of 22 December 2011) and the guidelines issued by the supervisory authority, the Chief Executive Officer may not sit on the board of directors of more than two other joint stock companies (excluding subsidiaries and affiliates of AMCO), while other Directors may not sit on the board of directors of more than five other joint stock companies.

Pursuant to AMCO’s Articles of Association, the board of statutory auditors (*collegio sindacale*) is composed of three standing auditors, including Chairman, and two alternate auditors, each of whom shall meet the requirements provided for by applicable law and AMCO’s Articles of Association (collectively, the “**Board of Statutory Auditors**”). All members of the Board of Statutory Auditors are appointed by the shareholders’ meeting for three financial years and expire on the date of the Shareholders’ Meeting called to approve the financial statements for the third year of office. They may be reappointed. The alternate auditors will automatically replace any standing auditor who resigns or who is otherwise unable to serve as a statutory auditor. The Statutory Auditors may not accept or hold similar office in other companies or groups of companies operating in markets that compete with that in which AMCO operates.

AMCO’s Articles of Association provides that the composition of the Board of Directors and the Board of Statutory Auditors must ensure compliance with applicable laws and regulations on the principle of gender equality, and the Directors and Statutory Auditors must meet relevant requirements as to integrity and professionalism, in addition to meeting the requirements of independence set for Statutory Auditors.

AMCO’s Articles of Association provides that the statutory audit of the Issuer’s accounts shall be carried out by a firm of independent auditors registered in the appropriate register.

AMCO’s Articles of Association provides the appointment of the manager in charge of drawing up the corporate accounting documents referred to in article 154-bis of Legislative Decree no. 58 of 1998 and subsequent amendments. The Board of Directors appoints, subject to the mandatory opinion of the Statutory Auditors, for a period no less than the Board’s term in office and not more than six financial years, the manager establishing its powers, resources and remuneration.

## **Management**

### ***Board of Directors***

AMCO’s current Board of Directors was appointed on 20 April 2020. Unless their term of office is terminated early, all members will remain in office until the shareholders’ meeting called to approve AMCO’s financial statements for the financial year ending 31 December 2022.

The following table sets out the current members of AMCO's Board of Directors and the main positions held by each of them outside AMCO.

<u>Name</u>	<u>Position</u>	<u>Main positions held by Directors outside AMCO</u>
Stefano Capiello .....	Chairman	Director General, Head of Directorate "Regulatory and supervisory framework of the financial system", at the Italian Ministry of Economy and Finance
Marina Natale .....	Chief Executive Officer and General Manager	Former Chief Financial Officer at UniCredit Group Member of the Investor Committee of the Italian Recovery Fund, Member of the Board of Directors of Fiera di Milano S.p.A. Member of the Board of Director of Webuild S.p.A.
Domenico Iannotta.....	Director	Manager of the Directorate VII – Finance and Privatisations at the Italian Ministry of Economy and Finance

The business address of the Board of Directors is Via Santa Brigida 39, 80133 Naples, Italy.

### ***Senior management***

The following table sets forth the members of AMCO's senior management (the "**Senior Management**"), together with their current positions:

<u>Name</u>	<u>Position</u>
Marina Natale .....	Chief Executive Officer and General Manager
Eadberto Peressoni.....	Chief Financial Officer
Stefano Micheli .....	Chief Operating Officer
Manuela Ognissanti.....	Head of Compliance and AML
Lorenzo Lampiano.....	General Counsel and Secretary to the Board of Directors
Luca Battagliero .....	Human Resources, Transformation & Internal Communication Director
Marco Salemi.....	Chief Risk Officer
Claudia Mangione.....	Head of Internal Audit
Paolo Tosi .....	Head of Workout
Fabio Pettirossi.....	Head of UTP/PD
Stefano Chiocchetta.....	Head of Real Estate
Roberto Zambotti.....	Head of NPE Investments & Business Development
Laura Spotorno.....	Head of Investor Relations and Corporate Communications
Marco Giaccone .....	Head of Portfolio Analysis & Monitoring
Silvia Guerrini.....	Manager in charge of Financial Reporting

The business address of each member of the Senior Management is Via del Lauro 5/7, 20121 Milan, Italy.

### ***Board of Statutory Auditors***

The term of office of the current Board of Statutory Auditors, appointed at the shareholders' meeting of 28 April 2021, shall expire at the shareholders' meeting called to approve AMCO's financial statements for the financial year ending 31 December 2023. The following table sets out the current members of AMCO's Board of Statutory Auditors:

<b>Name</b>	<b>Position</b>
Giampiero Riccardi.....	Chairman
Giuseppa Puglisi.....	Standing Auditor
Giovanni Battista Lo Prejato.....	Standing Auditor
Delia Guerrera.....	Alternate Auditor
Maurizio Accarino.....	Alternate Auditor

The business address of the Board of Statutory Auditors is Via Santa Brigida 39, 80133 Naples, Italy.

### ***Supervisory Body (Organismo di Vigilanza)***

Legislative Decree no. 231 of 8 June 2001 ("**Legislative Decree 231/2001**") introduced the corporate administrative liability regime in Italy and requires companies to implement an organisational model aimed at preventing the commission by its officers of offences in the interest (or to the benefit) of the company and consequential liability of the company under Legislative Decree 231/2001, and to set up an Organismo di Vigilanza (the "**Supervisory Body**") to oversee the implementation of the organisational model. The current *Supervisory Body*, appointed by the Board of Directors on 30 April 2021, is composed of three members: Mr. Arturo Betunio (Chairman), Ms. Olga Cuccurullo and Mr. Lorenzo Lampiano (members), shall expire at the shareholders' meeting called to approve AMCO's financial statements for the financial year ending 31 December 2023.

### ***Court of Auditors (Corte dei Conti)***

According to Article 12 of Law no. 259 of 21 March 1958, supervision of the financial management of entities owned by the public administration (such as AMCO) envisaged by Article 100 of the Italian Constitution is to be exercised through magistrate(s) of the Court of Auditors, appointed by the chairman of the Court of Auditors, who shall participate in meetings of the entity's management and auditing organs.

At the date of this Base Prospectus, the magistrates appointed by the Court of Auditors to participate in the financial management supervision of AMCO are Giulia de Franciscis and Carmela de Gennaro.

