THIS INFORMATION DOCUMENT CONTAINS IMPORTANT INFORMATION AND SHOULD BE READ CAREFULLY. THIS INFORMATION DOCUMENT SHOULD BE READ IN ITS ENTIRETY, TAKING INTO CONSIDERATION, WITH PARTICULAR ATTENTION, THE RISK FACTORS LISTED IN CHAPTER 1.

THIS INFORMATION DOCUMENT RELATES TO AND HAS BEEN PREPARED IN CONNECTION WITH A TRANSACTION TO BE CARRIED OUT ON AIM ITALIA/MERCATO ALTERNATIVO DEL CAPITALE, MULTILATERAL TRADING FACILITY (MTF), ORGANISED AND MANAGED BY BORSA ITALIANA S.P.A., AND HAS BEEN DRAFTED IN ACCORDANCE WITH ARTICLE 14 OF THE ISSUERS' REGULATIONS OF AIM ITALIA/MERCATO ALTERNATIVO DEL CAPITALE.

THIS INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER OF SECURITIES TO THE PUBLIC AS DEFINED BY LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED, AND THEREFORE DOES NOT REQUIRE DRAWING UP AN OFFERING CIRCULAR ACCORDING TO THE SCHEDULES PROVIDED BY COMMISSION REGULATION (EC) NO. 809/2004.

THE PUBLICATION OF THIS INFORMATION DOCUMENT DOES NOT REQUIRE APPROVAL FROM CONSOB (ITALIAN SUPERVISORY AUTHORITY ON FINANCIAL MARKETS) UNDER DIRECTIVE NO. 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OR ANY OTHER RULE OR REGULATION GOVERNING THE DRAFTING AND PUBLICATION OF SUCH PROSPECTUSES UNDER ARTICLES 94 AND 113 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED, INCLUDING THE REGULATION ADOPTED BY CONSOB WITH RESOLUTION NO. 11971 OF 14 MAY 1999, AS AMENDED.

AIM ITALIA IS A MULTILATERAL TRADING FACILITY (MTF) PRIMARILY DEVOTED TO SMALL AND MEDIUM-SIZED ENTERPRISES AND COMPANIES WITH HIGH GROWTH POTENTIAL. THE RISK ASSOCIATED WITH THOSE ENTERPRISES AND COMPANIES IS TYPICALLY HIGHER THAN LARGER ISSUERS OR WITH WELL-ESTABLISHED BUSINESSES.

INVESTORS SHOULD BE AWARE OF THE RISKS ASSOCIATED WITH INVESTING IN THIS TYPE OF ISSUERS, AND MUST DECIDE TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

CONSOB AND BORSA ITALIANA S.P.A. DID NOT EVALUATE OR ENDORSE THE CONTENT OF THIS INFORMATION DOCUMENT.

INFORMATION DOCUMENT

prepared in accordance with Article 14 of the Issuers' Regulations for AIM Italia/Mercato Alternativo del Capitale

for the

ACQUISITION OF

BANCA INTERPROVINCIALE S.P.A.

BY

SPAXS S.P.A.

12 April 2018

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DEFINITIONS

The following are the main definitions concerning the transaction referred to in this Information Document, in addition to those indicated in the text.

AC Valuecreation	AC Valuecreation S.r.l. with registered office at Viale Abruzzi No. 7 in Milan, Tax Code, VAT and Registration No. 10129390968 at the Companies' Register of Milan.
Framework Agreement	The agreement concerning the transfer of part of BIP Shares amounting to at least 86% of BIP's share capital by means of (i) the sale to SPAXS by the Selling Shareholders of an aggregate shareholding amounting to 71.98% of BIP's share capital, and (ii) the subscription by the Contributing Shareholders, as defined below, of 987,128 new ordinary SPAXS shares, as part of the BIP Reserved Capital Increase (as defined below) to be paid up through the contribution of 8,411 BIP Shares held by the abovementioned Contributing Shareholders, for 19.39% of BIP's share capital.
Acquisition	The transfer by Selling Shareholders of shares representing 71.98% of BIP's share capital to SPAXS.
AIM Italia or AIM	The *AIM Italia/Mercato Alternativo del Capitale* multilateral trading facility organised and managed by Borsa Italiana S.p.A.
BIP Reserved Capital Increase	The capital increase reserved for Contributing Shareholders that will be resolved by SPAXS to be paid up by means of Contribution.
BIP Shares	The 43,377 ordinary shares having a nominal value of EUR 1,000.00 each, corresponding to the share capital subscribed to and paid in, amounting to EUR 43,377,000.00.
Conversion Shares	The 6,000,000 newly-issued ordinary shares of SPAXS, without indication of the par value, to be assigned at no charge to the Conditional Share Rights' holders, according to the provisions of SPAXS' Conditional Share Rights Regulation.
SPAXS' Ordinary Shares	The 60,000,000 ordinary shares of the Company, without indication of the par value, granting regular dividend rights and freely transferable and admitted for trading on AIM Italia.

SPAXS Special Shares	A maximum of 1,800,000 special shares of the Company, without indication of par value, granting regular dividend rights, but without voting rights, and convertible into Ordinary Shares, at the terms and conditions laid down in Article 6 of the Articles of Association of SPAXS.
BIP Shareholders	The Selling Shareholders together with the Contributing Shareholders.
Contributing Shareholders	BIP's shareholders subscribing to the BIP Reserved Capital Increase to be paid up by means of Contribution.
Selling Shareholders	BIP's shareholders transferring the Bank's shares to SPAXS in the context of the Acquisition.
Banca IMI	Banca IMI S.p.A. with registered office at Largo Mattioli No. 3 in Milan.
Borsa Italiana	Borsa Italiana S.p.A., with registered office at Piazza degli Affari No. 6 in Milan.
Banca Interprovinciale or **BIP** or **Bank** or **Target**	Banca Interprovinciale S.p.A. with registered office at Via Emilia Est No. 107 - 41121 Modena, approved share capital amounting to EUR 58,377,000.00, subscribed and paid in for EUR 43,377,000.00, divided into 43,377 ordinary shares with a par value of EUR 1,000.00 each, VAT No. and Registration No. 0319235036 at the Companies' Register of Modena.
Business Combination	The transaction consisting of the Acquisition and of the Contribution, as defined below, governed by the Framework Agreement, which is a Material Transaction under SPAXS' Articles of Association.
Ministerial Memorandum 285	Ministerial Memorandum No. 285 of the Bank of Italy of 17 December 2013, as amended.
Corporate Governance Code	The Corporate Governance Code for listed companies, approved by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria as subsequently updated and supplemented.
Contribution	The subscription by Contributing Shareholders of 987,128 new ordinary shares of SPAXS, as part of the BIP Reserved Capital Increase to be paid up by

	contribution in kind of 8,411 BIP Shares held by these Contributing Shareholders, for 19.39% of the share capital.
Consob	The *Commissione Nazionale per le Società e la Borsa*, (Italian Supervisory Authority on financial markets), with registered office at Via G.B. Martini No. 3 in Rome, Italy.
Escrow Account(s)	One or more (i) bank account(s) or restricted deposit(s), (ii) insurance products or monetary instruments, (iii) funds, management and administration in bank account(s) and/or restricted deposit(s), insurance products and/or monetary instruments and/or (iv) other similar instruments and/or products, restricted until the effective date of the Material Transaction, on which the Restricted Amounts shall be deposited and/or held.
CP	Corrado Passera, born on 30 December 1954, in Como (CO), Tax Code No. PSSCRD54T30C933K.
Credit Suisse	Credit Suisse Securities (Europe) Limited, with registered office at Cabot Square No. 1, London, United Kingdom.
CRD IV (Capital Requirements Directive)	Directive 2013/36/EU of the European Parliament and of the Council (CRD IV), as amended.
CRR (Capital Requirements Regulation)	Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended.
Information Document Date	The date of publication of this Information Document.
Effective Date	Means the date - after the occurrence (or the waiver by SPAXS insofar as such waiver is permitted) of the last of the conditions precedent (except for each of those conditions precedent that must occur in any event no later than or upon the Effective Date) - agreed upon in writing between the Parties that cannot in any event occur after 30 September 2018.
Conditional Share Rights	Any conditional share rights called "*Conditional Share Rights SPAXS S.p.A.*", which entitle the holder to acquire the Conversion Shares, at the terms and conditions set out in the Conditional Share Rights Regulation.

Trading Admission Document	The Trading Admission Document relating to the admission to trading of the Ordinary Shares and Conditional Share Rights of SPAXS, publicly available on the website www.spaxs.it, in the "*Investor Relations/IPO*" Section.
Information Document	This information document.
Material Adverse Event	Under the Framework Agreement, any act, fact or circumstance that is likely to adversely affect, in large part, the business, the capital, (including (i) any substantial reduction of net equity values, of the CET 1 ratio, and of the regulatory capital; and/or (ii) any substantial increase in the value of the NPE ratio; all in compliance with the information reported in the 2017 Financial Statements), the financial positions, the operating income and the prospective profitability of BIP.
Integrated Group	Jointly SPAXS and the companies directly or indirectly controlled by it in accordance with Article 2359 of the Italian Civil Code, after the Business Combination.
Competition Laws	Italian or EU laws safeguarding competition and the market.
Market Abuse Regulation or **MAR**	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 and its supplementary and implementing regulation in force and applicable on the Information Document Date.
Metis	Metis S.p.A., with registered office at Via Boccaccio No. 4 in Milan, Tax Code, VAT No. and Registration No. 10133540962 at the Companies' Register of Milan.
Monte Titoli	Monte Titoli S.p.A., with registered office at Piazza degli Affari No. 6 in Milan, Italy.
Nomad or **Nominated Adviser**	Banca IMI
Material Transaction	Means any business combination involving companies, enterprise(s), or business branch(es) and implemented in any way whatsoever, including (but not limited to) (i) the acquisition of (minority or majority or totalitarian) shareholdings in another company/companies and/or enterprise(s); and/or (ii)

	any other business combination by way of contribution or - as a preferred option - through a merger including in combination with the purchase or subscription of shareholdings, to be carried out after the trading start date, on the understanding that the Company may implement such transaction(s) only after amending the corporate purpose of the Company.
Preliminary Operations	Means the set of operations that BIP Shareholders agree to accomplish during the period between and including the signing date and the Effective Date of the Framework Agreement.
Conventional Accounting Standards	The accounting standards, in force from time to time, drawn up by the IASB (International Accounting Standards Board) and the interpretations issued by IFRIC (International Financial Reporting Interpretations Committee) as endorsed by the European Commission, and the measures adopted under Legislative Decree No. 38/2005 and the rules for drafting banks' financial statements issued by the Bank of Italy.
International Accounting Standards or IAS/IFRS	The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and related interpretations, issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002.
Domestic Accounting Standards	The domestic accounting standards issued by the OIC (*Organismo Italiano di Contabilità* - the Italian Accounting Standard Setter).
Promoters	Means both Corrado Passera and Andrea Clamer together.
AIM Italia Issuers' Regulations	The AIM Italia Issuers' Regulations approved and published by Borsa Italiana, as amended.
Conditional Share Rights Regulation	The regulation on the "*Conditional Share Rights SPAXS S.p.A.*" approved by the Company's Shareholders' Meeting on 17 January 2018 and subsequently amended on 25 January 2018.

