

INFORMATION MEMORANDUM

27 May 2021



Generalfinance S.p.A.

(incorporated as a joint stock company under the laws of the Republic of Italy)

COMMERCIAL PAPER PROGRAMME

(Programma di Cambiali Finanziarie)

Name of the Programme:	Commercial Paper Programme <i>(Programma di Cambiali Finanziarie)</i>
Type of the Programme:	Commercial Paper <i>(Cambiali Finanziarie)</i>
Name of the Issuer:	Generalfinance S.p.A.
Programme size:	Euro 100,000,000
Rating(s) of the Programme:	Not rated
Arranger:	IMI - Intesa Sanpaolo
Paying Agent:	The Bank of New York Mellon SA/NV – Milan Branch
Calculation Agent	The Bank of New York Mellon SA/NV – Milan Branch
Dealer:	IMI - Intesa Sanpaolo
Listing:	Application will be made to Borsa Italiana S.p.A. for the Instruments to be admitted to listing on ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A..
Effective date of the Information Memorandum:	27 May 2021
Disclaimer clauses for Dealer, Paying Agent and Arranger:	See the section entitled "Important Notice" on page 2 of this Information Memorandum.

The content of this Information Memorandum has not been reviewed or approved by the Commissione Nazionale per le Società e la Borsa (CONSOB) and Borsa Italiana S.p.A.

IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the "**Information Memorandum**") contains summary information provided by Generalfinance S.p.A. (the "**Issuer**") and has been prepared for the issuance of commercial paper instruments (the "**Instruments**" or "**Cambiali Finanziarie**") pursuant to Law 13 January 1994, No. 43 "*Disciplina delle cambiali finanziarie*", as amended by the Law 7 August 2012, No. 134 and by the Law Decree 19 May 2020, No. 34, as converted with modifications into Law 17 July 2020, No. 77 (together, the "**Law 43**"), in connection with a Commercial Paper Programme (*Programma di Cambiali Finanziarie*) (the "**Programme**") under which the Issuer may issue and have outstanding at any time Instruments up to a maximum aggregate amount of €100,000,000.

Under the Programme, the Issuer may issue the Instruments outside the United States pursuant to Regulation S (the "**Regulation S**") of the United States Securities Act of 1933, as amended (the "**Securities Act**"). Pursuant to a dealer agreement dated 27 May 2021 (the "**Dealer Agreement**") the Issuer has appointed Intesa Sanpaolo S.p.A. as arranger and dealer for the Instruments (together with any further dealers appointed in connection with the Programme, the "**Dealers**") and it has authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on its behalf to purchasers or potential purchasers of the Instruments.

This Information Memorandum comprises listing particulars for the purposes of the application to the ExtraMOT PRO (the "**ExtraMOT PRO**"), the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**") and application has been made to Borsa Italiana for the Instruments to be admitted to trading on the ExtraMOT PRO. References in this Information Memorandum to the Instruments being "**listed**" shall be construed accordingly.

An application for a STEP label for this Programme will be made to the STEP Secretariat. Information as to whether the STEP label has been granted for this Programme may be made available on the STEP market website (initially www.stepmarket.org). This website is not sponsored by the Issuer and the Issuer is not responsible for its content or availability. The Issuer has confirmed to the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading. Neither the Issuer nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

The Dealers have not independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted, by the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Dealers and the Issuer that any recipient should purchase Instruments. Each such recipient must make, and shall be deemed to have made, its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

The Dealers do not undertake to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor do they undertake to advise any recipient of the Information Memorandum of any information or change in such information coming to any Dealer's attention.

The Dealers do not accept any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Instruments. The distribution of this Information Memorandum and the offering for sale of Instruments or any interest in such Instruments or any rights in respect of such Instruments, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Instruments or any interest in such Instruments or any rights in respect of such Instruments are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Instruments and on distribution of this Information Memorandum and other information in relation to the Instruments and the Issuer set out under "Selling Restrictions" below.

THE INSTRUMENTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S). A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received in connection with the issue or sale of any Instruments will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

IMPORTANT – EEA RETAIL INVESTORS - The Instruments 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"); (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

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

PRODUCT GOVERNANCE

MIFID II product governance / target market

The Contractual Terms in respect of any Instruments will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (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 Instruments (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 MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, 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 Contractual Terms in respect of any Instruments may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the 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 Instruments (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, any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, 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.

Interpretation

In the Information Memorandum, references to:

Euro and **€** refer to the single currency of participating member states of the European Union;

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been previously published or are being published simultaneously with this Information Memorandum and have been filed with Borsa Italiana, are incorporated in, and form part of, this Information Memorandum:

- (a) the audited annual financial statements (including the auditor's reports thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2020 (the "**2020 Financial Statements**");
- (b) the audited annual financial statements (including the auditor's reports thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2019 (the "**2019 Financial Statements**");

save that any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference by way of a supplement modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

For the avoidance of doubt, for so long as the STEP label is applied to the Programme, the Issuer shall prepare a new Information Memorandum instead of an amendment or supplement to this Information Memorandum in such circumstances, including every time there is a significant event which changes the substance of the Programme or the nature or quality of the credit risk carried by the Instruments issued under the Programme or as otherwise required in accordance with the provisions of the STEP Market Convention. Any such new information memorandum, for so long as a STEP label is applied to the Programme, shall be submitted to the STEP Secretariat in accordance with the STEP Market Convention. For so long as a STEP label is applied to the Programme and as long as required in accordance with the STEP Market Convention (as amended from time to time) the Issuer shall update the Information Memorandum at least every three years + 90 days of the date of the last Information Memorandum. The Issuer will provide, without charge to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all the documents deemed to be incorporated by reference herein unless such documents have been modified or superseded as specified above, in which case the modified or superseded version of such document will be provided. Requests for such documents should be directed to the Issuer at its offices set out at the end of this Information Memorandum. In addition such documents will be available, without charge, at the website of the Issuer: www.generalfinance.it.

Except as provided above, no other information, including information on the website of the Issuer, is incorporated by reference in or forms part of this Information Memorandum.

Future financial information relating to the Issuer will be published from time to time on the Issuer's website: www.generalfinance.it.

DESCRIPTION OF THE PROGRAMME

Name of the Programme:	Generalfinance S.p.A. Commercial Paper Programme (<i>Programma di Cambiali Finanziarie</i>)
Type of the Programme:	Commercial Paper Programme (<i>Programma di Cambiali Finanziarie</i>) Instruments, STEP compliant
Name of the Issuer:	Generalfinance S.p.A.
Type of Issuer:	Financial corporation (financial intermediary).
Purpose of the Programme:	The net proceeds from the sale of the Instruments will be applied by the Issuer for general funding purposes.
Programme size (ceiling):	Euro 100,000,000.

Maximum Amount of the Programme

The outstanding principal amount of the Instruments will not exceed Euro 100,000,000 at any time. The Maximum Amount of the Programme may be increased from time to time in accordance with the Dealer Agreement.

Characteristics and form of the Instruments:	<p>The Instruments will be in bearer form.</p> <p>The Instruments will be issued in dematerialised form (<i>emesse in forma dematerializzata</i>) and will be held on behalf of their ultimate owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. ("Monte Titoli") for the account of the relevant Account Holders. The expression "Account Holders" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli. Each Series of Instruments issued in dematerialised form will be deposited with Monte Titoli on the relevant Issue Date. No physical document of title will be issued in respect of such Instruments. The Instruments, issued in dematerialised form, will at all times be evidenced by, and title thereto will be transferable by means of, book-entries in accordance with the provisions of (i) Article 83-<i>bis et seq.</i> of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "Italian Financial Services Act") and relevant implementing regulations, and (ii) the joint regulation of the Bank of Italy and the <i>Commissione Nazionale per le Società e la Borsa</i> ("CONSOB") dated 13 August 2018 and published in the Official Gazette of the Republic of Italy (<i>Gazzetta Ufficiale della Repubblica Italiana</i>) 30 August 2018, No. 201, as subsequently amended and supplemented.</p>
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Yield basis:	The Instruments may be interest bearing and may be offered and sold at a discount or with a premium to their nominal amount as specified in the Contractual Terms applicable to the relevant Instruments. Interest bearing Instruments will pay interest at such rates and on such dates as may be agreed between the Issuer and
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the relevant Dealer(s) as specified in the relevant Contractual Terms.