### ***Manager in charge of Financial Reporting (Dirigente Preposto)***

The Board of Directors, in the meeting of 5 May 2020, extended Silvia Guerrini as manager in charge of preparing the company's financial reports referred to in article 154-bis of Legislative Decree no. 58 of 1998, with the effect from the approval of the financial statement at 31 December 2019 until the shareholders' meeting called to approve AMCO's financial statements for the financial year ending 31 December 2022.

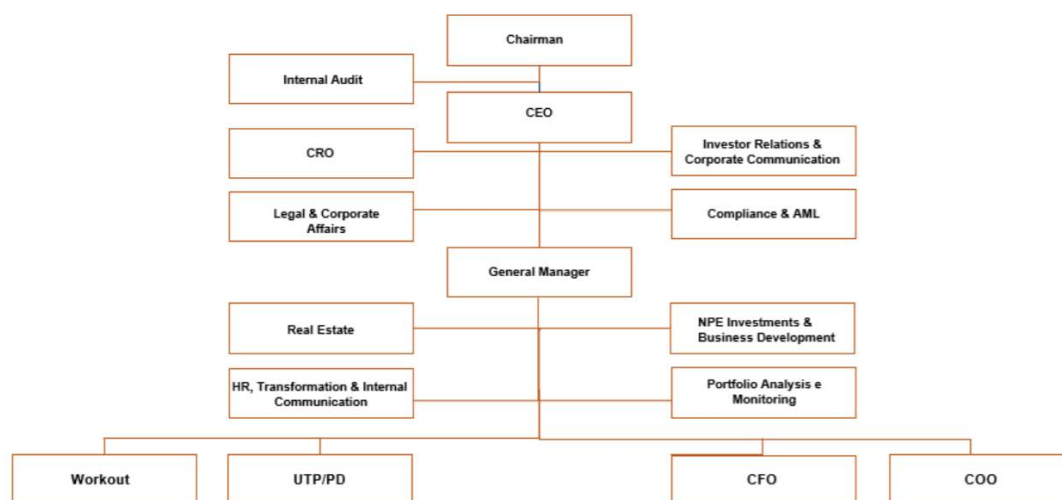
### ***Potential conflicts of interest***

The Directors and the Statutory Auditors of AMCO may, from time to time, hold directorships with or have other significant interests in companies outside the Group, which may have business relationships with the Group. AMCO has in place procedures aimed at identifying and managing any conflicts or potential conflicts of interest, to ensure where possible that no actual or potential conflicts of interest will arise. As at the date of this Base Prospectus, there are no actual or potential conflicts of interest between the duties of the members of the Board of Directors and the Board of the Statutory Auditors to AMCO and their private interests or other duties.



## Organisational structure

The following diagram illustrates the organisational structure of AMCO as at the date of the Base Prospectus. This represents the outcome of a series of internal reorganisations that have involved the introduction of new internal functions and business units, the hiring of new first-line managers, loan specialists and professionals as well as enhancements to the existing structures. As at 31 December 2020 the number of AMCO employees was 287, up compared to the correspondent number as at 31 December 2019 (no. 233 units). As at 31 December 2020, there are no coordinated and continuous collaboration contracts in place.



## Control Functions

### *Internal Audit Function*

The Internal Audit function is responsible for providing an independent evaluation of the completeness, adequacy and effectiveness of the internal control system and of the organizational model of AMCO.

In particular, Internal Audit function is in charge of risks mitigation within the organization with regards to governance processes, business processes, operations and information systems.

The Internal Audit function activity is mainly focused on:

- achievement of the organization's strategic goals;
- effectiveness and efficiency of operations and processes; and
- compliance with external and internal regulatory framework.

The Internal Audit function manages its tasks on a risk-based planning basis, with a specific focus on the analysis of the company's processes, life cycle and related combined risk assessment. To this extent, following the annual audit plan, the Internal Audit team carries out periodic audits and specific investigations. The audit results are reported to:

- the Board of Directors and the Board of Statutory Auditors (annual audit report, infra-annual audit report on the status of the audit activities and related results, quarterly report on audit tracking);
- the Chief Executive Officer, the Board of Statutory Auditors and the Senior Management as far as single audit reports are concerned, if any major issue is disclosed during the audit.

The Internal Audit function implements monitoring activities on audit findings and relevant prompt management action, with escalation procedures in case of postponement.

In accordance with Italian legislation on anti-corruption (Law no. 190/2012) and transparency (Legislative Decree no. 33/2013), the Board of Directors on 28 February 2018 appointed the Head of Internal Audit function also as the Responsible for Anti-Corruption and Transparency.

### ***Risk Management Function***

The Risk Management Function is responsible for managing the overall risk management process (i.e. identification, measurement, management, control and reporting). In particular, the Function:

- supports the management in reviewing the internal Risk Framework according to AMCO business targets and risk appetite;
- defines risk management policies and cooperates with Risk Owners for defining procedures to manage specific risk profiles;
- is responsible for the methodologies for risk assessment and measurement;
- monitors on an ongoing basis risk exposures and limits;
- performs ex ante risk assessments on most relevant operations (e.g. new products or new portfolio acquisition);
- performs stress test analyses;
- assesses the effectiveness of the overall risk management processes; and
- is responsible for risk reporting to the management.

Moreover, The Risk Management Function coordinates the Internal Capital Adequacy Assessment Process and the Pillar 3 disclosure.

### ***Compliance and Anti money-laundering (AML) Functions***

The Compliance function is responsible for ensuring compliance with applicable regulations through ex ante assessments of operating procedures and ex post verifications that correct operating procedures have been applied. Core compliance activities and controls are:

- developing a Compliance programme which describes and analyses in terms of compliance risk those laws, regulations and standards which are material and relevant to the business and fall within the generic scope of the Compliance function;
- managing the drafting and the implementation of the management, organization and control model pursuant to Legislative Decree 231/2001;
- participating and consulting in company's projects in order to advise and assist the business to identify compliance risks, implementing risk mitigating measures, including clear standards, procedures and guidelines, to prevent, mitigate or minimise compliance risks and to detect, report and respond to compliance violations;
- managing the preparation of periodical compliance reporting to the management;
- preparing any necessary reporting to ensure appropriate information of the relevant management and departments and manage the necessary follow-up;
- providing support in the preparation of periodic reports required by regulators; and
- supporting the set-up, the planning and the roll-out of the Compliance training in-class courses and the communications to the employees of AMCO.