Monte Titoli System	The Italian Central Securities Depository, managed by Monte Titoli.
Promoting Companies	Means both Tetis and AC Valuecreation together.
Restricted Amounts	100% of the amounts collected by the Company for the subscription and paying-up of the SPAXS Ordinary Shares deposited and/or held on the Escrow Account(s), which may only be used (i) with an authorisation resolved by the Shareholders' Meeting in accordance with the provisions of Article 15.2 of the Articles of Association, unless for the purposes of paying the liquidation value of the Ordinary Shares against the exercise of the Right of Withdrawal or the winding up the Company.
SPAXS or **Issuer** or **Company**	SPAXS S.p.A. with registered office at Via Mercato No. 3 in Milan, Tax Code, VAT and Registration No. 10147580962 at the Companies' Register of Milan.
Specialist	Banca IMI.
BIP Articles of Association	The articles of association of Banca Interprovinciale in force on the Information Document Date.
SPAXS' Articles of Association	The articles of association of SPAXS in force on the Information Document Date.
SPAXS' Financial Instruments	Means both SPAXS' Ordinary Shares and SPAXS' Conditional Share Rights together.
Maximum Deadline	Under Article 4 of SPAXS' Articles of Association, the end of the 18th calendar month after the beginning of trading of SPAXS Ordinary Shares (occurred on 1 February 2018, the "**Listing**"), on the understanding that where, at the abovementioned date, an agreement to implement the Material Transaction is entered into that is disclosed to the market in accordance with applicable regulations, the Maximum Deadline shall be automatically extended until the end of the 6th calendar month after that same date. Accordingly, under the abovementioned provision of the Articles of Association, the maximum deadline is 1 February 2020.
1993 Italian Banking Law or **TUB**	Legislative Decree of 1 September 1993, as subsequently amended.

Consolidated Law on Finance or **TUF**	Legislative Decree No. 58 of 24 February 1998, as amended.

GLOSSARY

Below is a list of key terms used within the Information Document. Such terms, unless otherwise specified, shall have the meaning indicated below.

Common Equity Tier 1 (CET 1)	The best quality core capital, represented mainly by ordinary share capital paid in, by its premium reserves, by profits calculated for the period, by reserves, by minority interests (calculated within certain limits), net of certain regulatory adjustments, as required by the CRR (Capital Requirements Regulation).
Common Equity Tier 1 Ratio or **CET 1 Ratio**	Solvency ratio expressed by the ratio of the Common Equity Tier 1 and the risk-weighted assets pursuant to the provisions of the CRR and Directive 2013/36/EU of the European Parliament and of the Council (CRD IV).
Counterbalancing Capacity	The capacity to counteract imbalances in cash flows through a plan aimed at preserving or raising liquidity over the short, medium and long terms, in response to a situation of prolonged or planned financial stress.
Crossover lending	Simple or structured lending, both short and medium term, to small and medium-sized Italian companies with a low/mid-level rating (synthetic indicator for creditworthiness or ability to meet its debts) or unrated.
Early warning	Warning signals that permit detecting any shortage in liquidity in advance.
Own Funds or **Total Capital**	A bank's own funds consist of a series of qualifying items (net of elements to be deducted) classified according to their ability to absorb losses. According to CRR, Own Funds consist of Common Equity Tier 1 and qualifying preferred stocks, plus Tier 2 capital.
High quality liquidity assets	Assets that are easily liquidated on the markets even in times of financial stress and, ideally, eligible for central banks financing schemes.
Invoice lending	A form of financing working capital that consists in credit advances from banks against invoices and/or in transferring trade receivables to the bank that would undertake

	the management and the collection. Invoice lending operations are substantiated through receivables transfer agreements, by which a party (the transferor) transfers to another party (the transferee, in this case the bank) its receivable from a debtor (the debtor); these agreements may (or may not) result in the transferor transferring the debtor's insolvency risk to the transferee.
Liquidity ladder	Tool for managing and monitoring operational liquidity that, through the juxtaposition of assets and liabilities whose maturities are inside each time band, permits pointing out the imbalances (periodic and cumulative) between the relevant forecasted cash inflows and cash outflows and, therefore, calculating the net balance of the financial needs (or surplus) in the time frame considered.
Mid corporate	Medium-sized companies, referring mainly to companies with turnover ranging approximately between EUR 20 million and EUR 250 million.
Non-performing Loans	Non-performing assets are divided into the categories of “bad loans”, "unlikely to pay", past due and/or overdraft, under the rules summarised as follows: (i) bad loans: on-and-off balance sheet exposures to borrower in state of insolvency (also not determined by a court) or in substantially comparable positions, irrespective of any forecasts of losses; (ii) "**unlikely to pay**": loan exposure, other than bad loans, for which the bank deems it unlikely that the debtor would fully meet (as to principal and/or interest) its credit obligations without the bank resorting to actions such as enforcement of guarantees; (iii) past due and/or overdraft: liabilities, other than those classified as bad loans or unlikely to pay, which, at the reference date of the report, are more than 90 days past due and/or overdrawn and exceed a set materiality level.
Retail	Banking operations and services targeting the retail market, composed of customers who are

	individuals or small economic operators (for example: personal bank accounts, home banking services, personal mortgage loans)
Risk-Weighted Assets (RWA)	Represents the risk-weighted value related to on and off-balance sheet assets. Depending on the type of asset, banking assets are weighted through factors that account for their risk and their potential for default in order to calculate an asset adequacy indicator.
Servicing	Activities involving collecting receivables, cash services and payment processing, including court-related activities (for example, requests for injunctions) and out-of-court activities (for example, written or verbal communications to the debtor) necessary to recover the receivables.
Tier 1 Capital	Under Article 25 of the CRR, Tier 1 Capital consists of the sum of the enterprise's Common Equity Tier 1 capital and its Additional Tier 1 capital.
Tier 1 Ratio	Tier 1 solvency ratio is expressed as the ratio between Tier 1 Capital and risk-weighted assets.
ITR (Internal Interest Transfer Rate)	The ITR system consists of a set of virtual transactions within the bank to centralize in one unit all the decisions on positions that the bank intends to take in respect of changes in market interest rates. ITRs, by affecting procedures for allocating profitability within the different business units/branches, are able to motivate them to pursue prudent and mindful (and consistent with company policies) management of the liquidity risk (and other risks).
Multiple ITRs	System of ITRs differentiated by technical forms and/or also by type of various lending and funding.
TLTRO	Acronym for Targeted Long Term Refinancing Operation carried out by the ECB and consisting of a loan, at an interest rate set by the ECB, to the applicant banks in exchange for

	certain guarantees (government bonds of Member States of the European Union or other assets considered eligible by the ECB as securities), with the aim of supporting the process of bank lending in a real economy.
Total Capital Ratio	Solvency ratio expressed as the ratio between Own Funds and risk-weighted assets calculated on the basis of the new Basel III regulations, pursuant to the provisions of the CRR, the CRD IV and Supervisory Measures for Banks (Ministerial Memorandum No. 285).
Turnaround	Restructuring operations of a company in financial and/or industrial distress, including the analysis to determine the causes of the distress and to determine the debt restructuring agreements and a profitability recovery strategy, with or without the use of new financing transactions and with or without resorting to bankruptcy procedures.

FOREWORD

This Information Document has been prepared and is published by SPAXS to provide its shareholders and the market with information in connection with the Acquisition of part of BIP's share capital and by Contributing Shareholders subscribing to the BIP Reserved Capital Increase to be paid up by Contribution, which constitutes a material transaction under Article 14 of the AIM Italia Issuers' Regulations.

SPAXS is a special purpose acquisition company ("SPAC") established in Italy with the aim of finding, through the placement of its financial instruments and the admission to trading on AIM Italia, which occurred on 30 January 2018 with the notice of Borsa Italiana, the financial resources necessary and functional to ensure, following a research and selection activity, the Material Transaction with one or more operating companies (i.e., target).

On the Information Document Date, SPAXS has cash available for EUR 600,000,000.00 collected during placement and deposited in the Escrow Account, to be used in accordance with the SPAXS' Articles of Association, for the purposes of performing the Material Transaction.

On the Information Document Date, SPAXS had carried out its research and selection of potential target company intended to create an Italian operator in the banking and/or financial sector that is mainly active:

(i) in the provision of banking and/or financial services to corporate clients, especially to "Mid Corporate" clients (including companies with low ratings/no rating) both performing as well as classified as unlikely to pay, that includes invoice lending, crossover lending and turnaround services;
(ii) in the market of non-performing loans, through the purchase of secured and unsecured “bad loans” (both loan portfolios as well as single credit securities) and their management also through the establishment of an advanced servicing platform. The servicing platform may also be used for servicing loan portfolios owned by other operators; and
(iii) in the offer to retail savers of highly digitalized banking and/or financial services.

SPAXS intends to carry out the abovementioned project through (a) business combinations (through the acquisition of majority or total shareholdings, mergers or other extraordinary transactions) of one or more small to medium-sized Italian unlisted companies, authorised to operate (in accordance with the applicable legislation) in the banking and/or financial services market, and (b) the subsequent use of the Issuer's financial resources to create a strong capital base for the above target(s) and to support its growth and development strategy also through external lines.

As the result of an analysis carried out on Banca Interprovinciale, SPAXS identified BIP as the potential target company to carry out the Material Transaction in the context of an operation involving the transfer of at least 86% of BIP’s share capital through (i) the Selling Shareholders assigning an aggregate shareholding amounting to 71.98% of BIP's share capital to SPAXS, and (ii) the Contributing Shareholders subscribing to 987,128 new ordinary shares of SPAXS, as part of the BIP Reserved Capital Increase to be paid up through the Contribution, for 19.39% of BIP’s share capital .

Banca Interprovinciale is a company active in the Italian banking industry with a geographic focus on the Emilia Romagna Region. It operates under a commercial banking business model with retail funding and key focus on SMEs and retail customers.