Zero Coupon Instruments will be offered and sold at discount to their nominal amount and will not bear periodic interest. In no events will the Instruments bear interest resulting in negative amounts due by the holders of the Instruments; the minimum interest is floored at zero.

Currencies of issue of the Instruments:

The Instruments shall be denominated in Euro (the "**Currency**").

Maturity of the Instruments:

The tenor of the Instruments shall be neither less than one month nor more than 12 months from and including the date of issue subject to compliance with any applicable legal and regulatory requirements.

Each Instrument will be redeemed at its Redemption Amount (which will be in any case not lower than its nominal amount) on the applicable Maturity Date as specified in the relevant Contractual Terms.

The Instruments may be redeemed before the scheduled Maturity Date in the following cases:

- (i) at the choice of the Issuer if "Call Option Right" is specified as applicable in the relevant Contractual Terms and the Issuer decides to exercise such right, it being understood that the redemption amount of each Instrument so redeemed will be in any case not lower than the nominal amount of such Instrument; and/or
- (ii) at the choice of the Instrumentholder if "Put Option Right" is specified as applicable in the relevant Contractual Terms and the Instrumentholder decides to exercise such right,

in each case subject to, and in accordance with, the provisions set forth in the relevant Contractual Terms and provided that any such early redemption shall not occur before 1 month after the Issue Date.

The redemption amount payable on redemption of a Zero Coupon Instrument at any time before the Maturity Date shall be an amount equal to the sum of:

- (a) the Reference Price as specified in the relevant Contractual Terms, which will be in any case not lower than the issue price of such Zero Coupon Instrument; and
- (b) the product of the Accrual Yield as specified in the relevant Contractual Terms (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 Zero Coupon Instrument becomes due and payable.

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 Contractual Terms for the purposes of this Clause or, if none is so specified, a Day Count Fraction of 30E/360.

Minimum issuance amount:	Euro 100,000.
Minimum denomination of the Instruments:	Euro 100,000, subject to compliance with any applicable legal and regulatory requirements. Minimum denominations may be increased from time to time as specified in the relevant Contractual Terms.
Status of the Instruments:	The Issuer's obligations under the Instruments will rank at least <i>pari passu</i> with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations mandatorily preferred by law applying to companies generally.
Governing law that applies to the Instruments:	The Instruments and any non-contractual obligations arising out of or in connection therewith will be governed by and construed in accordance with Italian law.
Listing:	Application will be made to Borsa Italiana for the Instruments to be admitted to listing on ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana.
Clearing and Settlement System:	Monte Titoli S.p.A.
Ratings of the Programme:	Not rated
<i>(Rating can come under review at any time by the rating agencies. Investors shall refer to the relevant rating agencies in order to have access to the latest ratings.)</i>	
Guarantor:	Not Applicable
Paying Agent:	The Bank of New York Mellon SA/NV – Milan branch
Arranger:	Intesa Sanpaolo S.p.A.
Dealer:	Intesa Sanpaolo S.p.A.
	Additional Dealers:
	Any additional Dealer appointed in accordance with the Dealer Agreement.
Selling restrictions:	Offers and sales of the Instruments and the distribution of this Information Memorandum and other information relating to the Issuer and the Instruments are subject to certain restrictions (as set out

under "*Selling Restrictions*" below).

Taxation:	All payments in respect of the Instruments may be subject to a withholding or deduction for or on account of " <i>imposta sostitutiva</i> " pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (" Decree No. 239 "), as amended and supplemented from time to time and any related regulations. In the event that any such deduction is made, the Issuer will, save in certain circumstances provided in the terms and conditions of the Instruments, be required to pay additional amounts to cover the amounts so deducted.
Involvement of national authorities:	Not applicable
Contact details:	The contact details of the Issuer are: For operational issues: Ugo Colombo and Stefano Saviolo E-mail: u.colombo@generalfinance.it / s.saviolo@generalfinance.it Telephone: +39 02 87158048
Additional information on the Programme:	Benchmark discontinuation On the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions) 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 6 of the Terms and Conditions of the Instruments. Notices: If the Instruments have been admitted to listing on the ExtraMOT PRO, organised and managed by Borsa Italiana, all notices required to be published concerning such Instruments shall be published in accordance with the requirements of the ExtraMOT market rules, EU Regulation 596/2014, as amended, and any other applicable laws. The Issuer may, in lieu of such publication and if so permitted by the ExtraMOT market rules, deliver all such notices to Monte Titoli S.p.A. or publish such notices by any other means acceptable to Borsa Italiana.
Independent auditors of the Issuer, who have audited the accounts of the Issuer's annual report:	Deloitte & Touche S.p.A., with registered office at Via Tortona No. 25, 20144 – Milan, Italy, has audited the Issuer's annual financial statement ended on 31 December 2020 and on 31 December 2019.

DESCRIPTION OF THE ISSUER

Legal name:	Generalfinance S.p.A. (" Generalfinance " or the " Issuer ")
Legal form/status:	The Issuer is a financial intermediary incorporated as a joint stock company under the laws of the Republic of Italy.
Date of incorporation/establishment:	<p>Generalfinance was established on 4 November 1982.</p> <p>Generalfinance operates in the financial sector since 1982, with offices in Biella and Milan.</p> <p>The Issuer is controlled by GGH - Gruppo General Holding s.r.l.. Credito Valtellinese S.p.A. also owns Issuer's shares and became a shareholder of the Issuer in 2017 within the context of a strategic partnership agreement.</p> <p>The Issuer's organisational structure is focused on the Chief Executive Officer that has extensive management and operational powers and is the reporting point for the following business and staff areas:</p> <ul style="list-style-type: none">- Commercial department;- Credit department;- ICT and Organisation department;- Finance and Administration department;- Legal and Corporate Affairs department;- Risk Management and Compliance department.

History

Generalfinance was established in Biella in 1982. Initially, the Issuer was active in the leasing and consumer credit markets; suddenly, in the 1990s the Issuer redefined its mission as a company focused on financing SMEs through factoring. Since 2006 Generalfinance has become further specialised in financial assistance to companies in crisis, which today represents the company's core business.

In 2017, Generalfinance has been registered in the register pursuant to Article 106 of the Consolidated Banking Act (as defined below). In the same year, an important strategic partnership was signed with Credito Valtellinese S.p.A., which - in the context of Generalfinance's recapitalisation - became a shareholder of the Company holding 46.81% of the share capital. The partnership signed with Credito Valtellinese S.p.A. also relates to financial support through funding lines and synergies on the commercial side and aimed at facilitating the de-risking of Credito Valtellinese S.p.A. on high risk positions.

The partnership signed with Credito Valtellinese S.p.A. provides, *inter alia*, the listing of the Issuer's shares on Mercato Telematico Azionario or AIM Italia managed by Borsa Italiana S.p.A. by the end of 2021 through an initial public offering. In the event of failure of such listing, Credito Valtellinese S.p.A. and GGH -Gruppo General Holding S.r.l., as shareholders of the Issuer, may determine jointly to proceed with a trade sale of the Issuer's shares.

The growth of Generalfinance has been very significant over the last 10 years, which have been marked by progressive deleveraging and credit restrictions in the Italian, and more generally European, banking system, particularly on the corporate sector. In 2020, Generalfinance achieved a turnover of Euro 761 million, with over Euro 560 million disbursed to customers and Euro 5.3 million in net income.

Registered office or equivalent (legal address): The registered office of Generalfinance is Via Giorgio Stephenson, No. 43A, 20157 Milan, Italy, telephone number +39 02 87158048.