The AML function ensures compliance with anti-money laundering obligations applicable to AMCO, evaluates the adequacy of internal procedures and assesses their correct application. Core anti-money laundering activities and controls are:

- performing controls on clients and transactions against OFAC, UN, UE and internal sanction lists, assessing positive matches, ensuring that all suspicious activities are promptly investigated and reporting any findings in accordance with local regulations;

- ensuring adequacy of AML compliance procedures (KYC, SAR procedure);
- performing periodic analysis, reviewing of high-risk clients' categories and approving specific clients' due diligence;
- analysing anomalous transactions that could be deemed suspicious and executing the necessary reporting to Authorities; and
- establishing and executing a complete AML Monitoring and Testing Plan.

In accordance with the GDPR (General Data Protection Regulation – EU Regulation 2016/679), the Board of Directors on 21 June 2019 appointed the Head of Compliance & AML Functions also as the Data Protection Officer (DPO).

AMCO has in place a series of internal regulations and manuals laying down relevant procedures and guidelines to be followed by the internal control functions, as well as other rules and procedures manuals to govern on all aspects and functioning of AMCO, including governance, business, organisation and communications. These internal regulations and procedures, aligned with AMCO's business model, are constantly updated taking into consideration evolutions of the regulatory framework.

### **Independent auditors**

AMCO's current independent auditors are Deloitte & Touche S.p.A. ("**Deloitte**").

Deloitte is appointed for the audit of the annual financial statements of AMCO for the period 2019 to 2027.

Deloitte is registered under No. 132587 in the Register of Accountancy Auditors (*Registro Revisori Legali*) kept by the Italian Ministry of Economy and Finance, in compliance with the provisions of Legislative Decree no. 39 of 27 January 2010. Deloitte is also a member of the ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms.

### **Litigation**

As part of the ordinary course of business, AMCO is, and may in the future be, subject to a number of administrative, civil, regulatory, criminal and tax proceedings relating to its activities.

In particular, AMCO is exposed to risk of revocation of (and consequential obligation to return) public contributions granted in favour of assigned debtors that have lost the benefit thereto. The recoverability of any of these contributions that AMCO may be ordered to return is difficult to estimate.

AMCO is furthermore party to a number of proceedings that may potentially result in liabilities to AMCO, including in the context of bankruptcy or enforcement proceedings against assigned debtors, in relation to notifications to the Centrale dei Rischi, or concerning the interest rates or methods used to calculate interest rates applicable to the assigned receivables. These proceedings - many of which commenced before the relevant receivables were purchased by AMCO - involve complex, diverse and evolving legal issues as well as facts and circumstances that are peculiar to each proceeding. Their outcomes are inevitably uncertain, also due to possible differences in court interpretations.

AMCO constantly reviews its outstanding and potential litigations on an on-going basis, and provisions are set aside in its financial statements to meet losses that have been ascertained, or deemed probable and reasonably estimable, in accordance with applicable accounting principles and procedures governing the preparation of financial statements. Notwithstanding the foregoing, it cannot be excluded that the occurrence of new developments, facts and circumstances that, as at the date of this Base Prospectus, are neither known nor predictable may result in such provisions being inadequate. See further "*Risk Factors – Legal proceedings*".

For further information, see Section 4 (*Provisions for risks and charges*), Part A of the explanatory notes to, the financial statements of AMCO as at and for the year ended 31 December 2020, incorporated by reference into this Base Prospectus (see section "*Documents Incorporated by Reference*" above).

## Alternative Performance Measures

In order to better evaluate the Issuer's financial and receivables management performance (based on the financial information of the Issuer as of and for the years ended 31 December 2020 and 2019), AMCO's management has identified several alternative performance measures ("APMs") - as defined by the European Securities and Markets Authority's Guidelines on Alternative Performance Measures (ESMA/2015/1415) (the "ESMA Guidelines") - which appear below and elsewhere (or are otherwise incorporated by reference) in this Base Prospectus.

Management believes that these APMs provide useful information for investors as regards the financial position, cash flows and financial performance of AMCO, because they facilitate the identification of significant operating trends and financial parameters. The definitions and the calculation methods of these APMs as required by the ESMA Guidelines are set out below.

- **ROE** is calculated as the ratio between (a) Net profit for the period and (b) the shareholders' equity at the beginning of the period;
- **EBIT** is calculated as the Result for the year before taxes and interests and commissions from financial assets;
- **Fee Margin** is calculated as the Net fees and commission;
- **Cost/Income ratio** is calculated as the ratio between (a) Total costs (represented by net operational costs and personnel costs) and (b) Total revenues (represented by servicing commissions, interest and commissions from business with customers and other income/expense from ordinary operations);
- **Period collections / FTE** is calculated as the ratio between (a) Collections for the period (being cash flows (gross of expenses incurred) deriving from the recovery of portfolio receivables under management and (b) FTE (full time equivalent), being the average number of full time employees for the period; and
- **Period collections / GBV** is calculated as the ratio between (a) Collections for the period, being cash flows (gross of expenses incurred) deriving from recovery of portfolio receivables under management and (b) GBV, being the average book value of the portfolio of loans under management before adjustments, depreciation, expenses and interests.
- **Cash EBITDA** is calculated as the difference between gross collection for the period from on-balance portfolios and total costs (represented by net operational costs and personnel costs);
- **Debt service ratio** is calculated as the ratio between (a) Cash EBITDA and (b) interest expenses plus debt principal repaid over the period;
- **Interest coverage** is calculated as the ratio between (a) Cash EBITDA and (b) interest expense;
- **Net Debt/Equity** is calculated as the ratio between (a) Financial liabilities at amortised cost minus loans and receivables with banks and (b) Net equity.

It should be noted that:

- (i) the APMs are based exclusively on the historical data and are not indicative of the future performance;
- (ii) the APMs have not been subject to audit;
- (iii) the APMs are non-IFRS financial measures and are not recognised as measure of performance or liquidity under IFRS and should not be recognised as alternative to performance measure derived in accordance with IFRS or any other generally accepted accounting principles;
- (iv) the APMs should be read together with financial information of the Issuer contained in the financial statements as of and for the years ended 31 December 2020 and 2019; and

- (v) since all companies do not calculate APMs in an identical manner, the presentation of the Issuer may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on these data.