Banca Interprovinciale's main products are corporate mortgages and unsecured loans, both short and long term, overdraft loans, retail mortgage loans, corporate and retail bank accounts and time deposits with home banking and mobile banking services. Its commercial offer is completed with secured financing in insolvency proceedings with a high level of guarantees, mortgage bank accounts, credit lines to assign trade receivables and some outsourced products (i.e., import/export advances, letters of credit and other types of foreign funding).

On 12 April 2018, SPAXS and the BIP Shareholders entered into the Framework Agreement with which they regulated, *inter alia*, (i) the Selling Shareholders assigning to SPAXS an aggregate shareholding amounting to 71.98% of BIP's share capital, and (ii) the Contributing Shareholders subscribing to 987,128 new ordinary shares of SPAXS, as part of BIP Reserved Capital Increase to be paid up through the Contribution, for 19.39% of BIP’s share capital. The Framework Agreement also provides for standard clauses for transactions of a similar nature relating to, *inter alia*, representations and warranties, commitments (including informational), indemnity obligations and automatic termination clauses for failing to implement the preparatory fulfilments to execute the Material Transaction or for the occurrence of other impediments thereto, such as the European Central Bank failing to grant the authorisation under Article 19 of the TUB as proposed by the Bank of Italy and/or failure to transfer (as a consequence of the Acquisition and of the Contribution) at least 86% of BIP. For a description of the Framework Agreement, please refer to Chapter 2 of the Information Document.

The approval of the Business Combination by the Board of Directors of the Company and the signing of the Framework Agreement were the subject matter of a notice to the market by SPAXS, in accordance with Article 17 of the MAR and Article 14 of the AIM Italia Issuers’ Regulation (refer to the website of SPAXS www.spaxs.it, "Investor Relations/Material Transaction" Section).

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The Information Document has not been reviewed or approved by Consob and Borsa Italiana.

The Information Document is available to the general public at the registered office of SPAXS at Via Mercato No. 3 in Milan (Italy), as well as on its website www.spaxs.it (in the "Investor Relations/Material Transaction" Section).

1. <u>WARNINGS</u>

The risk factors described in this Chapter 1 under "Warnings" must be read together with the information contained in the Information Document. The occurrence of the circumstances described in any of the following risk factors might have an adverse effect on the activity and operating results, financial position and cash flows of SPAXS and Banca Interprovinciale, on the prospects and on the price of SPAXS' Financial Instruments and the holders of those financial instruments might lose all or part of their investment. Such adverse effects might also be found where events occur, as of today unknown to SPAXS and Banca Interprovinciale, that would expose SPAXS and Banca Interprovinciale to further risks or uncertainties, or where the risk factors considered insignificant today become significant due to supervening circumstances.

References to parts, sections, chapters and paragraphs refer to the parts, sections, chapters and paragraphs of the Information Document. For the purpose of exact and complete information, we encourage investors to assess the information contained in the Information Document along with the information and any risk profiles and uncertainties pointed out in the Trading Admission Document on the admission to trading of ordinary shares and of the conditional share rights of SPAXS on the AIM Italia.

In addition to the foregoing, we also summarise below the risks or uncertainties arising from the transfer of at least 86% of BIP's share capital through (i) the Selling Shareholders assigning to SPAXS an aggregate shareholding amounting to 71.98% of BIP's share capital, and (ii) the Contributing Shareholders subscribing to 987,128 new ordinary shares of SPAXS, as part of the BIP Reserved Capital Increase to be paid up through the Contribution, for 19.39% of BIP's share capital, which could significantly affect the activity of SPAXS and Banca Interprovinciale.

1.1 <u>RISK FACTORS RELATING TO THE MATERIAL TRANSACTION</u>

1.1.1 Risks related to the implementation of the Business Combination in case of withdrawal

The Issuer is exposed to the risk that the Shareholders' Meeting's approval of the Business Combination loses effectiveness after the shareholders representing more than 30% of the ordinary share capital exercise the right of withdrawal in accordance with the provisions of SPAXS' Articles of Association, and that, therefore, the Business Combination is not executed.

More specifically, under Article 15.4 of SPAXS' Articles of Association, the resolutions of the Shareholders' Meeting approving the amendment to the corporate purpose in connection with executing the Material Transaction (and therefore, the Business Combination) are subject to the fulfilment of both of the following conditions: (a) exercising the right of withdrawal by a group of shareholders representing at least 30% of the ordinary share capital where the same did not approve the amendment to the corporate purpose required to implement the Material Transaction; and (b) completing the procedure to liquidate the abovementioned withdrawing shareholders under Article 2437-quater of the Italian Civil Code by redeeming or cancelling a number of shares equal to or greater than 30% of the number of ordinary shares of the Company (conditions (a) and (b) are henceforth collectively referred to as the "**Articles of Association Termination Clause**").

Therefore, where withdrawing shareholders represent a percentage of at least 30% of the Company's share capital and the completion of the liquidation procedure of those withdrawing shareholders, under Article 2437-quater of the Italian Civil Code, by redeeming or cancelling a number of shares, is equal to or greater than 30% of the share capital, the Business Combination will not be implemented. In this case, SPAXS must commence a new phase to search and select target companies to pursue the approval of the Material Transaction by the Maximum Deadline. The more limited time period available might prevent or hinder carrying out the Material Transaction.

In the event where the Shareholders' Meeting of SPAXS does not approve the Material Transaction within such Maximum Deadline, the Company will be dissolved as a result of the expiry of the limitation period and will be placed in liquidation. In that event, the liquidation value of SPAXS' Ordinary Shares might be lower than their subscription price. It should also be noted that in the event of the Company's liquidation, all the Conditional Share Rights will lapse, becoming invalid. Where, however, the exercise of the right of withdrawal by SPAXS' shareholders represents a percentage of less than 30% of the ordinary share capital of SPAXS and the Business Combination may, therefore, be executed, SPAXS must use up to a maximum of EUR 179,999,990.00 of its financial resources to buy the ordinary shares of the withdrawing shareholders, resulting in an impact on the Company's financial position and potential repercussions on implementing future programs and strategies of SPAXS. Information on the foregoing is found in Paragraph 4.5 of the Information Document.

1.1.2 Risks related to the conditions attached to the Business Combination's execution

The Framework Agreement, in line with best market practices for similar operations, provides for certain conditions; failing to occur, the Framework Agreement may not be executed. More specifically, the Framework Agreement envisages, *inter alia*:

(i) obtaining the authorisation under Article 19 of the TUB;

(ii) BIP approving the 2017 Financial Statements within the time limits established by law in accordance with Conventional Accounting Standards and substantially in compliance with the financial statements draft approved by BIP's board of directors on 29 March 2018;

(iii) no later than, or on, the Effective Date, that the Preliminary Operations are duly and properly fulfilled in compliance with the provisions of the Framework Agreement and that the BIP Shareholders provide SPAXS with documentary evidence of the fulfilment of the abovementioned operations;

(iv) that no material breach of the BIP Shareholders' representations and warranties under Clause 8 of the Framework Agreement exists on the Effective Date that would determine one or more liabilities amounting to the aggregate of more than EUR 100,000.00;

(v) that no Material Adverse Event is found on the Effective Date; and

(vi) that the Business Combination is approved by the Shareholders' Meeting of SPAXS (together with the relevant amendment to SPAXS' corporate purpose) and that such approval does not cause the exercise of the right of withdrawal on the part of as many shareholders representing at least thirty per cent (30%) of the ordinary share capital of SPAXS where the same did not approve the abovementioned amendment to the corporate purpose necessary to implement the transaction or, where the withdrawal is exercised, that the same does not require the redemption or the cancellation of a number of shares equal to or more than 30% of the number of ordinary shares of SPAXS, all in compliance with the provisions of Article 15.4 of the SPAXS' Articles of Association.

With the exception of the conditions precedent provided for in (iii), (iv) and (v) of this Paragraph 1.1.2, which must in any event occur before the Effective Date, additional conditions precedent may be renounced by SPAXS.

With regard to the additional conditions laid down in the Framework Agreement to complete the Business Combination, refer also to Paragraph 1.1.8.

Concerning, more specifically, the authorisations to complete the Business Combination to be issued by the competent Supervisory Authorities, one cannot exclude that these are not issued or that, in the context of the authorisation process, the abovementioned authorities require changes to future programs and strategies developed by SPAXS for the Integrated Group and that those changes may result in an extension of the time-frames to complete the Business Combination and/or an increased difficulty for the Integrated Group to execute their future programs and strategies.

Despite the commitments undertaken by the parties from time to time involved, to the extent of their competence, under the Framework Agreement, for the purpose of carrying out the abovementioned transactions and activities, it cannot be excluded that such transactions and/or activities are not completely and exactly executed and that, therefore, the Business Combination cannot be carried out according to the envisaged procedures and deadlines.

For further information on the Framework Agreement, refer to Chapter 2 of the Information Document.

1.1.3 Potential conflicts of interest involving the members of the Board of Directors of SPAXS

Except as described below, none of the members of the Board of Directors holds shareholdings in the Issuer's share capital on the Information Document Date.

On the Information Document Date, the Promoting Companies hold 100% of the Special Shares.

With reference to members of the Board of Directors, it should be noted specifically that on the date of the Information Document: (i) Corrado Passera, the Executive Chairman of the Board of Directors of the Company, indirectly holds a majority interest in Tetis, which holds 99% of the Special Shares, and holds the office of sole director of Metis, Tetis' parent company; (ii) the Company director, Andrea Clamer, holds 100% of AC Valuecreation, which holds 1% of the Special Shares; and (iii) Massimo Brambilla, Company director, holds a minority interest in Metis and holds the office of sole director of Tetis.

It should be noted that in the event of dissolution of the Company as a result of the failure to complete the Material Transaction by the Maximum Deadline: (i) the conditions to convert SPAXS' Special Shares into SPAXS' Ordinary Shares will not occur; and (ii) the SPAXS' Special Shares will be subordinated to the SPAXS' Ordinary Shares when allocating the assets as part of the liquidation process, as indicated in Article 28 of SPAXS' Articles of Association. For these reasons, the members of the Board of Directors may find themselves in a situation of potential conflict of interest when assessing the expediency of the Business Combination and the consistency of the terms and conditions thereof with the Company's best interest.

It should be noted that, as at the Information Document Date, SPAXS has entered a consulting agreement with Neprix S.r.l. ("**Neprix**"), a company in which the Director Andrea Clamer holds a 50% stake in the share capital, intended to analyse non-performing loan portfolios, instrumental to SPAXS identifying and evaluating potential target companies for the completion of the Material Transaction. For more information, please refer to Paragraph 3.1.12 below of the Information Document.