Registration number, place of registration: Generalfinance is enrolled in the Register of Companies of Milan Monza Brianza Lodi with registration number and fiscal code 01363520022.

Generalfinance's LEI code is: 81560028BF890B47DB98

Issuer's mission: The Issuer has twenty years of experience in "tailor-made" financing for companies, which is made through advance payment of trade receivables (in accordance with Law 52, as defined below), and in the management of such receivables; the combination of such activities allows customers to have the disposal of working capital, to improve the timeline for collection and to reduce insolvencies.

The Issuer also specialises in providing financial support - through the factoring activity - to companies "in crisis", starting from the beginning of the difficulties until the end of the recovery process, by supporting its clients in the preparation and execution of the various procedures provided for by the relevant regulations, and being alongside such clients also afterwards, when the crisis is over. Typically, such companies are facing the following situations:

- restructuring plans pursuant to Article 67 of the Italian bankruptcy law;
- debt restructuring agreements pursuant to Article 182 bis of the Italian bankruptcy law;
- arrangements with creditors pursuant to Articles 160 et seq. of the Italian bankruptcy law (provided that the continuity of the business is evidenced);
- extraordinary administrations of insolvent large companies.

More specifically, factoring – which is the Company's core business -

is a flexible tool for managing working capital and provides for services of various nature allowing for the disposal, management and guarantee of the successful outcome and recovery of trade receivables.

The legal instrument underneath the factoring activity is the assignment of receivables pursuant to Law no. 52 of 21 February 1991 ("**Law 52**").

By way of Law 52, the Italian legislator aimed at providing rules so that:

- the assignor may assign receivables, including future receivables;
- receivables may be assigned in block to the factor;
- enforceability of the assignment of receivables to third parties may be easier for the assignee.

By means of the assignment, the client transfers receivables arising from its own business activity to the factor that in turn (i) manages the relevant collection and accounting; (ii) may provide protection in the event of default of the assigned debtor; and (iii) may advance, in whole or in part, the value of such receivables.

Therefore, factoring activity is a combination of several elements and includes, in particular:

- the management of receivables (debtor management and payment collection): this is the core activity of a factoring company and allows the creditor to outsource certain activities which are usually carried out internally, thus obtaining: greater effectiveness (management is a core activity for the factor) and greater efficiency (the factor benefits from economies of scale);
- the credit financing service: in this context, the factor differs from a bank since it analyses the assigned receivables/debtors in addition to the usual assessments of the counterparty's creditworthiness;
- the credit insurance service: the factor analyses the specific features of the assigned receivables and may grant a guarantee for payment (non-recourse factoring (factoring pro soluto)).

Three distinct parties are involved in factoring:

- the client/company: this is the party that has a claim vis-à-vis another party and that assigns such claim to the factor;
- the factor (assignee): this is the specialised operator that manages and finances the trade receivables of a company, after having assessed the relevant worthiness and the assigned debtors;
- the assigned debtor: this is the company with which the assignor

has a supply contract in place and which is required to pay the assigned receivable to the assignee.

Brief description of current activities:

The Issuer specifically operates in the context of the recourse factoring (*factoring pro solvendo*) and, to a lesser extent, in non-recourse factoring (*factoring pro soluto*).

When a company decides to assign receivables by means of a recourse factoring, such company becomes liable in the event of the debtor's non-payment. In such circumstances, the activity of the factoring company is limited to the management of collections and the administration of the receivables, with no assurance to the company on the receipt of the due amounts in the event of the debtor's default. In a nutshell, the factor is prepared to advance the amounts relating to the receivable to the assignor; however, in the event of the debtor's insolvency, the assignor shall return to the factor any amounts so advanced.

On the other hand, in the case of factoring without recourse (*factoring pro soluto*), the assignor has no responsibility in the event of default of the debtor. In such circumstances, the assignor is released from both the management of the recovery of the receivables and any risk of non-payment.

With the recourse factoring (*factoring pro solvendo*), Generalfinance maintains a double recourse:

- on one hand, vis-à-vis the assigned debtor, whose credit rating is usually much higher than the one of the assignor, with cash flow generation to support the payment of receivables acquired by Generalfinance;
- on the other hand, vis-à-vis the assignor, which is typically a company facing crisis (representing 75% of the Issuer's business) or a performing company (in bonis) but under financial stress (representing 25% of the Issuer's business). The assignor maintains the guarantee on the successful payment of the assigned receivable.

From a risk management perspective, the Issuer has a low percentage of lending activity (ratio between credit disbursement and nominal value of trade receivables, on average around 75%), which mitigates the credit risk of the transaction by way of a contractual compensation provided for in the event of default of the assigned debtor.

The insurance coverage is another important feature of the business model of the Issuer. Such coverage covers relates to the purchased receivables and covers around 70% of the amounts paid by Generalfinance. With respect to the insurance coverage, the Issuer has a strategic partnership with Euler Hermes, a leading global credit insurance company.

Capital or equivalent: As at the date of this Information Memorandum, the Issuer's paid-up share capital amounted to Euro 3,275,758.00, currently divided into 9,827,274 ordinary shares.

List of main shareholders: As at the date of this Information Memorandum the Issuer's share capital is held by the following shareholders:

(i) 5,227,273 shares representing 53.19% of the share capital held by GGH – Gruppo General Holding S.r.l.; and

(ii) 4,600,001 shares representing 46.81% of the share capital held by Credito Valtellinese S.p.A..

Please note that pursuant to article 5 of the Issuer's bylaws, any shareholder or any subject that intend to acquire, directly or indirectly shares or voting rights exceeding the thresholds provided by Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time (the "**Consolidated Banking Act**"), circular No. 288 of 3 April 2015 (the "**Regulation for Financial Intermediaries**") or any other provision provided by any Italian law, shall request the prior authorisation of Bank of Italy.

Listing of the shares of the Issuer: Not Applicable.

Composition of governing bodies and supervisory bodies

Board of Directors: As at the date of this Information Memorandum, the composition of the Issuer's Board of Directors is as set out below:

Name	Position
Massimo Gianolli	<i>Chairman of the Board of Directors</i>
Maurizio Dallochio	<i>Director</i>
Leonardo Luca Etro	<i>Director</i>
Alberto Angelo Landoni	<i>Director</i>
Bruno Messina	<i>Director</i>

Board of Statutory Auditors: As at the date of this Information Memorandum, the composition of the Issuer's Board of Statutory Auditors is as set out below:

Name	Position
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Paolo Lazzati	<i>Chairman</i>
Federica Casalvolone	<i>Statutory Auditor</i>
Andrea Di Giuseppe Cafà	<i>Statutory Auditor</i>

The business address of each member of the Board of Directors and of the Board of Statutory Auditors is Generalfinance S.p.A., Via Stephenson Giorgio, No. 43A, 20157 Milan, Italy.

Conflicts of interest: None of the functions performed by any of the Board Members mentioned above results in a conflict of interest.

Accounting method: The annual financial statements referred to above have been prepared in accordance with the International Accounting Standards ("**IAS**") and International Financial Reporting Standards ("**IFRS**") as required by Legislative Decree No. 38 of 28 February 2005 and the Bank of Italy circular no. 262 of 22 December 2005 updated to 30 November 2018, which establishes the required format of the financial statements and related methods of preparation, as well as the content of the related notes.

Accounting year: Starting as of 1 January to 31 December

Fiscal year: Starting as of 1 January to 31 December

Other short term programmes of the Issuer Not Applicable

Ratings of the Issuer: Not rated

(Rating can come under review at any time by the rating agencies. Investors shall refer to the relevant rating agencies in order to have access to the latest ratings.)

Additional information on the Issuer: *Tax treatment of the securities (titoli) issued by Generalfinance:*

Interest and the other proceeds are subject to the tax regime (*imposta sostitutiva delle imposte sui redditi*) provided by Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

CERTIFICATION OF INFORMATION

Persons responsible for the Information Memorandum

Generalfinance S.p.A. as Issuer is the entity responsible for the information contained in this Information Memorandum.