	As at and for the year ended 31 December 2020	As at and for the year ended 31 December 2019
ROE .....	4.0%	5.1%
EBIT ( <i>euro millions</i> ).....	106.6	51.4
Fee margin ( <i>euro millions</i> ).....	48.1	46.2
Cost/income ratio .....	25.8%	45.9%

Although these measures serve to better illustrate specific aspects and historical trends of AMCO's business activities, investors should note that AMCO's historical operating results and recoveries as well as the financial data deriving from AMCO's 2020 and 2019 financial statements (and therefore the APMs derived therefrom) will not be indicative of AMCO's future performance as a consequence of the acquisition of new portfolios. See further the risk factor headed "*AMCO's historical operating results and recoveries are not indicative*".

## Overview Financial Information of AMCO

### *Consolidated Financial Statements for the year ending 31 December 2020 and 2019*

The year ending 31 December 2019 represented the first financial year requiring preparation of consolidated financial statements. Therefore the results for year ending 31 December 2020 are compared below with the previous year.

In fact, AMCO plays the role of master servicer and special servicer as well as having subscribed 100% of the equity tranches (junior and mezzanine notes) issued by the securitisation vehicle Fucino NPL's SPV S.r.l. With regard to AMCO's role in the securitisation, as well as the role of sole investor in Junior and Mezzanine Notes, in application of IFRS 10 accounting standard, AMCO has a position of significant control on the securitisation vehicle and therefore AMCO is responsible for the preparation and publication of consolidated financial statements, for further information see "*Description of the Issuer – Business – Banca del Fucino*" above.

Set forth below is an overview of the financial information on AMCO which is derived from the audited financial statements of AMCO as at and for the years ended 31 December 2020 and 2019, prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standard (IFRS). These financial statements have been audited by Deloitte. The financial information below should be read in conjunction with such financial statements, audit reports and the explanatory notes thereto, incorporated by reference into this Base Prospectus. See further "*Information incorporated by reference*".

## Selected balance sheet information

	31/12/2020	31/12/2019
	<i>(expressed in thousand of Euro)</i>	
<b>Asset Items</b>		
Financial assets measured at fair value through profit and loss.....	658,801	559,709
Financial assets measured at fair value through other comprehensive income.....	60,036	844,803
Loans and Receivables .....	5,937,807	1,303,738
<b>Tax assets</b>		
(a) current.....	10,789	11,238
(b) deferred.....	199,898	68,673
Other Assets .....	33,041	31,547
<b>Total Assets .....</b>	<b>6,900,372</b>	<b>2,819,708</b>
<b>Liability and Net Equity Items</b>		
<b>Tax liabilities</b>		
(a) current.....	4,352	6,543
(b) deferred.....	1,723	1,658
Other liabilities .....	97,367	52,354
Debt securities in issue .....	3,952,065	915,507
Provisions for risks and charges.....		
- other provisions .....	20,812	20,784
Share capital.....	655,154	600,000
Treasury shares.....	(70)	0
Share premiums .....	604,552	403,000
Reserves .....	1,498,311	779,011
Valuation reserves.....	(9,903)	(1,460)
Profit (loss) for the year.....	76,009	42,311
<b>Total Liabilities and Net Equity.....</b>	<b>6,900,372</b>	<b>2,819,708</b>

## Selected income statement information

	31/12/2020	31/12/2019
	<i>(expressed in thousand of euro)</i>	
<b>Interest margin.....</b>	<b>64,109</b>	<b>26,087</b>
<b>Net commission.....</b>	<b>48,085</b>	<b>46,239</b>
Profit (loss) on sale/repurchase of financial assets.....	24,735	3,107
<b>Net result of financial assets valued at FVTPL .....</b>	<b>19,054</b>	<b>17,803</b>
<b>Brokerage margin.....</b>	<b>148,216</b>	<b>93,235</b>
Net impairment losses on credit risk of financial assets.....	(3,239)	11,818
Administrative expenses.....	(58,913)	(48,493)
Net accruals to provisions for risks and charges.....	227	(3,611)
Amortization and depreciation of tangible and intangible assets .....	(2,066)	(1,515)
Other operating income and expenses.....	(13,997)	(5,955)
<b>Result from operations.....</b>	<b>70,229</b>	<b>45,479</b>
Net gains (losses) on equity investments.....	5	(144)
Gains (losses) on disposal of investments.....	0	(0)
<b>Profit (loss) from current operations gross of taxation .....</b>	<b>70,234</b>	<b>45,335</b>
Income taxes.....	5,775	(3,024)
<b>Profit (loss) from current operations net of taxation.....</b>	<b>76,009</b>	<b>42,311</b>
<b>Profit (loss) for the year.....</b>	<b>76,009</b>	<b>42,311</b>

(\*) The financial information for the year ended 31 December 2020 reported in this column is extracted from the financial information presented as comparative to the consolidated financial statements for the years ended 31 December 2020.

(\*\*) The financial information for the year ended 31 December 2019 reported in this column is extracted from the financial information presented as comparative to the consolidated financial statements for the years ended 31 December 2020. The 2019 comparative figure has been changed as a result of the reclassification of the time value component from the item "Interests and commissions from business with customers" to the item "Net value adjustments/reversals on receivables and securities from ordinary operations".

## Separate Financial Statements

The year ending 31 December 2019 represented the first financial year requiring preparation of consolidated financial statements; therefore the Separate Financial Statements are not reported in this Prospectus.

Such financial statements, along with the consolidated version, have been audited by Deloitte. The financial information below should be read in conjunction with such financial statement, audit report and the explanatory notes thereto, incorporated by reference into this Base Prospectus. See further "Information incorporated by reference".

## Regulatory Framework

Set forth below is a description of certain legislative and regulatory provisions relevant to the operations of AMCO.