For more information, refer to Chapter 3, Paragraph 3.1.10 of the Information Document.

1.1.4 Risks related to the due diligence conducted on Banca Interprovinciale

The Acquisition was approved by the Board of Directors of SPAXS after conducting a proper due diligence to adequately assess BIP as the target for the potential investment.

However it is not certain that such activity could detect all critical aspects relevant to BIP, and the future risks that might result from the investment in that company.

Where, after the Acquisition's completion, capital losses and/or lack of financial assets or an increase in liabilities that were not detected during the due diligence should arise, these could have an adverse effect on SPAXS' assets and results as well as on the market price of SPAXS' Ordinary Shares and the Conditional Share Rights. In this regard, please refer to Chapter 2, Paragraph 2.1 of the Information Document.

1.1.5 Risks related to the limits of indemnification by Banca Interprovinciale's shareholders

The Framework Agreement, in line with market practice for similar operations, provides for a series of representations and warranties provided by BIP Shareholders concerning the full amount of any liability incurred as a result of or arising from any breach of BIP Shareholders' representations and warranties.

In relation to the indemnity obligations, except for wilful misconduct or gross negligence, BIP Shareholders will not be held to any indemnification obligation under the Framework Agreement (i) up to where such indemnification does not exceed the aggregate amount of EUR 250,000.00, intended as a deductible, (ii) for single events with indemnities that are less than EUR 10,000.00, on the understanding that any serial events will be considered as a single event, and (iii) with a maximum limit equal to 10% of the aggregate value of the price of the shares for sale and the price of the shares for contribution.

Furthermore, under the Framework Agreement, the indemnity obligations assumed by the BIP Shareholders are secured by an escrow agreement under which the Company will pay 10% of the price, into a bank account under the BIP Shareholders' name and tied up by SPAXS, with the specification that part of that amount will be represented by a percentage of SPAXS' shares (subscribed by BIP Shareholders) that will be transferred into a specific securities account within the abovementioned escrow account.

Such indemnity obligations shall be effective up to and no later than the twelfth month after the Effective Date of the Framework Agreement.

Any occurrence or onset of the lack of assets, capital losses or contingent liabilities related to BIP or to the activities carried out thereby, which were not covered by the representations and warranties issued by the BIP Shareholders or in relation to which it is still not possible to obtain compensation for the relevant damages from BIP Shareholders or that are of a magnitude such as to considerably exceed the abovementioned liability limit (equal to 10% of the aggregate value of the price of the shares for sale and the price of the shares for contribution), could have adverse consequences on the operating results, financial position and cash flows of the Integrated Group.

For more information on the Framework Agreement, please refer to Paragraph 2.3 below of Information Document.

1.1.6 Risks related to reliance of SPAXS' assets and, after the Business Combination, of the Integrated Group, on key managers

The development and future results of SPAXS and BIP after the Business Combination significantly depend on certain key individuals, such as the Executive Chairman of the Board of Directors of the Issuer, Corrado Passera, and Andrea Clamer, in addition to other key individuals, members of the Company's Board of Directors. In view of the above, although SPAXS considers - from an operational and managerial point - that after the Business Combination the Company and BIP will be have a structure that can ensure continuity in managing the activities carried out by BIP and in the development of SPAXS' programs and future strategies (for which more information may be found in the following Chapter 4, Paragraph 4.5. of the Information Document), it is conceivable that, if one or more of those key individuals cease to fill the role covered up to now, or that could be covered in BIP after the Business Combination, and SPAXS and/or, as the case may be, BIP is unable to replace them promptly with individuals having adequate characteristics, this may have a negative consequence on SPAXS' and BIP's competitiveness and growth prospects and adversely affect the forecasted targets, with potential negative consequences on the activities and on the growth prospects thereof, as well as on their respective operating results, financial position and cash flows.

For more information about SPAXS' and BIP's governance after the Business Combination see Chapter 4 and Chapter 3, Paragraph 3.2.11, respectively, of the Information Document.

1.1.7 Risks related and to the programs and future strategies and to the consequences expected from the Business Combination

After completing the Business Combination, SPAXS' strategic plan envisages the development of a new bank focused on three synergic and complementary activities: retail digital business (retail department), Mid-Corporate business (SME department) and NPL business (NPL department).

The Integrated Group's capacity to generate profits and pursue its own programs and future goals, achieving adequate levels of profitability, depends on the success in implementing its commercial and financial strategy. Where the abovementioned strategic plan is not completed in the forecasted manner and/or time frames, also as a result of penetrating new market segments less than expected, and/or where the guidelines and assumptions upon which the Issuer based its strategy prove to be incorrect and/or the Integrated Group is unable to take on the new initiatives in the expected manner and time frames and/or that such initiatives do not generate the expected revenues or where the strategy does not achieve the expected results, the activity and growth prospects of the Issuer and/or of BIP and/or of the Integrated Group may be adversely affected, with negative consequences on the operating results, financial position and cash flows of the Issuer and/or of BIP and/or of the Integrated Group.

Furthermore, with specific regard to the NPL sector, SPAXS intends to operate in a competitive market and will thus be exposed to the risks arising from competition in the distressed assets market. Where the Integrated Group fails to attract a number of new mandates in line with expectations, the revenues from operations may be lower than expected, with negative consequences on the activities and prospects of SPAXS and/or of BIP and/or of the Integrated Group.

More specifically, considering the growing interest in the sector of managing non-performing loans also by highly skilled professionals, one cannot exclude that the Integrated Group is not involved, or does become involved to a lesser extent than expected, in any material transactions in Italy involving the sale of non-performing loan portfolios and the subsequent transfer under management of the same to specialised servicers, with consequent negative effects on the operating results, financial position and cash flows of SPAXS and/or of BIP and/or of the Integrated Group.

Finally, for the sake of completeness, it should be noted that, assuming that the macroeconomic scenario in Italy improves, a reduction in the deterioration rate might occur and that would reduce the amount of receivables that would be classified as non-performing loans. That circumstance might limit the possibilities for SPAXS and/or for BIP and/or for the Integrated Group to implement their own future plans and strategies.

By virtue of the foregoing, the market price of the Ordinary Shares and the Conditional Share Rights after the Business Combination might suffer a decline where the results of SPAXS are lower than expected, or where the benefits expected from the market, from investors or from financial analysts are not obtained within the time frame and/or in the expected magnitude.

Investors may consequently suffer a loss of their investment and the capacity of the Company to raise risk capital in the future, if necessary, could be adversely affected.

For more information on SPAXS' future programs and strategies, refer to Chapter 4, Paragraph 4.5 of the Information Document further below.

1.1.8 Risks associated with the failure to reach the minimum threshold of BIP Shareholders for executing the Business Combination

In addition to the conditions precedent referred to in paragraph 1.1.2 above of the Information Document (to which we refer), the Framework Agreement provides for, an additional condition whose non-occurrence will result in the non-execution of the Framework Agreement.

More specifically, the Framework Agreement provides, *inter alia*, that by entering into the Framework Agreement, it is essential that SPAXS becomes the owner of at least 86% of BIP's share capital, of which at least 66.98% of BIP's share capital must be represented by shares for sale. Thus, where BIP Shareholders are not willing to transfer at least 86% of BIP Shares, SPAXS will not be further obligated to carry out and will be released from all obligations arising from the Framework Agreement, without prejudice to its right to be reimbursed for the costs incurred in connection with the Business Combination. Please note that "transfer" must be construed (i) as the change of ownership of the BIP Shares held by the Selling Shareholders for SPAXS, and (ii) as the contribution of BIP Shares into SPAXS by the Contributing Shareholders.

Furthermore, so as to allow BIP shareholders the maximum participation possible in the Material Transaction, the Framework Agreement provides for the possibility that no later than ten (10) business days from the Subscription Date, other BIP shareholders may undertake to sell to SPAXS, which undertakes to purchase with effect from the Effective Date, more BIP shares in exchange for a pro-rata consideration, without prejudice to the additional terms and conditions provided for in the Framework Agreement.

Finally, by way of exception, under the Framework Agreement, SPAXS agrees to execute the Material Transaction where, on the Effective Date, no more than 5% (five per cent) of the shares for sale (the "**Minimum Share Threshold for Sale**") - as regards the percentages indicated in the Framework Agreement itself - and no more than 5% (five per cent) of the shares to be contributed (the "**Minimum Share Contribution Threshold**") - as regards the shares for contribution indicated in the Framework Agreement - are transferred to SPAXS on the understanding that it is of essential importance for SPAXS, and a fundamental reason for its reliance to execute the Material Transaction, to become the owner of the shares for sale for no less than the Minimum Share Threshold for Sale and to become the owner of shares contributed for no less than the Minimum Share Contribution Threshold.

In view of the foregoing, despite the commitments undertaken by the parties concerned from time to time, and to the extent of their competences under the Framework Agreement, for the purposes of completing the Business Combination, one cannot exclude that, despite the possibility for SPAXS to forsake the thresholds envisaged in the Framework Agreement to the fullest extent provided for therein, the abovementioned condition might not be completely and duly implemented and that, accordingly, the Business Combination cannot be executed in accordance with the envisaged procedures and deadlines.

1.1.9 Risks related to BIP's operating figures, balance sheet and cash flow statement

The Issuer assumes no direct and/or indirect responsibility for the accuracy, thoroughness or completeness of any and all information regarding BIP'S financial statements.

Information about BIP contained in this Information Document are mainly derived from the data and information to which the Issuer has had access in the course of the due diligence and the negotiations held in the context of the Business Combination, apart from publicly available data.

The Issuer, while considering the abovementioned information sufficient to complete the Business Combination, cannot guarantee that (i) contingent liabilities and/or lack of assets unknown and/or unforeseeable upon completion of the Business Combination could occur in the future and (ii) that, in consideration of the events that occur, the same information is likely to thoroughly show BIP's operating results, financial position and cash flows to the investing public.

Finally, the Information Document contains financial information relating to BIP as at 31 December 2017 arising from the draft of BIP's financial statements for the year ended on 31 December 2017 approved by the BIP's Board of Directors on 29 March 2018 and audited by the Bank's auditing company Deloitte & Touche S.p.A., which issued its report on 3 April 2018. We note in this regard that, as at the date of the Information Document, the abovementioned draft of the financial statements has not yet been approved by the Shareholders' Meeting of BIP and, therefore, one cannot exclude that the information contained in the abovementioned draft and cited in this Information Document are changed by the Shareholders' Meeting.