Declaration of responsibility

Generalfinance S.p.A. as Issuer has confirmed that, to its knowledge, the information contained in this Information Memorandum is true and does not contain any omission which would make it misleading.

RECENT EVENTS OF THE ISSUER

For complete information relating to corporate transactions and significant events in respect of the year ended 31 December 2020 involving the Issuer, investors are advised to read carefully the relevant information contained in the audited annual financial statements of the Issuer in respect of the year ended 31 December 2020, incorporated by reference into this Information Memorandum.

RISK FACTORS

The Issuer believes that the following risk factors may affect their ability to fulfil its obligations under the Instruments issued under the Programme. Most of these risk factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, risk factors which are material for the purpose of assessing the market risks associated with the Instruments issued under the Programme are also described below.

The Issuer believes that the risk factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Instruments may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to them or which they may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risk of holding any Instruments are exhaustive.

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

Factors that may affect the Issuer's ability to fulfil their obligations under the Instruments issued under the Programme

RISK FACTORS RELATING TO THE ISSUER

Credit risk

Credit risk is the risk that debtors may not fulfil their obligations or that their credit rating may suffer a deterioration. Credit risk includes (i) counterparty risk, (ii) risk related to debt collection activity and (iii) risks connected to the deterioration of the credit quality.

Credit risk is a typical risk for financial intermediation activities and this is the main risk to which the Issuer is exposed to. In particular, factoring activity - which is the operating segment of Generalfinance - is the determining element of credit risk. However, it should be noted that factoring activities have certain specific features that may affect also other risk factors such as: the presence of several parties (assignor and assigned debtor), the insurance guarantee that covers a large part of the business volumes, additional personal guarantees purchased and the assignment to the factor of the receivables relating to the supply between the assignor and debtor assigned. Such factors, on one hand, may limit the exposure to credit risk (as opposed to the ordinary banking activities) and, on the other hand, characterise the entire credit process, which is regulated by specific policies by the Issuer.

Counterparty risk

A number of factors affect financial intermediaries' credit risk in relation to individual credit exposures or for its entire loan book. These include the trend in general economic conditions or those in specific sectors, changes in the rating of individual counterparties, deterioration in the competitive position of counterparties, poor management on the part of firms or counterparties given lines of credit, and other external factors, also of a legal and regulatory nature.

During 2020, the Issuer did not approve any moratoriums on outstanding loans, did not grant any amendments to the loan agreements as a result of the Covid-19 pandemic and did not grant any loans secured by a government guarantee. The Issuer has been available to reschedule certain maturities during the lockdown period with the aim of supporting assigned debtors and assignors and it has also rescheduled certain transactions of trade receivables, almost all of which have been then collected by the end of 2020.

The deterioration of the creditworthiness of major customers and, more generally, any defaults or repayment irregularities, the launch of bankruptcy proceedings by counterparties, the reduction of the economic value of guarantees received and/or the inability to execute the said guarantees successfully and/or in a timely manner could have a material negative effect on the business, financial condition and/or results of operations of the Issuer.

Risks associated with the capital adequacy of the Issuer

Financial intermediaries are affected by a significant number of provisions aimed at allowing such entities to hold sufficient capital to cover unexpected losses. In particular, such provisions comprise EU regulations and the domestic regulation that set capital requirements and, more specifically, Regulation No. 575/2013 (hereinafter the "**CRR**") and Bank of Italy's Circular No. 288 of 2015 (hereinafter the "**Circular No. 288**").

The CRR provides for an own funds requirement, expressed as a percentage of risk weighted assets (RWA) which refers to the amount of an intermediary's assets weighted according to a risk weight that reflects the specific risk of the asset. The CRR set the following minimum levels of capital in relation to the Risk Weighted Asset (RWA): CET1 ratio of at least 4.5%, tier 1 ratio of at least 6% and total capital ratio of at least 8%.

Furthermore, alongside the minimum capital requirements, the CRR also provides for certain capital buffers for maintaining capital conservation countercyclical capital buffer and hedging the losses for the systemically important institutions. Such buffers, to be held in the form of CET1 capital, are determined in accordance with CRD IV and the relevant national regulations implementing the CRR.

At domestic level, Circular No. 288, by derogating the provisions set out in the CRR, provides that financial intermediaries that do not collect public savings shall maintain constantly a common equity tier 1 of 4,5% and a total capital ratio of 6%.

During 2020 and the first quarter of 2021, the Issuer complied with the capital requirements applicable to it and, with particular reference to the CET1 ratio and the total capital ratio, has maintained such ratios in compliance with the relevant requirements. According to the balance sheet approved for the financial year ended on 31 December 2020 Generalfinance's capital ratios had the following values: 8,6% CET1 ratio and 8,6% total capital ratio. As at 31 March 2021, based on the quarterly financial report approved by the Board of Directors and the supervisory reports sent to the regulator by the Issuer, the CET1 ratio and the total capital ratio were 10.7%.

Risk related to the absence of the Issuer's rating

As at the date of this Information Memorandum, the Instruments and the short term debt of the Issuer are not rated. The absence of a rating may have a negative effect on the liquidity of the Instruments issued by the Issuer.

One or more credit rating agencies may assign credit ratings to the Instruments and/or the Issuer or any other senior unsecured indebtedness of the Issuer at any future date. Ratings assigned to an Italian issuer may be influenced by developments in the rating assigned to Italy's sovereign debt and the Italian macroeconomic conditions. Any deterioration in the Italian sovereign debt rating or in the Italian macroeconomic condition may lead to a downgrade of the ratings, which could in turn have adverse effects on the business, financial condition and/or results of operations of an issuer.

Potential Investors should consider that a credit rating (or the absence thereof) (i) 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 Instruments and (ii) is not a recommendation to buy, sell or hold the Instruments and, if assigned, it may be revised or withdrawn by the relevant rating agency at

any time. ***Risks related to debt collection activity***

Generalfinance carries out, *inter alia*, factoring activities pursuant to the Law No. 52 of 21 February 1991, as amended and supplemented from time to time (the “**Factoring Law**”), therefore the Issuer is subject to credit risk.

The Issuer implemented policies dedicated to the process of managing outstanding receivables. The activity is conducted by the Issuer according to a standard procedure which provides for an initial contact with the debtor in order to reach extrajudicial settlement. Only if the abovementioned standard procedure is unsuccessful, the policies provide for management of the receivables by the in-house legal department assisted by an external lawyer in order to set up the litigation procedure.

Risks connected to the deterioration of credit quality

Generalfinance is subject to credit risk. Generalfinance’s policies for managing and controlling the quality of the loan portfolio, and the associated risks, are based on rules of sound and prudent management. The policies are implemented through the processes of distributing, managing and monitoring credit risks that varied according to the circumstances of the market, business sector and characteristics of each borrower. The loan portfolio is closely monitored on a continuous basis in order to promptly identify any signs of imbalance and to take corrective measures aimed at preventing any deterioration.

Liquidity risk

Liquidity risk measures the risk that the Issuer will not be able to fulfil its obligations when they fall due. Non-payment may be caused by the inability to raise the necessary funds (funding liquidity risk) or by limits on the disposal of certain assets (market liquidity risk). Liquidity risk also includes the risk of meeting payment deadlines at non-market costs, i.e. incurring a high cost of funding or even capital losses. With specific reference to Generalfinance's operations, funding liquidity risk is significant.

The assessment of risk is carried out through the preparation of a maturity ladder (prepared on a daily and monthly basis) that compares cash inflows (which for the Issuer consist substantially in the collection of receivables sold by customers, plus new loans and cash flows generated by the profitability of its core business) and cash outflows (mainly represented by disbursements of receivables, payment of suppliers and repayment of loans), determining the imbalances relating to specific time horizons and comparing these imbalances with the amount of liquidity reserves (availability on bank current accounts and unused credit lines).