### *Assignment of the BPVi/VB Receivables to the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato*

Following the declaration by the European Central Bank, in its capacity as supervisory authority, of 23 June 2017 that BPVi and VB were failing or likely to fail, the Single Resolution Board (the competent resolution authority) ruled that resolution action was not warranted in the public interest in either case. EU law **provided that**, in such circumstances, national insolvency rules applied and it was for the responsible national authorities to wind up the institution under national insolvency law. In this context, given that the winding up of BPVi and VB would have a serious impact on the real economies of the regions where they were most active, Italy notified the European Commission its plans to grant state aid to wind down BPVi and VB, in order to enable the sale of parts of the two banks' activities to Intesa Sanpaolo, which was selected as the buyer in an open, fair and transparent sales procedure), including the transfer of employees but excluding all non-performing exposures of the two banks. In particular, the Italian state granted cash injections of approximately €4,785 billion; and state guarantees of a maximum of approximately €12 billion on loans granted by Intesa Sanpaolo (the "**Intesa Loans**") to finance the winding down of the remaining liquidation mass, in the event the liquidation mass was insufficient to reimburse the Intesa Loans. The cash injections and state guarantees, which rank as senior claims by the Italian state on the assets in the liquidation mass, were approved by the European Commission in line with EU state aid rules.

Following approval by the European Commission, Law Decree 99/2017 was issued containing provisions relating to the liquidation of BPVi and VB. In addition to provisions relevant to the aforementioned sale of activities to Intesa Sanpaolo, Article 5 of Law Decree 99/2017 provides for the following:

- MEF shall, by decree, order the BPVi/VB Liquidators to assign their non-performing receivables and certain other related assets to AMCO. In consideration for the assignment, the BPVi/VB Liquidators shall have a claim against AMCO corresponding to the book value of the relevant receivables and assets, as adjusted from time to time according to the greater or lesser realisation value thereof;
- AMCO shall administer such receivables and assets with the objective of maximising their value, also in derogation from the general provisions as regards capital adequacy imposed on financial intermediaries pursuant to Article 108 of the Consolidated Banking Act; and
- AMCO may constitute one or more dedicated asset pools (*Patrimoni Destinati*) exclusively for the administration of such non-performing receivables and assets, the value of each individual Patrimonio Destinato may exceed 10 per cent. of AMCO's total net assets.

The constitution and the administration of *Patrimoni Destinati* are governed by Section XI, Articles 2447-bis to 2447-decies of the Italian Civil Code. According to these articles of the Italian Civil Code, a company's liability for obligations contracted for the specific purpose for which a *Patrimonio Destinato* is established shall be limited to the total value of such *Patrimonio Destinato*, unless the company's board of directors resolves otherwise and **provided that** any limitation of liability does not apply to obligations arising from illegal acts (Article 2447-quinquies, third paragraph). Directors shall maintain separate books and accounting records in respect of each *Patrimonio Destinato*; a separate report in respect of each *Patrimonio Destinato* shall be annexed to the company's financial statements and the explanatory notes must indicate, *inter alia*, the criteria adopted for allocating common items of costs and income and the applicable liability regime (Article 2447-septies).

Article 2447-novies of the Italian Civil Code provides that when the specific purpose for which a *Patrimonio Destinato* is established has been realised or has otherwise become impossible to realise, the directors shall prepare a final report, accompanied by a report of the statutory auditors and of the auditors, which shall be filed with the competent companies registry. In case not all the obligations contracted by the *Patrimonio Destinato* in pursuit of its specific purpose have been satisfied in full, the creditors may ask for the liquidation of the

Patrimonio Destinato within 90 days after the date of filing of the final report. In case of liquidation of a Patrimonio Destinato, the following provisions shall apply:

- the rules applicable to liquidation of joint stock companies shall apply insofar as compatible for the liquidation of a Patrimonio Destinato; and
- the aforementioned provisions of Article 2447-quinquies, paragraph 3, of the Italian Civil Code shall apply to determine whether claims of the creditors of a Patrimonio Destinato shall be limited recourse to the Patrimonio Destinato or not.

Article 5(5) of Law Decree 99/2017 provides that for the purposes of the assignment of the non-performing receivables by the BPVi/VB Liquidators, the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato may also be established by a decree by MEF. In this case, the constitution shall take effect on the date of publication of such MEF decree in the Official Gazette or, if earlier, the date of publication by the Bank of Italy of notice of such assignment. The Gruppo Vicenza Patrimonio Destinato and the Gruppo Veneto Patrimonio Destinato have been constituted by the MEF Decree with effect on 11 April 2018, being the date of publication by the Bank of Italy of notice of the assignment of the BPVi/VB Receivables.

Certain provisions of the Italian Civil Code are expressly derogated by Law Decree 99/2017, namely:

- Article 2447-quarter, second paragraph pursuant to which creditors of a company may oppose the patrimonio destinato's constitution within sixty days after filing of the resolution approving the patrimonio destinato's establishment. Alternatively, the competent court may rule that the resolution approving establishment of the patrimonio destinato be implemented subject to the provision of appropriate guarantees by the company;
- Article 2447-quinquies, first paragraph pursuant to which after such sixty-days' period (or following entry of the court ruling), general creditors of a company may have no further claims on the dedicated assets of the patrimonio destinato, save for such part of the income produced by the patrimonio destinato that is due to the company's general assets; and
- Article 2447-quinquies, second paragraph pursuant to which with reference to moveable and immovable assets comprised in a patrimonio destinato, the exclusion of these assets from claims of general creditors shall not apply until such time the specific purpose of the patrimonio destinato has been entered in the relevant public registers.

On 22 February 2018, the MEF Decree was issued, in implementation of Article 5 of Law Decree 99/2017. The decree – which was issued by MEF on 22 February 2018 and registered by the Court of Auditors on 12 March 2018– provides as follows:

- the BPVi/VB Liquidators shall assign, on one or more occasions, to the Gruppo Vicenza/Gruppo Veneto Patrimonio Destinato certain receivables and relating assets classified as non-performing at the date of commencement of the liquidation of BPVi/VB;
- the Gruppo Vicenza Patrimonio Destinato and the Gruppo Veneto Patrimonio Destinato shall be constituted within AMCO, for the purpose of segregating the assets and liabilities arising in connection with the management of the receivables assigned to each Patrimonio Destinato from the general assets of AMCO;
- the purchase price for the receivables assigned to each Patrimonio Destinato shall be defined in the relevant receivables transfer agreements, taking into account amounts due to AMCO, costs and expenses relating to the purchase, ownership, management, recovery and realisation of the receivables as well as the conclusion and implementation of the receivables transfer agreements, including any losses and liabilities incurred. Such purchase price shall be paid out of sums from time to time recovered by each Patrimonio Destinato, net of expenses, disbursements and other expenditures and taking into account the operational needs of each Patrimonio Destinato;
- AMCO shall have sole responsibility for the management of the receivables assigned to each Patrimonio Destinato, and shall receive an amount to cover costs not otherwise attributed to each Patrimonio Destinato and to maintain its economic sustainability over time; and



- certain provisions concerning the management of the receivables shall be renegotiated in case of change of control of AMCO by operation of law.