1.1.10 Pro forma data risks

SPAXS' Pro-forma Consolidated Statements contained in the Information Document, analysed by the External Audit Firm, which issued its report on 12 April 2018, were prepared so as to retroactively simulate, according to the evaluation criteria consistent with historical data and in compliance with the relevant regulations, the main consequences deriving from the admission to trading of SPAXS' financial instruments on the AIM Italia and from the Business Combination, connected to executing the Acquisition and the BIP Reserved Capital Increase.

Since the pro-forma consolidated statements are based on assumptions, there is a risk that, where the abovementioned operations actually took place on the dates taken as reference for preparing the pro-forma data instead of the effective dates, the results obtained would be different from that represented in the pro-forma consolidated statements.

Furthermore, the pro-forma consolidated statements do not show prospective data and are not intended to provide a forecast of the Integrated Group's future performance, since they are designed for the sole purpose of providing a representation (for information purposes) of the unique and objectively measurable consequences of the abovementioned operations on the main data of the consolidated income and cash flow statements of SPAXS.

Finally, in view of the of the pro-forma consolidated statements' different purposes as regards the historical financial statements' data and the different means of calculating the results, the pro-forma projections must be read and interpreted separately from the historical data, by avoiding looking for accounting connections and without relying on the same when making their investment decisions.

For more information, please refer to Chapter 5 of the Information Document.

1.1.11 Risks associated with estimates and forecasts

The evaluation process carried out for the purposes of the Business Combination has involved estimates and forecasts relating *inter alia* to the activity, to the results of the activities and to the relevant risk factors for BIP and its business.

These estimates and forecasts are based on BIP's data that, although at the time deemed reasonable, could turn out to be incorrect in the future. Furthermore, many factors could cause discrepancies in the development, in the results or in the performance of SPAXS after the Business Combination compared to what was explicitly or implicitly expressed as estimates and forecasts.

These factors, for example, include:

- changes in the economic, and/or business or legal standing in general;
- changes and instability in interest rates and stock prices;
- changes in government policies and regulations;
- changes in BIP's competitive scenario;
- ability to achieve revenue and cost synergies;
- factors that are unknown to the companies involved in the Business Combination.

The actual occurrence of one or more risks or the erroneous nature of the underlying assumptions developed by the companies involved in the Business Combination may cause materially different results from those used in the estimates and forecasts contained in the evaluation process carried out in the context of the Acquisition, as well as lead to a change of BIP's development model described in Paragraph 4.5 of this Information Document.

1.1.12 Relations with Nomad

On the Information Document Date, Banca IMI covers the role of Nomad and Specialist, and covers the role of joint global coordinator and joint bookrunner, together with Credit Suisse, in the context of the placement of the Ordinary Shares and Conditional Share Rights for the admission to trading on AIM Italia. Because of those roles, Banca IMI received fees in connection with the procedure to admit the Ordinary Shares and Conditional Share Rights to trading on AIM Italia, for which the Trading Admission Document should be consulted, and will receive additional fees where a Material Transaction is completed, subject to the execution of the Material Transaction itself.

In addition to the foregoing, Banca IMI holds Ordinary Shares of the Issuer and the relevant Conditional Share Rights and, after the Business Combination, will hold a shareholding in the company resulting from the Material Transaction.

Furthermore, Banca IMI (and/or one of the other companies belonging to the Intesa Sanpaolo bank group ("**ISP Group**")), in the regular exercise of its activities, may operate, on its own behalf or on behalf of its customers, on the Issuer's Ordinary Shares and Conditional Share Rights and acquire the relevant Conversion Shares resulting from the conversion of the Conditional Share Rights held; may provide trading, lending, investment banking, asset management and corporate finance services in the future, also on a continuous basis, to the Issuer and/or the Promoting Companies, for which it will receive fees.

1.2 RISK FACTORS FOR THE TARGET COMPANY AND ITS MARKET

1.2.1 Risks relating to constraints on the distribution of dividends of Banca Interprovinciale

On the Information Document Date, neither SPAXS nor BIP had established a dividend distribution policy.

With reference to the financial statements ended on 31 December 2017 and on 31 December 2016, BIP had not proposed any dividend distributions.

There is no guarantee that SPAXS and/or BIP will generate distributable profits in the future, nor that, in such a case, the competent bodies resolve to distribute dividends to the shareholders of BIP and/or SPAXS, respectively.

For more information on BIP's performance see Chapter 3, Paragraph 3.2.16 of the Information Document.

1.2.2 Risks associated with the high level of competitiveness in the industries where Banca Interprovinciale operates

The industry in which Banca Interprovinciale operates is very competitive on products, innovation and pricing. Banca Interprovinciale competes, among other things, in the market segments and in the territory in which it operates with primary international banking groups. BIP is therefore subject to the risks arising from competition in the respective areas of activity in all territories in which they operate, and faces the risks arising from banking business in the Italian socio-economic context.

In the past decade, several mergers and acquisitions have increased the degree of concentration of the Italian banking system by reducing the number of operators.

The picture has then made more complex by the entry to the market of highly competitive foreign operators also due to lighter and more flexible cost structures. The current consolidation phase in the market is certainly characterised by elevated competitiveness, made even stronger by the transposition of European Community directives intended to liberalise the European banking sector, by progressive deregulation of the banking sector, which encouraged competition in the most traditional areas of the business, by increasing competition in those banking services which generate fee income - revenues that make up an increasingly significant component of the banks' revenues in a context where net interest income is difficult to sustain.

Also, the advent of new technologies and new distribution models (internet and online banking) encourages rethinking the traditional structures of branch franchises and their cost structures.

The abovementioned context may have a negative effect on the operating results and financial position and performance of BIP that might actually fail to maintain or increase its current presence in markets and in terms of profitability achieved up to the Information Document Date, with negative consequences on the operating results, financial position and cash flows for BIP and, after the Business Combination, for SPAXS. For information on BIP's target market, refer to Chapter 3, Paragraph 3.2.3 of the Information Document.

1.2.3 Risks related to the concentration of receivables/customers

On the Information Document Date, Banca Interprovinciale, while respecting the constraints envisaged in its internal policies, holds a portfolio of loans to customers characterised by a significant degree of concentration to individual customers, as well as to groups of related customers.

On 31 December 2017, BIP's overall gross exposure towards the first 30 customer loans by individual customer amounted to EUR 113.7 million, representing 36% of the total performing loans' portfolio, while BIP's overall gross exposure towards the first 30 customers loans by groups of related customers amounts to EUR 121.2 million and represents 38% of the total performing loans portfolio.

Due to the concentration of customers towards which BIP is exposed, the potential deterioration of its main customers' creditworthiness could cause adverse consequences for the operating results, financial position and cash flows for BIP, and, after the Business Combination, for the Integrated Group.

With regards to direct deposits from customers, the first 30 customers represent 32% of the total for an aggregate amount of EUR 166.9 million.

Due to the concentration of BIP's clientele concerning direct deposits, the potential loss of its key customers could lead to negative consequences for the Target's operating results, financial position and cash flows.

1.2.4 Interest Rate Risks; banking book

BIP's banking book is exposed to the risk of interest rate fluctuations, which is the current or prospective risk of changes to the net interest margin caused by unexpected movements in interest rates that impact the banking book. Interest rate risk consists of interest rate changes that are reflected:

- on the formation of the net interest margin and consequently on the profits of the Bank (cash flow risk);
- on the current net value of assets and liabilities, by impacting on the current value of future cash flows (fair value risk).

Interest rate risk originates from assets, liabilities and off-balance sheet items, whose values are affected by changes in interest rates and more specifically by the temporal misalignment concerning the maturity or the re-pricing between interest-bearing assets and interest-bearing liabilities. As these items make up the largest share by far of the Bank's assets and liabilities, the interest rate risk is certainly relevant. The management of interest rate risks intends to limit the impact of adverse changes to the rate curve on both the economic value as well as on the cash flows generated by balance sheet items.

Exposure to interest rate risk is measured through Gap analysis and Sensitivity analysis models, on all financial instruments, assets and liabilities, which are not included in the trading book in accordance with supervisory regulations. Exposure to the interest rate risk is therefore generally assessed according to two different perspectives:

– in the short-term, the "earnings perspective" may be adopted, which focuses on the impact produced by changes in interest rates on the profits earned or recorded. The income component taken into greater consideration shall be the interest obtained from the difference between interest-bearing assets and interest-bearing liabilities.

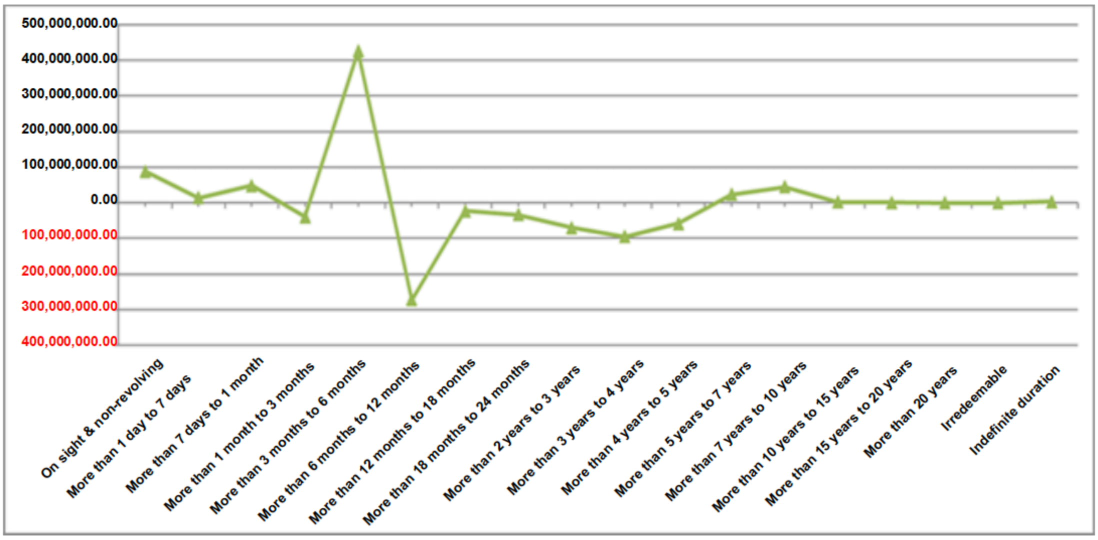
– to have, however, a long-term vision of the effects of the changes in interest rates, the "economic value perspective" may be adopted, which is a method to assess the sensitivity of the Bank's net worth to rate movements.

Exposure to interest rate risks is curbed primarily by indexing the assets and liabilities with money market parameters, typically Euribor for BIP, and by balancing the duration of the assets and liabilities on low levels.