Liquidity risk is adequately monitored according to the dynamics of prospective liquidity flows, generated by expected disbursements (increasing in recent years) and by the financial needs covered with new credit lines and with the cash flow generated by normal operations. The funding structure guarantees an adequate structural balance, benefiting in particular from a loan granted by a pool of banks and "committed" until January 2022, for the amount of Euro 104 million, plus a Euro 10 million back-up line. In addition to this loan, there are bilateral bank facilities and facilities with factoring companies that contribute to diversifying the financial structure by counterparty and the technical form.

The Issuer adopts a careful credit acquisition policy, which has historically guaranteed a limited duration of assets (receivables from customers) (less than 90 days) and a correlated reduced need for funding, just as the constant monitoring of the expiry dates of the assigned receivables (in conjunction with the timely and effective management of any anomalies) has allowed the level of default to be contained, with benefits on the structural liquidity profile.

Operational risk

With respect to the operational risk - which is the risk of losses deriving from dysfunctions at the level of procedures, personnel and internal systems or from exogenous events - the Issuer is constantly taking continuous and progressive actions in organising the structure at all levels, with the aim of simplifying and rationalising internal dynamics, in order to improve the efficiency and effectiveness of horizontal and vertical information flows between the various corporate entities and to implement and strengthen control systems and structures in general. This is particularly relevant with respect to the monitoring of operational risks.

Generalfinance is exposed to risks typically connected with its operations that include, *inter alia*, risks connected with the interruption and/or malfunction of services (including those of an IT nature that the Issuer uses to a significant extent), errors, omissions and delays in the services offered, as well as the failure to comply with procedures relating to the management of such risks.

The Issuer is therefore exposed to multiple types of operational risk: (i) risk of fraud by employees and external parties; (ii) risk of unauthorised transactions and/or operational errors; (iii) risks related to the failure to maintain documentation relating to transactions; (iv) risks related to the inadequacy or incorrect functioning of company procedures relating to the identification, monitoring and management of business risks; (v) errors and/or delays in the provision of the services offered; (vi) risk of penalties arising from breaches of the regulations applicable to the Issuer; (vii) risks related to the failure and/or improper functioning of computer systems; (viii) risks related to damage caused to property resulting from atmospheric events or natural disasters.

Risk related to legal proceedings

As at the date of this Information Memorandum, Generalfinance is not involved in any governmental, legal, arbitration or administrative proceedings which may have, or have had in the recent past, a significant effect on the Issuer's financial position or profitability. However, it cannot be excluded that any further proceedings that may arise, may have an unfavourable outcome for the Issuer, with consequent negative, even significant, effects on the economic and/or financial situation of the Issuer.

Issuer's ability to meet its obligations under the Instruments

No security interest has been created by Generalfinance for the benefit of the holders of the Instruments for their claims under the Instruments, nor will any guarantee be issued in favour of the Instrumentholders. Consequently, the Issuer will meet its payment obligations under the Instruments primarily through the results of its business activities. Instrumentholders will have access to all assets of Generalfinance to satisfy their claims under the Instruments.

Rights of individual Instrumentholders

The right of each Instrumentholder to bring individual actions or use other individual remedies to enforce his/her own rights under the Instruments will be subject to the procedure provided by Condition 17.3 (*Individual actions and remedies*). This could have a negative impact on the right of Instrumentholders to enforce their rights under the Instruments.

RISKS RELATING TO THE INSTRUMENTS

The Instruments may not be a suitable investment for all investors

Each potential investor in the Instruments must determine the suitability of that investment in the light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including where the currency for principal or interest payment is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Instruments and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks related to the structure of a particular issue of the Instruments

A range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Interest Rate Risks

Investment in fixed rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Instruments. Investment in floating rate Instruments involves the risk that interest rates may vary from time to time, resulting in variable interest payments to holders of the Instruments.

Instruments issued at a substantial discount or premium

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

Instruments subject to optional redemption

In respect of Instruments for which "Call Option Right" is specified as applicable in the relevant Contractual Terms, the relevant redemption option granted to the Issuer is likely to limit the market value of the Instruments.

Furthermore, in respect of Instruments for which "Call Option Right" or "Put Option Right" is specified as applicable in the relevant Contractual Terms, there can be no assurance that Instrumentholders will be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed. Potential investors should consider reinvestment risk in light of other investments available at that time.

Set out below is a brief description of certain risks relating to the Instruments generally:

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

Application will be made for the Instruments to be admitted to trading on the ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A., which does not impose an intermediary to act as bid/ask specialist or market maker facilitating trading in relation to the Instruments. Therefore, the Instruments may not have an active and liquid trading market and investors may experience difficulties in selling their Instruments and/or selling them at a price that will provide them with a return similar to that which may be obtained on comparable investments that have a more developed market.

Consequently, in deciding their own financial strategy, prospective investors should consider whether the maturity of the Instruments is in line with its future liquidity requirements or needs.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including interest rate risk and credit risk:

The secondary market generally

Instruments 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 Instruments 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 Instruments 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 Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Instruments. In addition, Instruments issued under the Programme are listed on a non-regulated market (multilateral trading facility) and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such Instruments may be adversely affected.

Interest rate risks

Investment in fixed rate Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Instruments.

The regulation and reform of "benchmarks" may adversely affect the value of Instruments linked to such "benchmarks"

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

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016. The Benchmarks Regulation applies, subject to certain conditions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require 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) prevent 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 by virtue of the EUWA among other things, applies to the provision of benchmarks and the use of a benchmark in the UK (the "**UK Benchmarks Regulation**"). Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority (**FCA**) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Instruments linked to or referencing a rate or index deemed to be 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/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

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

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("€STR") as the new risk free rate. The ECB published the €STR for the first time on 2 October 2019, reflecting trading activity on 1 October 2019. €STR will replace EONIA with effect from 3 January 2022. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to enter into new contracts referencing EURIBOR or EONIA or €STR without more robust 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 forward. This may cause EURIBOR to perform differently than it has 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 Instruments linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if EURIBOR was discontinued or otherwise unavailable, the rate of interest on floating rate Instruments which reference to EURIBOR will be determined for the relevant period by the fallback provisions applicable to such Instruments. This may result in the effective application of a fixed rate based on the rate which applied in the previous period when the EURIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any floating rate Instrument which reference to EURIBOR.

The Terms and Conditions of the Instruments provide for certain fallback arrangements in the event that Benchmark Event (as defined in the Terms and Conditions) occurs, including if a published benchmark and any page on which such benchmark may be published (or any successor service) becomes unavailable. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions) determined by the Issuer (acting in good faith and in a commercially reasonable manner), and that such Successor Rate or Alternative Rate may be adjusted (if required) by an Adjustment Spread (as defined in the Terms and Conditions) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in any Instruments linked to or referencing a benchmark performing differently (which may include payment of a lower rate of interest) than they would if the benchmark were to continue to apply in its current form. In certain circumstances the ultimate fallback of interest for a particular interest period may result in the rate of interest for the last preceding interest period being used. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the relevant fallback provisions may not operate as intended at the relevant time. If the Issuer determines that amendments to the Terms and Conditions of the Instruments and/or the Agency Agreement are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of Noteholders, as provided by the Terms and Conditions of the Instruments.

Any such consequences could have a material adverse effect on the value of and return on any such

Instruments. 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 Instruments or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Instruments. Investors should consider these matters with their own independent advisers when making their investment decision with respect to any Instruments linked to or referencing a benchmark. **INVESTORS SHOULD CONSULT THEIR OWN INDEPENDENT ADVISERS AND MAKE THEIR OWN ASSESSMENT ABOUT THE POTENTIAL RISKS IMPOSED BY THE BENCHMARKS REGULATION AND/OR THE UK BENCHMARKS REGULATION, AS APPLICABLE, OR ANY OF THE INTERNATIONAL OR NATIONAL REFORMS AND THE POSSIBLE APPLICATION OF THE BENCHMARK REPLACEMENT PROVISIONS OF THE INSTRUMENTS, INVESTIGATIONS AND LICENSING ISSUES IN MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE INSTRUMENTS LINKED TO OR REFERENCING SUCH A "BENCHMARK".**

TERMS AND CONDITIONS OF THE INSTRUMENTS

The following is the text of the terms and conditions of the Instruments (the "**Conditions**" and, each of them, a "**Condition**"). In these Conditions, references to the "**holder**" of the Instruments or "**Instrumentholder**" are to the ultimate owners of the Instruments, dematerialised and evidenced by book entries with Monte Titoli S.p.A. in accordance with the provisions of (i) Article 83-bis et seq. of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**") and the relevant implementing regulations, and (ii) Bank of Italy and CONSOB Regulation dated 13 August 2018.