### Financial Intermediaries regulations

Financial intermediaries are entities other than banks allowed by Italian law to provide credit in a professional capacity in Italy. Following the reform of Title V of the Consolidated Banking Act, financial intermediaries are authorised by the Bank of Italy to provide financing in any form, and are entered in a special register pursuant to Article 106 of the Consolidated Banking Act (the “**Article 106 Register**”). Loan guarantee consortia with business volumes of €150 million or more, securitisation servicers (i.e. entities that collect assigned receivables and perform cash and payment services pursuant to the Securitisation Law) and fiduciary companies pursuant to Article 199 of Legislative Decree no. 58 of 24 February 1998 are also entered in this register. Financial intermediaries and other entities entered on the Article 106 Register are subject to a prudential supervisory regime equivalent to that of banks, the aim of which is to ensure financial stability and sound and prudent management. This regime is based on the principle of proportionality so as to take into account the operational, size-related and organisational complexities of the entity and the nature of its activities.

As a financial intermediary entered on the Article 106 Register, AMCO is subject to the measures relating to the activities and supervision of financial intermediaries, including in particular Circular No. 288 of 3 April 2015 (*Supervisory Provisions for financial intermediaries*) issued by the Bank of Italy (“**Circular 288/2015**”) pursuant to Articles 107 and 108 of the Consolidated Banking Act, which provide that the Bank of Italy is (*inter alia*) authorised to issue provisions of a general character applicable to financial intermediaries referring to their corporate governance, capital adequacy, containment of risks, accounting and administrative organisation, internal control, remuneration and incentive systems as well as disclosure of information to the public. Circular 288/2015 contains (among others) the following provisions:

- provisions governing the conditions and procedures for granting authorisation for enrolment on the Article 106 Register. For the purpose of verifying the existence of conditions to ensure a sound and prudent management of the financial intermediary, authorisation is subject to satisfaction of a number of conditions, including minimum paid up share capital; satisfaction by shareholders of requirements as to integrity; satisfaction by corporate officers of requirements as to professionalism, integrity and independence; submission of business plan and organisational structure;
- provisions governing: (a) the general organisational requirement and corporate governance rules, setting forth the duties and responsibilities of corporate bodies, (b) the internal control systems and (c) the outsourcing of business functions; and
- provisions governing the prudential regime applicable to financial intermediaries, characterised by prudential requirements comparable, in terms of solidity, to corresponding requirements applicable to banks, to contribute towards a sound and prudent management of financial intermediaries and the stability of the financial sector as a whole. These rules are based on the same three pillars envisaged by the Basel regulatory framework applicable to banks, namely:
  - Pillar One that introduces a regulatory capital requirement to meet risks inherent in financial activities;
  - Pillar Two, pursuant to which financial intermediaries must possess an internal process to ascertain the adequacy of its current and prospective capital position, while the competent supervisory authority has the task to verify the reliability and coherence of results and to adopt appropriate corrective measures; and
  - Pillar Three, which imposes on financial intermediaries the obligation to disclose to the public their regulatory capital position, exposures to risks and general characteristics of their management and control systems.

With specific reference to capital adequacy, Circular 288/2015 sets out in Title IV, Chapter 4 (*Capital Requirements*) provisions applicable to financial intermediaries that are both of a general character as well as specific provisions. In particular, Title IV, Chapter 4, Section II of Circular 288/2015 states that unless stated otherwise, the provisions of Part Three (*Capital Requirements*), Title I (*General Requirements, valuation and*

reporting), Chapter 1 (*Required level of own funds*) of the CRR would apply to financial intermediaries. According to Article 92(1) of the CRR, institutions shall at all times satisfy a Common Equity Tier 1 capital ratio of 4.5%; a Tier 1 capital ratio of 6% and a total capital ratio of 8%. Section III (*Specific provisions*) of Circular 288/2015 provides that by way of derogation from the general provisions of Article 92(1) of the CRR, financial intermediaries that do not collect savings from the public shall satisfy (a) a Common Equity Tier 1 capital ratio of 4.5% and (b) a total capital ratio of 6% that may be met either by common equity tier 1 instruments or by Tier 2 instruments. Bank of Italy has furthermore clarified that capital buffer requirements do not apply to financial intermediaries.

Title IV, Chapter 12 (*Large Exposures*), Section II of Circular 288/2015 provides that a financial intermediary shall not incur an exposure, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403 of the CRR, to a client or group of connected clients the value of which exceeds 25% of its eligible capital. Where that client is an institution or where a group of connected clients includes one or more institutions, the value shall not exceed 25% of the intermediary's eligible capital or Euro 150 million, whichever the higher, **provided that** the sum of exposure values, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403 of the CRR, to all connected clients that are not institutions does not exceed 25% of the intermediary's eligible capital. This and other provisions of a general character concerning capital adequacy requirements applicable to financial intermediaries are expressly derogated with reference to the risks assumed by AMCO in the context of its purchase of the BPVi/VB Receivables, in accordance with the provisions laid down in Article 5(3) of Law Decree 99/2017 pursuant to which AMCO shall administer the receivables and other assets purchased by it from the BPVi/VB Liquidators with the objective to maximise their value, also in derogation from the provisions of a general character in relation to capital adequacy referred to in Article 108 of the Consolidated Banking Act.

The prudential supervisory regime is two-fold: *firstly*, the adequacy of a financial intermediary's capital position is assessed in accordance with the ICAAP (Internal Capital Adequacy Assessment Process), pursuant to which the financial intermediary performs an evaluation of the adequacy of its capital position, current and prospective, with reference to the risks undertaken and corporate strategies; and *secondly*, the supervisory authority performs a Supervisory Review and Evaluation Process and where appropriate, orders corrective measures.