In fact, BIP periodically measures its exposure to interest rate risks for the assets and liabilities included in the banking book, by using the simplified methodology described in Annex C of Ministerial Memorandum 285, and valid precisely for measuring internal capital against the same risk. In order, therefore, to monitor compliance with the ceiling envisaged in the Risk Appetite Framework (RAF) and to ensure that it is still curbed within 20% of the ratio between the change of the economic value and own funds, its value on the banking book is periodically analysed both for the case of stress with parallel shock to the interest rate of +/- 200 bps, as well as under ordinary conditions by taking the 99 degree percentile (in the event of a rise in interest rates) as the shock reference or the 1 degree percentile (in case of falling interest rates) based on what has been empirically observed during the 12 months for a total of 6-year observation period, in both cases by ensuring the non-negativity constraint of rates. Furthermore, the analysis is also extended to a scenario defined by the Bank in order to complete the assessment; this scenario is specific and more relevant for the bank as it is drawn based on the specificity of the Bank itself and considering the historical experience of the Bank itself.

The sensitivity analysis of the economic value carried out on 31 December 2017 for all the case scenarios resulted in a constant negative risk, in other words an increase in value that was prudently assumed equal to zero.

The remaining life for the rate re-pricing date - expressed in maturity bands, offsetting the asset and liability items - has an asset imbalance in the 3 to 6 months band, caused by the preponderance of government bonds (issued by the Italian State) at variable rates, as well as a liability imbalance in the 6 to 12 months band due to the TLTRO I operations.



In addition to the sensitivity analysis, an estimate of the change in interest income is also carried out. Margin sensitivity is measured using a method that estimates the change expected for the interest income, after a curve shock generated by the items that are vulnerable to a rate adjustment within a gapping period fixed at 12 months from the date of the analysis. The analysis takes into account the change in interest margin to the sight items as well as the margin change to term items. This measure shows the effect of changes in market rates on the interest income over the next 12 months, in the context of a simplistic view of steady assets and liabilities (static gap), by excluding the potential consequences arising from the new performance or from future changes in the mix of assets and liabilities. In the scenario of +200 bps positive interest rate shock, the change in interest income as at 31 December 2017 would amount to approximately EUR 6.3 million, while in the negative interest rate shock scenario of -200 bps with a non-negativity rate constraint, the change would be non-existent. Furthermore, a scenario was developed with a non-negativity constraint equal to a 3 month Euribor rate (more realistic assumption given the current performance of the rate curve) and in this case the effect on the margin on the same date of 31 December 2017 with a -200 bps negative shock would be EUR -0.1 million.

The impact on the interest income from variable rate securities is significant, as at the reporting date of 31 December 2017 these securities amount to a par value of about EUR 452 million (or 76% of the debt securities on the reference date); in the case of parallel translation of the interest rate curve of + 200 bps, the quantifiable increase on the interest income would be approximately EUR 9 million on the same date.

No specific hedges have been carried out through derivatives to reduce exposure to adverse changes in the fair value (Fair Value Hedge) due to interest rate risk.

No Cash Flow Hedges have been reported.

There are no hedges of foreign investment.

Although the Bank monitors the risks resulting from the performance of financial markets, one cannot exclude that market instability, potentially low liquidity thereof, as well as the change in investors' preferences towards certain types of products can have significant adverse consequences on the operating results, financial position and/or cash flows of Banca Interprovinciale and, after the Business Combination, of SPAXS and of the Integrated Group.

1.2.5 Risks related to the adequacy of provisions for risks and charges and pending disputes

On the Information Document Date, BIP is involved in one (1) pending court proceeding as defendant, namely (i) an action for EUR 156,000 raised by the bankruptcy receivership of the company Aesse S.r.l. to obtain a declaration of invalidity of the off-set under Article 56 of the Italian Bankruptcy Law made by BIP under the lease payments relating to the property situated in Formigine (Province of Modena), at that time leased by BIP for an annual amount of EUR 45,000.00 (forty-five thousand and no/100) - as revalued from year to year - on the basis of which no provision for risks and expenses had been allocated. Furthermore the former Chief Executive Officer, the former Chairman of the Board of Directors, the General Director and two branch managers were served a notice of objection to dismiss the criminal proceedings brought by an account holder of BIP against it for the offences of usury and extortion.

Note that BIP's Board of Directors resolved to file an action for damages against the former directors of Banca Emilveneta S.p.A. (the subject of a merger by incorporation into BIP) for the alleged damages caused to the Target Company due to the unsound management by the same that, on the Information Document Date, is in the preparatory stage and has not yet been introduced.

Concerning litigation, given the intrinsic risk involved with court proceedings, even if BIP considers the risk of losing the disputes, pending on the Information Document Date and in which it is involved, unlikely, one cannot exclude that, in the event of failure, or where further litigations arise, adverse consequences may result also as to its reputation as well as on the operating results, financial position and cash flows for BIP and, after the Business Combination, for the Integrated Group.

Note that, for the sake of completeness, on Information Document Date, BIP is involved as claimant in 58 actions brought by the same to recover credits arising, almost entirely, from granting loans and/or credit facilities, for a total liability of EUR 13,431,446.57. As at 31 December 2017 most of the credits covered by the action for recovery were written down with a coverage ratio of 47%.

1.2.6 Risks related to the administrative liability of legal persons

On the Information Document Date, although Banca Interprovinciale had commenced the activity to comply with the regulations provided for by Legislative Decree No. 231/2001, also in consideration of the guidelines that ABI provided for the preparation of that model, it did not adopt an organisational, management and control model and did not establish an internal supervisory body under Legislative Decree No. 231/2001.

However, it should be noted that, although that obligation to adopt is not envisaged for banks, in the event of disputes, failure to adopt the organisation, management and control model might be considered an aggravating circumstance for the purpose of applying the relative penalties.

In brief, it should be pointed out that under Legislative Decree 231/2001, failure to adopt an organisation, management and control model could result in, based on the circumstances, (i) fines calculated on a quota system that will be evaluated by the Court, (ii) bans, such as the prohibition to exercise business, (iii) suspension or revocation of authorisations, licences or concessions, (iv) the prohibition of contracting with the Government, and (v) the prohibition of advertising goods and services, (vi) seizure and publication of the judgment.

1.2.7 Risks associated with relationships with counterparties (customers and Debtors)

Banca Interprovinciale is exposed to risks associated with customer and debtor relationships that are substantiated through, *inter alia*, its counterparties potentially terminating their own contractual relationships with BIP deciding to look towards other credit institutions to provide loans and deposits and bank accounts.

The following table summarises the values of the financial assets and liabilities in respect of the Target's clientele on 31 December 2017 divided by the contractual expiry.

EUR in thousands	**Items/Time bracket**	**On sight**	**For more than 1 day up to 1 year**	**For more than 1 year up to 5 years**	**Over 5 years**
Financial assets with customers	Loans to customers	106,304	66,491	108,793	51,890
	% of total Loans to customers	31.9%	19.9%	32.6%	15.6%
Financial liabilities to customers	Deposits and bank accounts	399,377	21,102	4,792	-
	Debt securities	444	34,957	60,399	-
	Total financial liabilities to customers	399,821	56,059	65,191	-
	% of total financial liabilities to customers	76.7%	10.8%	12.5%	-

As at 31 December 2017, the incidence of loans with customers with contractual maturities of less than one year out of the total loans to customers is equal to 51.8%, while loans to customers with maturities exceeding one year represent 48.2% of the total.

The incidence of financial liabilities to customers with contractual maturities of less than one year out of the total financial liabilities to customers is equal to 87.5%, while the financial liabilities to customers with maturities exceeding one year represent 12.5% of the total.

Although BIP has consolidated its customer relations over time, one cannot exclude that these may choose to turn to other credit institutions, nor is it possible to exclude a future reduction in the volume of loans or of direct funding with customers with potential negative consequences on the operating results, financial position and cash flows for BIP and, after the Business Combination, for the Integrated Group.

1.2.8 Risks related to sovereign debt

Banca Interprovinciale's exposure towards governments and central banks is almost entirely composed of government bonds issued by the Italian State.

As at 31 December 2017 the balance sheet value of BIP's exposures in Italian Government bonds is EUR 565.3 million, classified in accounting category "*financial assets available for sale*" ("**AFS**"). These exposures represent

52.6% of BIP's total assets on the same date.

The following table summarises its exposure in Government bonds as at 31 December 2017, entirely represented by financial assets available for sale, broken down by their contractual maturity, based on the book value in thousands of Euros.

EUR in thousands	**Financial assets available for sale**
Up to 6 months	5,018
From 6 months up to 1 year	122,365
From 1 year up to 3 years	143,088
From 3 years up to 5 years	142,008
From 5 years up to 10 years	152,794
Total	**565,273**

The financial instruments listed in the table above were evaluated according to the precise criteria of the relevant category of those instruments. More specifically, the securities budgeted under the AFS item are assessed at fair value determined on the basis of their listings as at 29 December 2017 (last day of the financial year for the Borsa Italiana). The evaluation component of the government bonds amounts to EUR 2.4 million recorded in the context of "Valuation reserves" of BIP's financial statements as at 31 December 2017.

The following table provides a comparison of the ratings as at 11 April 2018 assigned by the rating agencies Moody's, Fitch, Standard & Poor's and DBRS to the Italian sovereign debt.

	Credit rating agency							
	Moody's		Fitch		Standard & Poor's		DBRS	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
Italy	Baa2	Negative	BBB	Stable	BBB	Stable	BBB (high)	Stable

The risk linked to the capacity of an issuer to meet its obligations, which arose as a result of the issuance of debt securities and money market instruments, is in practice defined by the reference to the credit rating assigned by independent rating agencies. These assessments and related research can help investors analyse the credit risks linked to financial instruments, since they provide an indication of the capacity of issuers to meet their obligations. The lower the rating on their scale, the higher the risk, as assessed by the rating agency, that an issuer fails to meet its obligations on maturity, or that it fails to entirely or promptly meet them. The outlook, however, is the parameter indicating the trend expected in the near future about the ratings assigned to an issuer.

A rating is not a recommendation to buy, sell or hold any financial instrument issued and may be suspended, reduced or withdrawn at any time by the credit rating agency that assigned it. A suspension, reduction or withdrawal of a rating assigned may adversely affect the market price. Moreover, such changes in ratings may not reflect promptly the changes in the issuer's solvency.

In this regard it should be noted that after 11 April 2018 and up to this Information Document Date, no significant variations occurred to the above ratings.

As at 31 December 2017, BIP was consequently exposed within the abovementioned terms to the trend of Italian public debt securities. The persistence of pressures on the government bond market or the instability of these could lead to adverse consequences, even significant, on the assets and on the operating results, financial position and cash flows for BIP and, after the Business Combination, for the Integrated Group. Moreover, a deterioration of the creditworthiness of the Italian Republic, combined with a decrease in the value of securities, would create a negative impact on the value of the assets classified in BIP's AFS portfolio with potential adverse consequences on the operating results, financial position and cash flows for BIP and, after the Business Combination, for the Integrated Group.