In addition, the applicable Contractual Terms in relation to any Series of Instruments may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purpose of such Series. "Contractual Terms" means the duly completed version of the form of contractual terms included in the Information Memorandum or any other terms as agreed between the Issuer and the relevant Dealer (in whatsoever form, including oral, such agreement or arrangement may take) in connection with the issuance and offer of the Instruments.

1. Description of the type and the class of the Instruments

The Instruments which may be offered and/or listed under the Programme by Generalfinance S.p.A. are commercial paper (*cambiali finanziarie*) instruments (the "**Instruments**" or "**Cambiali Finanziarie**") issued pursuant to Law 13 January 1994, No. 43 "*Disciplina delle cambiali finanziarie*", as amended by the Law 7 August 2012, No. 134 and by the Law Decree 19 May 2020, No. 34, as converted with modifications into Law 17 July 2020, No. 77 (together, the "**Law 43**").

The Instruments are negotiable money market instruments of the Issuer, issued pursuant to Law 43.

2. Maximum Amount of the Programme

The outstanding principal amount of the Instruments will not exceed €100,000,000 at any time. The Maximum Amount of the Programme may be increased from time to time in accordance with the Dealer Agreement.

3. Minimum denomination of the Instruments

The minimum denomination for the Instruments is €100,000, subject to compliance with any applicable legal and regulatory requirements. Minimum denominations may be increased from time to time as specified in the relevant Contractual Terms.

4. Remuneration and Redemption

The Instruments may be interest bearing or may not bear periodic interest and may be offered and sold at a discount or with a premium to their nominal amount as specified in the Contractual Terms applicable to the relevant Instruments.

Zero Coupon Instruments will not bear periodic interest and will be offered and sold at discount.

Interest bearing Instruments will accrue interest starting from the relevant Issue Date and pay such interest at the rates and on the Interest Payment Dates as may be agreed between the

Issuer and the relevant Dealer(s), as specified in the relevant Contractual Terms. In no case the Instruments will bear interest resulting in negative amounts due by the holders of the Instruments; the minimum interest is floored at zero.

Each Instrument will be redeemed at its Redemption Amount (which will be in any case not lower than its nominal amount) on the applicable Maturity Date as specified in the relevant Contractual Terms.

The Instruments may be redeemed before the scheduled Maturity Date in the following cases:

- (i) by the choice of the Issuer if "Call Option Right" is specified as applicable in the relevant Contractual Terms and the Issuer decides to exercise such right, it being understood that the redemption amount of each Instrument so redeemed will be in any case not lower than the nominal amount of such Instrument; and/or
- (ii) by the choice of the Instrumentholder if "Put Option Right" is specified as applicable in the relevant Contractual Terms and the Instrumentholder decides to exercise such right,

in each case subject to, and in accordance with, the provisions set forth in the relevant Contractual Terms and provided that any such early redemption shall not occur before 1 month after the Issue Date.

The redemption amount payable on redemption of a Zero Coupon Instrument at any time before the Maturity Date shall be an amount equal to the sum of:

- (a) the Reference Price as specified in the relevant Contractual Terms, which will be in any case not lower than the issue price of such Zero Coupon Instrument; and
- (b) the product of the Accrual Yield as specified in the relevant Contractual Terms (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 Zero Coupon Instrument becomes due and payable.

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 Contractual Terms for the purposes of this Clause or, if none is so specified, a Day Count Fraction of 30E/360.

5. Fallback provisions

The Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page or such other page as may replace the Relevant Screen Page on that service for the purpose of displaying such information or if that service ceases to display such information, such page as displays such information on such equivalent service as may replace such Relevant Screen Page at or about 11:00 a.m. (Milan time) on the relevant Determination Date (rounded to four decimal places with the midpoint rounded upwards) (the "**Screen Rate**"), provided that:

- (a) if the Screen Rate is unavailable at such time, then the rate for any relevant interest period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Calculation Agent by the Issuer at the Issuer's request by each of the Reference Banks; or

- (b) if on any Determination Date, the Screen Rate is unavailable and only two of the Reference Banks provide such offered quotations the relevant rate shall be determined, in the manner specified in item (a) above, on the basis of the offered quotations of those Reference Banks providing such quotations; or
- (c) if, on any Determination Date, the Screen Rate is unavailable and only one of the Reference Banks provides an offered quotation, the Rate of Interest for the relevant interest period shall be the rate of Interest in effect for the immediately preceding interest period when one Reference Rate or item (b) above shall have been applied.

5.1 Definitions

For the purposes of this Condition 5, unless defined above:

"Reference Banks" means the principal office in the Relevant Financial Centre of four leading swap dealers in the Relevant Financial Centre inter-bank market as selected by the Issuer.

"Reference Rate" means, as the case may be, (i) the Original Reference Rate (as defined under Condition 7 below) or (ii) the Successor Rate or the Alternative Rate, as adjusted by the Adjustment Spread (each as defined under Condition 6 below), if any.

"Relevant Financial Centre" means the financial centre specified as such in the applicable Contractual terms.

"Relevant Screen Page" means the screen page specified in the applicable Contractual Terms.

6. Benchmark discontinuation

If a Benchmark Event occurs in relation to an Original Reference Rate when any required rate of interest (or any component part thereof) in respect of the Instruments (the **"Rate of Interest"**) remains to be determined by reference to such Original Reference Rate, then the following provisions of this Condition 6 shall apply.

6.1 Successor Rate or Alternative Rate

If the Issuer, acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest for all relevant future payments of interest on the Instruments (subject to the further operation of this Condition 6), with effect as from the date or interest period specified in the notice delivered pursuant to Condition 6.3 below; or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of for all relevant future payments of interest on the Instruments (subject to the further operation of this Condition 6), with effect as from the date or interest period specified in the notice delivered pursuant to Condition 6.3 below.

6.2 Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6 and the Issuer, acting in good faith, determines the 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**"), then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.3, without any requirement for the consent or approval of Instrumentholders, 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 6.2 the Issuer shall comply with the rules of any stock exchange on which the Instruments may be listed or admitted to trading.

6.3 **Notices, etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6 will be notified by the Issuer to the Calculation Agent at least 10 (ten) Business Days prior to the first applicable Determination Date and, in accordance with Condition 16, promptly to the Instrumentholders. Such notice shall be irrevocable and shall specify (inter alia) the effective date of the Benchmark Amendments, if any. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) so notified will (in the absence of manifest error or bad faith) be binding on the Issuer, the Agent and the Instrumentholders. The Agents are not obliged to concur with the Issuer in respect of any changes or amendments required as a result of a Benchmark Amendment which, in the sole opinion of such Agents, would impose more onerous obligations upon them or expose them to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to such Agents pursuant to the Agency Agreement.

6.4 **Definitions**

For the purposes of this Condition 6, unless defined above:

"Adjustment Spread" means either (a) a spread (which may be positive, negative or zero), or (b) the formula or methodology for calculating a spread, in each case, which the Issuer determines (acting in good faith and in a commercially reasonable manner) to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Instrumentholders as a result of 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) if no such recommendation has been made, or in the case of an Alternative Rate, the Issuer determines (acting in good faith and in a commercially reasonable manner) is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) if the Issuer determines that no such spread is customarily applied, the Issuer determines (acting in good faith and in a commercially reasonable manner) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate

has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

- (iv) if the Issuer determines that no such industry standard is recognised or acknowledged), the Issuer determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer determines (acting in good faith and in a commercially reasonable manner) in accordance with Condition 6.1 is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Currency as the Instruments.