The Board of Directors of AMCO approves the ICAAP report with reference to the previous financial year, which is then submitted to the Bank of Italy. In accordance with the provisions laid down in Part Eight of the CRR, AMCO publishes disclosures in compliance with its Pillar Three obligations on an annual basis. As disclosed in AMCO's Pillar Three disclosure report as at 31 December 2019, based on an analysis conducted in consideration of its current and prospective activities, AMCO is exposed to the following risks:

- Pillar One risks: credit risk & counterparty risk, operational risk, market risk; and
- Pillar Two risks: interest rate risks, liquidity risk, encumbered assets risk, securitization risk, residual risk, strategic risk, compliance risk, reputational risk, concentration risk.

For a more detailed description of these risks, see further "*Risk Factors – Other risk factors affecting AMCO*".

## TAXATION

*The statements herein regarding taxation are based on the laws in force as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes. This summary is based upon the laws and/or practice in force as at the date of this Base Prospectus. Italian tax laws and interpretations may be subject to frequent changes which could be made on a retroactive basis.*

### Republic of Italy

#### ***Tax treatment of Notes issued by the Issuer***

Italian Legislative Decree No. 239 of 1 April 1996 (“**Decree. No. 239**”) regulates the tax treatment of interest, premiums and other income, including the difference between the redemption amount and the issue price, (hereinafter collectively referred to as “**Interest**”) from certain securities issued, *inter alia*, by Italian companies other than small capitalized companies, *provided that* the notes are traded on a EU or EEA regulated market or multilateral trading facility or, if not traded in the aforementioned market or multilateral trading facility, that such securities are held by “qualified investors” pursuant to article 100 of the Italian Legislative Decree No. 58 of 24 February 1998.

The provisions of Decree No. 239 only apply to notes issued by the Issuer which qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986.

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 No. 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; or
- (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership), or a *de facto* partnership not carrying out commercial activities or professional association; or
- (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) (unless Noteholder described under (a) to (c) have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and has opted for the so called “*regime del risparmio gestito*” (the “**Asset Management Regime**”) according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended (“**Decree No. 461**”). All the above categories are qualified as “net recipients”.

Where the resident holders of the Notes 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.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, 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, paragraph 211-215 of Law No. 145 of 30 December 2018 (“**Law No. 145**”) and in Article 13-bis of Law Decree No. 124 of 26 October 2019 (“**Law Decree No. 124**”), each of them as amended and applicable from time to time.

Pursuant to Decree No. 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) (i) be resident in Italy, or (ii) be a permanent establishment in Italy of a non-Italian resident Intermediary or (iii) be an entity or a company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239, 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 holders of the Notes 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**”), investment companies with a variable capital (“**SICAVs**”), investment companies with fixed capital (“**SICAFs**”), Italian resident real estate investment funds subject to the regime provided for by Law Decree No. 351 of 25 September 2001 and Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 (“**Decree No. 252**”); 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 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 entities 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.

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Regime 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.

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. will 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 Law Decree No. 351 of 25 September 2001, as subsequently amended, 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 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 fund subject to the regime provided for by Article 17 of Legislative 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 minimum holding period) 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 di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100 - 114 of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145 and in Article 13-bis of Law Decree No. 124, each of them as amended and applicable from time to time.

#### ***Non-Italian resident Noteholders***

According to Decree No. 239, payments of Interest in respect of the Notes issued by the Issuer will not be subject to the *imposta sostitutiva* at the rate of 26 per cent. if made to beneficial owners who are non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected *provided that*:

- (a) such beneficial owners are resident for tax purposes in a state or territory which allows an adequate exchange of information with the Italian tax authorities and listed in the Ministerial Decree dated 4 September 1996 as amended from time to time (the “**White List**”). According to Article 11, par. 4, let. c) of Decree No. 239, the White List will be updated every six months period. In absence of the issuance of the new White List, reference has to be made to the Italian Ministerial Decree dated 4 September 1996 as amended from time to time; and
- (b) all the requirements and procedures set forth in Decree 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.

Decree No. 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 included in the White List; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) be the beneficial owners of payments of Interest on the Notes;
- (b) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with a resident bank or SIM, or a permanent establishment in Italy of a non-Italian resident bank or SIM, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and
- (c) file with the relevant depository a statement (*autocertificazione*) in due time stating, *inter alia*, that he or she is resident, for tax purposes, in one of the above-mentioned White List states. Such statement (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented), is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The statement (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident holder of the Notes to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interests payments to a non-resident holder of the Notes.

Non-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 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* (if any), 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.

### ***Atypical securities***

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*), so called “*titoli atipici*”, may be subject to a withholding tax, levied at the rate of 26 per cent under Law Decree No. 512 of 30 September 1983 (“**Decree No. 512**”). For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation 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.

Where the Noteholder is (i) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected, (ii) an Italian company or a similar Italian commercial entity, (iii) a permanent establishment in Italy of a foreign entity to which the Notes are connected, (iv) an Italian commercial partnership or (v) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, the withholding tax is a final withholding tax. For non-Italian resident Noteholders, the withholding tax rate may be reduced by any applicable tax treaty.

Non-resident holders of the Notes who are subject to the withholding tax under Decree No. 512 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.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to “*titoli atipici*”, if those Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145 and in Article 13-bis of Law Decree No. 124, each of them as amended and applicable from time to time.

### **Capital Gains**

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*) that meets the requirements set forth in Article 1, paragraph 100 – 114, of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145 and in Article 13-bis of Law Decree No. 124, each of them as amended and applicable from time to time.

In 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 will 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 Law Decree No. 351 of 25 September, 2001, as subsequently amended, 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 Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain conditions (including minimum holding period) and limitations, capital gains in respect of Notes realized upon sale, transfer or redemption by Italian Pension Fund may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100 - 114 of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145 and in Article 13-bis of Law Decree No. 124, each of them as amended and 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 included in the White



List; 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.

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.

### ***Inheritance and gift tax***

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments by Law No. 286 of 24 November 2006 effective from 29 November 2006, and Law No. 296 of 27 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 €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 €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 €1,500,000.