1.2.9 Risks associated with capital adequacy

Generally, the assessment of capital adequacy from a regulatory standpoint is based on the constant monitoring of Own Funds, of the Risk-Weighted Assets (RWA) and on the comparison with the minimum regulatory requirements, including additional capital reserves provided for by the applicable legislation.

The following table provides information on Own Funds, on capital adequacy and on capital ratios of Banca Interprovinciale as at 31 December 2017.

EUR in thousands	**31 Dec. 2017**
A. Common Equity Tier 1 (CET) before applying prudential filters	60,070
of which CET1 instruments covered by transitional provisions	2.631
B. CET1 prudential filters (+/-)	(34)
C. CET1 earnings before deductions and the effects of the transitional arrangements (A +/- B)	60,036
D. Deductions from CET1	(7)
E. Transitional arrangements – Impact on CET1 (+/-)	(2,460)
F. Total Common Equity Tier 1 (CET 1) (C – D +/-E)	57,569
G. Additional Tier 1 (AT1) before deductions and the effects of the transitional arrangements	
H. Deductions from AT1	
I. Transitional arrangements – Impact on AT1 (+/-)	
L. Total Additional Tier 1 (AT1) (G - H +/- I)	
M. Common Equity Tier 2 (Tier 2 – T2) before deductions and the effects of the transitional arrangements	
of which T2 instruments covered by transitional provisions	
N. Deductions from T2	
O. Transitional arrangements – Impact on T2 (+/-)	27
P. Total Common Equity Tier 2 (Tier 2 – T2) (M - N +/- O)	27
Q. Total own funds (F + L + P)	57,596

%, in thousands of EUR	**31 Dec. 2017**
CET1 capital ratio	17.29%

Tier 1 capital ratio	17.29%
Total capital ratio	17.29%
RWA	333.038

As at 31 December 2017, by applying the transitional arrangements in force and considering the profit for the period, in that the regulatory conditions for its inclusion exist, Own Funds total EUR 57.60 million compared to RWA for EUR 333.04 million.

As at 31 December 2017, BIP's Total Capital Ratio amounts to 17.29%, exceeding the minimum regulatory requirements. The CET1 Ratio exceeds the regulatory limits and the minimum required threshold.

The Bank of Italy announced that from 1 January 2018, following the change to the Capital Conservation Buffer (from 1.25% to 1.875%), the new minimum capital ratios will be:

- CET1 ratio of 6.775%;
- Tier1 ratio of 8.425%;
- Total capital ratio of 10.625%.

Although on the Information Document Date the capital ratios exceed the minimum requirements set by prudential regulations, investors should consider that one cannot exclude that BIP may in the future find itself, in respect of unforeseeable events and external factors beyond its control and/or following further requests by the Supervisory Authority, requiring interventions to strengthen its capital, nor can one exclude that BIP may not be able to establish - within the forecasted deadlines - and/or maintain the minimum capital requirements envisaged by the laws in force from time to time or established from time to time by the Supervisory Authority, with potential negative consequences, even significant, on the assets and on the operating results, financial position and cash flows for BIP, and, after the Business Combination, for the Integrated Group.

1.2.10 Risks associated with BIP's liquidity

The availability of liquidity as well as access to long-term lending markets are essential elements to carry out the core business of bank and financial institution. More specifically, liquidity and long-term loans are essential to allow a bank to meet its foreseen or unforeseen payment obligations so as not to adversely affect its current operations or its financial position and/or operating results.

Liquidity risk refers to the inability of the Bank to meet its payment obligations, whether assured or planned with reasonable certainty. This happens when the Bank faces a sudden reduction in available cash or a sudden need to increase funding caused by internal causes (specific crisis) or external causes (macroeconomic conditions).

Typically, the liquidity risk is manifested in the following two forms:

- *market liquidity risk*: associated with the likelihood that the Bank is unable to liquidate an asset out of its total assets without incurring capital losses or with generally broader completion times due to reduced liquidity or inefficiencies of the relevant market; and
- *funding liquidity risk:* represents the possibility that the Bank might not be able to meet its expected and unexpected payment commitments, according to criteria of economic efficiency and without undermining its core business or the financial position of the Bank itself.

In terms of liquidity risk, the Bank has implemented solid strategies, policies, processes and systems to identify, measure, manage and monitor the liquidity risk. Deposits have always generally pointed out a gradual growth: as at 31 December 2017 customer deposits amounted to EUR 529 million, with an increase of EUR 59 million compared to the end of the previous year (+11%). The relevant framework for the measurement, monitoring and management system of the Bank's liquidity risk is defined within the policy governing the liquidity risk ("Policy on the strategies, liquidity management processes and relevant contingency plan") approved by the corporate governance bodies. Corporate risk policy is integrated by the contingency plan for liquidity management (Contingency Funding Plan – CFP), whose main purpose is to protect the bank's net assets in situations of liquidity shortage, by preparing crisis management strategies and procedures to raise other sources of funding in an emergency. The document describes the rules designed to achieve and maintain, through coordinated and efficient funding and investment policies, a sufficient level of diversification of funding sources and an adequate structural balance of sources and uses. The system governing the short-term liquidity risk as defined by the policy is based on a system of early warning thresholds and of constraints consistent with the general principles underlying liquidity management. The policy therefore defines the company units and bodies involved in the management of liquidity.

The finance department, with the help of the planning and management control department, aims to maintain a low level of liquidity risk exposure, by establishing a system of safeguards and constraints defined starting from analysing the gaps of financial flows (inflows and outflows) for the remaining lifetime. The primary objective of liquidity risk management is to meet its obligations for payment and to collect additional funds on the market, minimising costs and without adversely affecting potential future income.

In more detail, the liquidity risk is monitored by measuring, monitoring and managing the expected liquidity needs analysing the net cash balance, supplemented by stress tests that evaluate the ability of the bank to meet crisis scenarios characterised by an increasing level of severity.

The liquidity risk management processes and liquidity risk measuring methods provide for measuring and controlling:

- **operational liquidity** management (weekly): is the scope in which operations are carried out for short-term liquidity risk management (from 1 day to 3 months) whose objective is to ensure the capacity to immediately meet any payment obligation;
- **structural liquidity** management (quarterly), whose goal is to maintain, in the medium-long term, adequate correspondence between monetary income and expenditure on the different time horizons.

The net balance of cash is obtained from the operational liquidity ladder by comparing, on a time horizon of up to 3 months, the expected cash flow projection with the Counterbalancing Capacity. The cumulative sum of expected cash flows and the Counterbalancing Capacity, for each time frame, quantifies the liquidity risk assessed in different stress scenarios.

The goals of the stress tests consist in assessing the vulnerability of the bank to exceptional but plausible events and enable a better evaluation of the exposure to the liquidity risk, of the relevant mitigation and control systems and of the survival period in the event of adverse scenarios. The definition of stress scenarios, differentiated between basic and internal stress scenarios, include a number of risk factors that may alternatively affect the cumulative imbalance of inflows and outflows or the cash reserve, mainly:

- *Retail Funding risk*: instability of sight and term funding (on outstanding debt securities) from ordinary customers;
- *Off balance sheet liquidity risk*: use of the margins available on the irrevocable credit facilities granted;
- *Market liquidity risk*: reduction of the value of the securities that make up the cash reserve;
- Deterioration of credit risk.

Monitoring the level of coverage of expected liquidity needs through an adequate level of cash reserve is assisted by the daily monitoring of exposure on the interbank market. Where the previous limits and attention thresholds are exceeded, the Contingency Funding Plan is triggered.

Safeguarding the structural balance is finally achieved through the use of models that assess the stability level of the liabilities and the liquidity level of the assets to curb the risk associated with maturity transformations within the tolerance threshold considered acceptable by management. Assessment of the stability level of the liabilities and the liquidity level of the assets shall be based mainly on the criteria of remaining life.

As at reference date, the Bank shows no significant risk profile in terms of liquidity needs. Moreover, in accordance with the principle of sound and prudent management and in anticipation of a desirable development of the masses, the Bank has taken steps to equip itself with appropriate tools to measure this risk.

a) Liquidity Indicators

The main indicators used to assess the liquidity profile are as follows:

- ***Liquidity Coverage Ratio*** **(LCR**), is the indicator of short-term liquidity and corresponds to the ratio between the amount of high-quality liquid assets and the total net cash outflow in the following 30 calendar days. Starting from January 2018, the indicator is subject to a regulatory minimum requirement of 100%;
- ***Net Stable Funding Ratio*** **(NSFR),** aims to reduce the risk of longer term funding by requesting the Bank to finance its activities by tapping into sufficiently stable sources of funding, to mitigate the risk of future tensions on the funding front. The indicator is defined as the ratio between the amount of stable funding available (liabilities) and the amount of the mandatory stable supply (assets). This indicator, in force since January 2018, must constantly be maintained at 100%; and
- ***Loan to Deposit Ratio***, which represents the ratio of uses for customers and direct deposits from customers.

The table below shows the evolution of the three indicators for the years ended on 31 December 2017 and on 31 December 2016.

LIQUIDITY COVERAGE RATIO (LCR)	
December 2016	**December 2017**
203%	251%

NET STABLE FUNDING RATIO (NSFR)(*)	
December 2016	**December 2017**
179%	122%

(*) Management data resulting from internal simulation based on the consultation paper of the Basel Committee on Banking Supervision "Basel 3-international scheme for measuring, regulating and monitoring liquidity risk," December 2010.

LOAN TO DEPOSIT RATIO (**)	
December 2016	**December 2017**
58%	62%

(**) Calculated as Receivables from customers/(payables to customers + outstanding securities + financial liabilities

assessed at fair value) using the data extracted from the 2016 Financial Statements and from the 2017 Financial Statements, respectively.

The indicators as at 31 December 2016 and at 31 December 2017 were determined using the data extracted from the 2016 Financial Statements and the 2017 Financial Statements, respectively.

The short-term liquidity indicator, the Liquidity Coverage Ratio (LCR), as at 31 December 2017 is 251%, being above the minimum regulatory requirement applicable for 2017, amounting to 80%.

The LCR indicator is exposed to the risk of further negative changes connected to direct funding strains, to which the Bank is subjected, and any other negative events for liquidity (for example, downgrading of the Bank or drop in value of counterbalancing) which may occur in the near future.