"Benchmark Event" means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Day or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) 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; or
- (v) a public statement by the supervisor of the administrator of the relevant Rate of Interest that, in the view of such supervisor, such Rate of Interest is no longer representative of an underlying market or the methodology to calculate such Rate of Interest has materially changed; or
- (vi) it has or will prior to the next Determination Date become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Instrumentholder using the Original Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable).

provided that in the case of sub-paragraphs (ii), (iii), (iv) and (v), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

"Original Reference Rate" means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest.

"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 that the Issuer determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the relevant reference rate (for the avoidance of doubt, whether or not such reference rate has ceased to be available) which is formally recommended by any Relevant Nominating Body.

7. Business days for payments

Days on which banks are open for business in Milan and TARGET for Euro.

8. Day count fraction for calculation of interest and Day adjustment basis

When applicable, specified in the Contractual Terms.

9. Currency of the Instruments

The Instruments shall be denominated in Euro.

10. Possible ranking clauses relating to the Instruments

The Instruments are not subordinated and rank *pari passu* with other current and future senior instruments of the Issuer. The Instruments are unguaranteed and unsecured obligations of the Issuer, i.e. the repayment of the Instruments and the payment of the coupons (if any) are not secured by any specific guarantee and no commitments have been made in relation to the undertaking of guarantees for the successful outcome of the Instruments Issue.

The rights relating to the Instruments rank *pari passu* with present or future unsecured instruments of the Issuer.

Therefore, the credit of the subscribers of the Instruments *vis-à-vis* the Issuer shall be satisfied *pari passu* together with the other unsecured and unguaranteed indebtedness of the Issuer.

11. Taxation

Gross up: All payments of principal and interest in respect of the Instruments by the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Republic of Italy, as the case may be, or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the holders of the Instruments of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Instrument:

- (i) in relation to any payment to be requested in the Republic of Italy; or
- (ii) held by a relevant holder or beneficial owner of the Instruments which is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument by reason of its having some connection with the Republic of Italy other than the mere holding of such Instrument; or
- (iii) in relation to any payment or deduction on principal, interest or other proceeds of any Instrument on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended or supplemented from time to time; or
- (iv) held by any holder of the Instruments who would be entitled to avoid such withholding or deduction by making a declaration of residence or non-residence or other similar claim for exemption and fails to do so in due time; or
- (v) in relation to any payments to be requested more than 15 days after the Interest Payment Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had requested such payment in respect of such Instrument on the last day of such period of 15 days.

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

12. Issue Date and Maturity Date

The Issue Date and the Maturity Date of the Instruments shall be specified in the relevant Contractual Terms from time to time.

13. Form of the Instruments

The Instruments to be issued under the Programme will be in bearer form and will be held in dematerialised form. The Instruments issued in dematerialised form will be held on behalf of their ultimate owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. ("**Monte Titoli**") for the account of the relevant Account Holders. The expression "**Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli. Each Series of Instruments issued in dematerialised form will be deposited with Monte Titoli on the relevant Issue Date. No physical document of title will be issued in respect of the Instruments issued in dematerialised form.

The Instruments issued in dematerialised form will at all times be held in book entry form and title to the Instruments issued in dematerialised form will be evidenced by, and title thereto will be transferable by means of, book entries in accordance with the provisions of Article 83-*bis et seq.* of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**") and implementing regulation and with the joint regulation of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") and the Bank of Italy dated 13 August 2018 and published in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) 30 August 2018, No. 201, as subsequently amended and supplemented.

14. Regime of circulation of the Instruments

In compliance with Law 43, the Instruments can be issued and transferred only in favour of qualified investors pursuant to article 100 of the Italian Financial Services Act, which are not, directly or indirectly, partners of the Issuer, pursuant to article 1, paragraph 2-bis, lett. d) of Law 43. The Instrumentholders have the right to receive payments of principal and interests on each Interest Payment Date (as set out in Condition 4).

15. Lapsing of the rights to principal and interest

The rights of the holders of the Instruments are barred, with regard to the interests, within five years from the date in which the interests became due and, with regard to the principal, within ten years from the date in which the Instruments became redeemable.

The termination of the right to request payment of interest and principal will be considered to be for the benefit of the Issuer.

16. Notice

If the Instruments have been admitted to listing on the ExtraMOT PRO, organised and managed by Borsa Italiana, all notices required to be published concerning such Instruments shall be published in accordance with the requirements of the ExtraMOT market rules, EU Regulation 596/2014, as amended, and any other applicable laws. The Issuer may, in lieu of such publication and if so permitted by the ExtraMOT market rules, deliver all such notices to Monte Titoli S.p.A. or publish such notices by any other means acceptable to Borsa Italiana

17. Governing law and submission to jurisdiction

17.1 Governing law

The Instruments and any non-contractual obligations arising out of or in connection therewith will be governed by and construed in accordance with Italian law.

17.2 Submission to jurisdiction

The courts of Milan are to have jurisdiction to settle any disputes which may arise out of or in connection with the Instruments (including a dispute relating to any non-contractual obligations arising out of or in connection with them) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Instruments (including any Proceedings relating to any non-contractual obligations arising out of or in connection with them) may be brought in such courts.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

17.3 Individual actions and remedies

Where permitted by applicable law, the right of each Instrumentholder to bring individual actions or use other individual remedies to enforce his/her own rights under the Instruments will be subject to the following procedure:

- (a) the Instrumentholder(s) intending to bring action or enforce his/her own rights under the Instruments will notify the Issuer of such intention; and

- (b) the Issuer and the Instrumentholder(s) shall use their best endeavours to reach a reasonable agreement among them;
- (c) if no agreement is reached after 10 Business Days following the notification referred in paragraph (a) above, the Instrumentholder(s) will not be prohibited from taking such action or remedy.

Each Instrumentholder is deemed to have accepted and is bound by the provisions of this Condition 17.

FORM OF CONTRACTUAL TERMS

The Instruments covered hereby are commercial paper (*cambiali finanziarie*) instruments issued pursuant to Law 13 January 1994, No. 43 "*Disciplina delle cambiali finanziarie*", as amended by the Law 7 August 2012, No. 134 and by the Law Decree 19 May 2020, No. 34, as converted with modifications into Law 17 July 2020, No. 77.

The Instruments covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Instruments 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**"); (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments 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 – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments 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 Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (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 Instruments (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 Instruments has led to the conclusion that: (i) the target market for the Instruments is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (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 Instruments (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.][¹]

Issuer: Generalfinance S.p.A.

No:		Series No.:	
Issue Date:		Maturity Date ² :	
Specified Currency: Euro		Minimum Denomination:	
Principal Amount of the Instruments:		Interest Basis: [Fixed rate] [Floating rate] [Zero coupon]	
[Interest Rate: [] per cent. per annum] ³		[Margin:] ⁴	
Redemption Amount: [] ⁵		[Day Count Fraction:] ⁶	
Call Option Right:	[Applicable]	Put Option Right:	[Applicable]
	Exercise Period: []		Exercise Period: []
	Optional Redemption Date(s) ⁷ : []		Optional Redemption Date(s) ⁷ : []
	Optional Redemption Amount: [] ⁵		Optional Redemption Amount: [] ⁵
	Optional Redemption Notice: [] ⁸ Business Days prior to the [relevant] Optional Redemption Date		Optional Redemption Notice: [] ⁸ Business Days prior to the [relevant] Optional Redemption Date
Reference Price: [] ⁹ per cent		Accrual Yield: [] per cent ⁹	

¹ Legend to be included on front of the Contractual Terms if any Dealer is a UK entity.

² Not less than 1 month and not more than 12 months after the Issue Date.

³ Complete for fixed rate interest bearing Instruments only.

⁴ Complete for floating rate Instruments only.