If the donee sells the Notes for consideration from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano individuale di risparmio a lungo termine*), that meets the requirements set forth in Article 1, paragraphs 100 - 114 of Law No. 232, in Article 1, paragraphs 211 – 215 of Law No. 145 and in Article 13-bis of Law Decree No. 124, as amended and applicable from time to time, are exempt from inheritance taxes.

### ***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 €200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

### ***Tax Monitoring Obligations***

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions are required to report in their yearly income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), according to Law Decree No. 167 of 28 June 1990 converted into law by Law Decree No. 227 of 4 August 1990, as amended from time

to time, for tax monitoring purposes, the amount of Notes held abroad during each tax year. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

### ***Stamp duty***

Pursuant to Article 13 par. 2 *ter* of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any financial product and instrument (including the Notes), which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed €14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the face value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of the financial assets (including banking bonds, *obbligazioni* and capital adequacy financial instruments) held.

The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### ***Wealth tax on financial assets deposited abroad***

According to Article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals and, starting from fiscal year 2020, non-commercial entities, non-commercial partnerships and similar institutions 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. Starting from fiscal year 2020, the wealth tax cannot exceed €14,000 for taxpayers which are not individuals. This tax is calculated on the market value at the end of the relevant year (or at the end of the holding period) or, if no market value 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. 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 and the items of income derived from the Notes have been subject to tax by the same intermediaries.

### **FATCA**

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 the jurisdiction of the Issuer) 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. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payment” are published in the U.S. Federal Register. However, if additional notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents

may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes

## SUBSCRIPTION AND SALE

Morgan Stanley & Co. International plc has, in a programme agreement dated 27 July 2021, as modified, and/or supplemented and/or restated from time to time (the “**Programme Agreement**”), agreed with the Issuer a basis upon which it (or any additional dealers appointed from time to time pursuant to the Programme Agreement) may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or, if Category 2 is specified in the Final Terms, to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The 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 Code and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable and will confirm whether the Issuer is Category 1 or Category 2 for the purposes of Regulation S under the Securities Act.

If Category 2 is specified in the Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes: (a) as part of their distribution at any time; or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer 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 except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme 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.

Accordingly, if Category 1 is specified in the Final Terms, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

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.

### Prohibition of Sales to EEA Retail Investors

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant 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 this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or

- (b) a customer within the meaning Directive (EU) 2016/97 (“**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **Public Offer Selling Restriction Under the Prospectus Regulation**

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes does not include a legend entitled “Prohibition of Sales to EEA Retail Investors”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme 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 this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Member State except that it may make an offer of such Notes 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 Dealer or Dealers 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 (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

### **Prohibition of sales to UK Retail Investors**

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes does not include a legend entitled “Prohibition of Sales to UK Retail Investors”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme 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 this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to any retail investor in the United Kingdom. For the purposes of this provision, the expression retail investor means a person who is one (or more) of the following:

- (a) 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
- (b) 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.

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes does not include a legend entitled “Prohibition of Sales to UK Retail Investors”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme 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 this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown

Prospectus, as the case may be) 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 Regulation (EU) 2017/1129 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 Dealer or Dealers 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 (B) to (D) above shall require the Issuer or any Dealer 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.

### **Selling Restrictions Addressing Additional United Kingdom Securities Laws**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **No deposit-taking:** in relation to any Notes having 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:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) 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 Financial Services and Markets Act 2000, as amended (“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.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the “FIEA”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly

or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

## Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and Italian CONSOB regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“**Regulation No. 11971**”), and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

## Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred

within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus or any other document relating to the Notes and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.



## GENERAL INFORMATION

### Authorisation

The update of the Programme has been duly authorised by a resolution of the shareholders of the Issuer dated 20 April 2021. The issue of Notes under the Programme will be authorised prior to each relevant issue of Notes by the competent bodies of the Issuer in accordance with applicable laws and the relevant provisions of the Issuer's by-laws. Each issuance resolution (*delibera di emissione*) shall be passed in notarial form and registered in the competent Companies' Register (*Registro delle Imprese*).

### Listing of Notes, admission to trading and approval

An application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange during the period of 12 months following the date of this Base Prospectus. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

The Issuer may also issue Notes not admitted to trading on any market.

### Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg:

- (a) the by-laws (*statuto*) (with an English translation thereof) of the Issuer;
- (b) the Agency Agreement, the Deed of Covenant, the Programme Manual, the Issuer-ICSD Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons; and
- (c) any future base prospectus, prospectuses, information memoranda, supplements, Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu).

### Publication on the Internet

The By-laws (*Statuto*) of the Issuer are available on the Issuer's website at: [https://www.amco.it/wp-content/themes/amco2019/societa-trasparente-pdf/01\\_AttiGenerali/AMCO-Articles-of-Association.pdf](https://www.amco.it/wp-content/themes/amco2019/societa-trasparente-pdf/01_AttiGenerali/AMCO-Articles-of-Association.pdf)

This Base Prospectus and the documents listed in paragraph (c) above are available on the Issuer's website at:

<https://www.amco.it/en/investor-relations-2/#block-5>

Unless specifically incorporated by reference into this base prospectus, information contained on the Issuer's website does not form part of this base prospectus.

In addition, this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **The Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is 815600188E751D28E867.

### **Issue Price and Yield**

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

### ***Significant or Material Adverse Change***

Save as disclosed in the section headed “*Description of the Issuer – Recent Developments*”, there has been no significant change in the financial performance or financial position of the Issuer or the Group, and there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2020.

### **Litigation**

The Issuer is not, or has not been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

### **Auditors**

AMCO’s current independent auditors are Deloitte & Touche S.p.A. (“**Deloitte**”).

Deloitte is appointed for the audit of the annual financial statements of AMCO for the period 2019 to 2027. The financial information as at and for the year ended 31 December 2019 has been audited by Deloitte.

Deloitte is a company incorporated under the laws of Italy, enrolled with the Companies’ Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (Registro dei Revisori Legali) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy.

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in financing, in investment banking and/or commercial banking transactions (including the provision of loan facilities) and other related transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer’s affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering

into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term 'affiliates' also includes parent companies.

#### **Validity of base prospectus and base prospectus supplements**

For the avoidance of doubt, the Issuer shall have no obligation to supplement this base prospectus after the end of its 12-month validity period.

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