⁵ Not lower than the nominal amount.

⁶ Complete for interest bearing Instruments only.

⁷ Not before 1 month after the Issue Date.

⁸ At least 3 Business Days.

⁹ Complete for Zero Coupon Instruments only. The Reference Price shall not be lower than the Issue Price.

[Day adjustment basis]¹⁰ Issue Price: [] per cent
 [Calculation Agent:] [Reference Banks:]
 [Interest Payment Dates:] [Reference Rate: [EURIBOR] []]⁴
 [Determination Date:[]]⁴¹¹ [Relevant Screen Page: []]⁴
 [Relevant Financial Centre: []]⁴

Listing and Admission to Trading

Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to listing on ExtraMOT PRO, the Professional Segment of the ExtraMOT market, a multilateral trading facility organised and managed by Borsa Italiana S.p.A., with effect from []]

Estimate of total expenses of admission to trading: Euro []

Yield

[Indication of yield:]¹² []
 The yield is calculated at the Issue Date on the basis of the issue price. It is not an indication of future yield.

Operational Information

Clearing and Settlement System(s) Monte Titoli
 ISIN: []
 Common Code: []

Tax treatment of the Instruments

Interest and the other proceeds under the Instruments are subject to the tax regime (*imposta sostitutiva delle imposte sui redditi*) provided by Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

Additional Information in relation to the Instruments

[•]

Additional Information in relation to the Issuer

[•]

[Please also refer to the information relating to Issuer published from time to time on the following

¹⁰ Complete for interest bearing Instruments if interest is payable before the Maturity Date.

¹¹ At least 2 Business Days prior to the beginning of the relevant interest period

¹² Complete for fixed rate Instruments and Zero Coupon Instruments only.

website: [•]¹³ where the financial information relating to the Issuer is published.]

¹³ Website to be provided.

GENERAL INFORMATION

Approval of the Programme

The Programme was approved and authorised by written resolution of the Board of Directors of the Issuer dated 18 May 2021.

Clearing and Settlement of the Instruments

The Instruments issued in dematerialised form will be accepted for clearance through Monte Titoli. The relevant Contractual Terms shall specify (i) any other clearing and settlement system as shall have accepted for clearance the relevant Instruments issued in dematerialised form, together with any further appropriate information or (ii) with respect to the Instruments issued in any of the other forms which may be indicated in the relevant Contractual Terms, the indication of the agent through which payments to the holders of the Instruments will be made.

The registered office of Monte Titoli S.p.A. is at Piazza degli Affari 6 – 20123, Milan, Italy.

Common codes and ISIN numbers

The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Instruments of each Series will be specified in the Contractual Terms relating thereto.

Taxation

This Information Memorandum does not discuss the tax consequences for the investors arising from the investment in the Instruments. Withholding, deduction, stamp taxes (*imposte di bollo*) or other taxes may arise from the investment or as a consequence of the holding, selling or redemption of the Instruments under the tax laws of the Republic of Italy and/or any other relevant jurisdiction. Investors are advised to consult their own professional advisers regarding these possible tax consequences. Investors are liable for their own taxes and have no recourse to the Issuer save as otherwise provided in Condition 11 (*Taxation*) and subject to the exceptions and exclusions set out therein.

Litigation

The Issuer is not or has not been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on the Issuer's financial position or profitability and, so far as the Issuer is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

No significant change and no material adverse change

There has been no significant change in the financial performance or position of the Issuer since 31 December 2020 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2020.

Material contracts

The Issuer has not entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to the Issuer's ability to meet its obligations to Instruments' holders.

Documents available for inspection

For so long as the Programme remains valid with Borsa Italiana or any Instruments shall be outstanding, copies and, where appropriate, the following documents (translated into English, where applicable), in electronic or physical form, may be obtained by the public during normal business hours at the registered office of the Issuer, namely:

- (a) this Information Memorandum and any supplements to this Information Memorandum (together with any information memorandums published in connection with any future updates in respect of the Information Memorandum) and any other documents incorporated herein or therein by reference;
- (b) a certified copy of the constitutive documents of the Issuer;
- (c) any supplemental agreement prepared and published in connection with the Programme;
- (d) the audited annual financial statements (including the auditor's reports thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2020; and
- (e) the audited annual financial statements (including the auditor's reports thereon and notes thereto) of the Issuer in respect of the year ended 31 December 2019.

Language of the Information Memorandum

The language of the Information Memorandum is English. Any foreign language text that is included within this document has been included for clarity purposes and does form part of the Information Memorandum.

Conflicts of Interest of the Dealers

Certain of the Dealers and their affiliates (including parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. 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 Instruments issued under the Programme. Any such short positions could adversely affect future trading prices of Instruments 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 purpose of this paragraph the term "affiliates" includes also parent companies.

INFORMATION CONCERNING THE ISSUER'S REQUEST OF THE STEP LABEL

An application for a STEP label for this Programme will be made to the STEP Secretariat. Information as to whether the STEP label has been granted for this Programme may be made available on the STEP market website (initially www.stepmarket.org). This website is not sponsored by the Issuer and the Issuer is not responsible for its content or availability.

Unless otherwise specified in this Information Memorandum, the expressions "STEP", "STEP Market Convention", "STEP label", "STEP Secretariat", and "STEP market website" shall have the meaning assigned to them in the Market Convention on Short-Term European Paper dated 19 May 2015 and adopted by the ACI – The Financial markets Association and the European Money Markets Institute (as amended from time to time).

SELLING RESTRICTIONS

General

No action has been taken in any jurisdiction by the Issuer, the Arranger or the Dealers that would permit a public offering of the Instruments, or possession of distribution of the Information Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that it will only acquire Instruments for the purpose of resale and that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Instruments and it will not directly or indirectly offer, sell, resell, reoffer or deliver Instruments or distribute any document, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations and none of the Issuer or a the Dealers shall have any responsibility therefor. None of the Issuer or the Dealers represents that the Instruments 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. Persons into whose hands this Information Memorandum comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Instruments or possess, distribute or publish this Information Memorandum or any other offering material relating to the Instruments, in all cases at their own expense.

United States of America

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and the Instruments may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (other than a distributor) and except in transactions exempt from the registration requirements of the Securities Act. Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that it has offered and sold, and will offer and sell, Instruments only outside the United States to non-U.S. persons in accordance with Rule 903 of Regulation S under the Securities Act ("**Regulation S**"). Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in the United States with respect to the Instruments and that it and they have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer has also agreed that (and each further Dealer appointed under the Programme will be required to further represent and agree), at or prior to confirmation of sale of Instruments, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Instruments from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act."

Terms used in this paragraph have the meanings given to them by Regulation S.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instrument which is the subject of the offering contemplated by the Information Memorandum as completed by the Contractual Terms to any retail investor in the European Economic Area ("**EEA**"). For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 dated 14 June 2017 (the "**Prospectus Regulation**"); and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

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 further represent and agree) that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instrument which is the subject of the offering contemplated by the Information Memorandum as completed by the Contractual Terms to any retail investor in the UK. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in the UK Prospectus Regulation.
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments; and
- (c) the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 dated 14 June 2017 as it forms part of domestic law by virtue of the EUWA.

The United Kingdom

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a) in relation to any Instrument which has 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 the Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Instruments in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Instruments in, from or otherwise involving the United Kingdom.

Italy

The offering of the Instruments has not been registered pursuant to Italian securities legislation and, accordingly, each of the Dealers 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 the Instruments or distribute copies of the Information Memorandum or of any other document relating to the Instruments 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 Regulation
- (b) in other circumstances where an exemption from the rules governing public offers of securities applies, pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter*, first paragraph of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any such offer, sale or delivery of the Instruments or distribution of copies of the Information Memorandum or any other document relating to the Instruments in the Republic of Italy in compliance with the selling restrictions under (a) and (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (the "**Italian Banking Act**") (in each case as amended from time to time);
- (ii) in compliance with Article 129 of the Italian Banking Act and the relevant implementing measures; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

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