The medium/long term liquidity indicator, the Net Stable Funding Ratio (NSFR), as at 31 December 2017 amounts to 122%, resulting in a decrease compared to 179% recorded as of December 2016. This decrease is related mainly to the impending maturities of TLTRO I long-term deposits in September 2018, which on the date Information Document Date have been partly repaid in advance.

As at 31 December 2017, the ratio of loans to customers and direct deposits (i.e. Loan-to-Deposit Ratio) for the Bank stood at 62% compared to 58% on 31 December 2016.

The Bank periodically monitors the concentration risk of its sources of funding. This risk exists and is mainly towards the European Central Bank. At the end of December 2017 interbank funding amounts to 47% of the total funding, 40% of which related to a single institutional counterparty that is the European Central Bank. The ALMM or the liquidity monitoring metrics, in addition to the main regulatory indicators (LCR and NSFR), are provided to the supervisory authorities on a quarterly basis. The goal is to provide the supervisory authorities with a comprehensive vision of the Bank's liquidity risk profile, through a further, detailed information document, and concerning aspects that are not represented (or only partially) by the LCR and NSFR indicators, so as to identify potential difficulties for intermediaries, marked by negative trends and/or absolute irregular values for those metrics.

Accordingly, one cannot exclude that a liquidity crisis, as a result of the uncertainties characterising the current macroeconomic scenario and market trends and, in general, any other events outside the Issuer's control, may have adverse consequences on the Bank's liquidity profile and require adopting measures that could have a negative impact on the operating results, financial position and/or cash flow the Issuer.

1.2.11 Operational risks

By operational risk is meant the risk of incurring losses resulting from inadequate or malfunctioning procedures, human resources and internal systems, or from external events. Losses from fraud, human error, business disruptions, system downtimes, breach of contract and natural disasters also fall under this category. Strategic risks and risks to reputation do not fall within this definition, while legal risks, intended as risks resulting from violating laws and other regulations, from failure to comply with contractual and non-contractual responsibilities, and from other disputes that may occur with counterparties during operations are included in this definition.

Operational risks, which constitute an heterogeneous group of risks, are not the commonplace risks associated with banking or business activity. The origin of these risks can be both internal and external, and the scope of their onset may extend beyond the corporate perimeter.

Operational risks are characterised by a cause and effect relationship that, in respect of one or more triggers, causes the detrimental event, or the effect, to which the economic loss is directly related. Therefore, the operating loss is determined by the set of adverse economic effects arising from operational factors found in the Company's accounting that are likely to have an impact on the income statement.

The main sources of operational risks are: the lack of reliability - in terms of effectiveness/efficiency - of the operational processes, internal and external fraud, operating errors, the level of physical and logical security, the inadequacy of the computer system as regards the size of the operations, the increasing use of automation, the outsourcing of business functions/activities, the use of few suppliers, changes in strategy, the presence of obsolete management and staff training policies, and ultimately social and environmental impacts.

Operational risk management is a component of the integrated risk management strategy that aims to reduce the overall risk level also by preventing the propagation and transformation of the risks themselves. Operational risk management is founded on the following guiding principles:

- strengthening overall operating efficiency;
- preventing the occurrence or reducing the probability of events that could potentially generate operating losses through appropriate regulatory and organisational interventions;
- mitigating the expected consequences of such events;
- taking out insurance policies to transfer risks that one does not intend to endure;
- safeguarding the reputation and the brand.

Identifying, evaluating and monitoring operational risks aim at specific risk-mitigation measures; the transfer of specific cases of risk is carried out by taking out insurance policies that offer a wide range of coverage for different types of potentially harmful events.

The Bank protects the systematic and structured collection of data loss originating from various business sectors; it makes appropriate analyses, frequently and adequately assesses the operational risks and may propose appropriate mitigating management interventions. The model for assessing and measuring operational risks is based on the use of internal data for operational losses, collected by the network of business contacts, and exclusively used for internal management purposes. For reporting purposes, Banca Interprovinciale uses the BIA (Basic Indicator Approach) method.

In the context of managing critical situations, the disaster recovery plan lays down the technical and organisational measures to cope with events that lead to the unavailability of data processing centres. The plan, intended to allow significant data processing procedures to operate in different sites than those of production, is an integral part of the business continuity plan, approved by the Board of Directors of BIP on 15 January 2014.

To calculate the regulatory requirement, Banca Interprovinciale uses the BIA method (Basic Indicator Approach) that provides for the calculation of the capital requirement by applying a regulatory coefficient of 15% to a business operations' volume indicator, identified at the three-year average of the relevant indicator determined under Article 316 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council.

One cannot exclude that the measures taken by BIP to mitigate the risk relating to its operations and to prevent and/or limit potential negative consequences are not adequate to face all types of risks that might occur and that one or more of these risks may occur in the future, caused by unforeseen events, entirely or in part beyond BIP's control (including, for example, fraud, scams or losses resulting from employees' dishonesty and/or violation of audit procedures). The potential occurrence of one or more of these risks might have an adverse effect on the business, on income prospects, and on the operating results, capital, financial position and cash flows for BIP and, after the Business Combination, for SPAXS.

1.2.12 *The risks related to the collection, storage and processing of personal data, to the breach of the security and confidentiality of computer systems used by BIP and to outsourcing relevant services.*

As at the Information Document Date, Banca Interprovinciale contracts most of its information services to CSE Consorzio Servizi Bancari Soc. Cons. a r.l. that takes care of, *inter alia*, (i) hosting the Bank's home banking application; (ii) providing virtual servers' services (including disaster recovery); (iii) providing the mobile banking app; (iv) storing records; (v) providing ATM and POS services; (vi) managing the transmission grid; and (vii) selling online reports. Whilst, on the one side, this concerns a market leader in providing these services, on the other, one cannot exclude criticality in the context of such outsourcing.

Notwithstanding the foregoing, BIP is still exposed to the risk that data are damaged, lost, stolen, disclosed or processed for purposes other than those authorised by its customers, also by unauthorised parties (both third parties and employees of BIP).

As at the Information Document Date, BIP commenced making adjustments to comply with Regulation (EU) 2016/679 of the European Parliament and of the Council (i.e. Data Protection Regulation No. 2016/679) that will come into effect on 25 May 2018, which the Bank foresees completing by approximately 10 May 2018. In this regard, it should be noted, for the sake of completeness, that the abovementioned Regulation, under Article 83, lists the "General conditions for imposing administrative fines" and the maximum statutory penalties, namely, administrative fines up to EUR 20 million, or for businesses, up to 4% of the total annual global turnover for the previous financial year, whichever is higher.

Any destruction, corruption or loss of customer data, their deprivation, their unauthorised processing or transmission, as well as the fines resulting from the incorrect and/or timely adjustment to the Data Protection Regulation No. 2016/679 would have a negative impact on the activities of BIP, including in terms of reputation, and might lead to BIP being fined by the Italian Data Protection Authority, resulting in adverse consequences on the operating results, financial position and cash flows for BIP and, after the Business Combination, the Integrated Group.

1.2.13 *Risks related to transactions with related parties*

As at the Information Document Date, BIP has had and continues to have relations with related parties.

Although BIP considers that such relationships are regulated by market conditions, there is no guarantee that where transactions made by BIP with related parties were completed between, or with, unrelated parties, the same would have negotiated and entered into the relevant agreements, or would have carried out the transactions regulated in the same, under the same conditions and with the same procedures.

In the case where capital losses and/or lack of financial assets or an increase in liabilities should arise from related party transactions, these could have an adverse effect on the assets and on the performance of BIP and, after the Business Combination, the Integrated Group.

For more information on related party transactions with BIP on the Information Document Date, please refer to Chapter 3, Paragraph 3.2.12.

1.2.14 *Risks related to the Risk Management process*

Banca Interprovinciale is exposed to risks associated with the wrong setting, or incorrect functioning, of its

Risk Management processes.

More specifically, BIP has an organisational structure, business processes, human resources and skills to identify, monitor, control and manage risks as well as to monitor credit performance (i.e., *Risk Management)* that it carries out in the course of its business, attributable primarily to the following types: counterparty and credit risks, liquidity risks, market and rate risks, concentration risks, operational risks and technological risks. As at the Information Document Date, such activity is mainly concentrated under the charge of one person assisted by three support persons. This concentration may accentuate the risk of any delays with analysing potential critical situations, potentially generating adverse effects on operating results, financial position and cash flows for BIP and, after the Business Combination, where such structure was to remain unchanged, for SPAXS.

For the purposes of the foregoing, more specifically, BIP develops specific policies and procedures that provide corrective mechanisms to be applied where these risks reach certain thresholds defined by the Bank of Italy or by BIP's Board of Directors. Some of the methods used to monitor and manage these risks involve observing historical market trends and the use of statistical models to identify, monitor, control and manage risks.

Where BIP's policies and procedures to identify, monitor and manage risks prove to be inadequate, or the assessments and the assumptions underlying these policies and procedures are proven to be incorrect, exposing BIP to unexpected or incorrectly quantified risks, BIP and, after the Business Combination, SPAXS, could suffer significant losses, with possible adverse consequences on the activities and prospects of BIP and, after the Business Combination, of SPAXS, as well as on their respective operating results, financial position and cash flows.

1.2.15 Risks related to deteriorating credit quality

Banca Interprovinciale is exposed to risks specific of lending activities that are substantiated, *inter alia*, in the possibility that its own contractual counterparties fail to meet all or part of the payment obligations undertaken, in their potential declining creditworthiness or, in the case where BIP grants, on the basis of false or partial information, credit that otherwise would not have been granted or that would have been granted under different conditions.

As at 31 December 2017 the net loans to customers amounted to EUR 326 million.

Within the aggregate amount, net performing loans to customers amounted to EUR 315.9 million and net Non-performing Exposures amounted to EUR 10.2, corresponding to 96.9% and 3.1%, respectively, of the aggregate loans to customers.

The gross Non-performing Exposures as at 31 December 2017 amount to EUR 18.4 million, and comprises bad loans for EUR 10.5 million, unlikely to pay for EUR 7.7 million and past due exposures for EUR 0.1 million.

The impact of Non-performing Exposures, before value adjustments, on gross loans to customers amounted to 5.4%.

The tables below show some indices that compare the asset quality of the Bank with the corresponding sector data as at 31 December 2017.

	As at 31 December 2017					
	BIP			**Total Italian banks***		
%	**Incidence of gross loans**	**Incidence of net loans**	**Coverage**	**Incidence of gross loans**	**Incidence of net loans**	**Coverage**
Bad loans	3.1%	1.5%	53.3%	10.4%	3.9%	65.6%
Unlikely to pay	2.3%	1.6%	33.4%	5.7%	4.1%	33.7%
Past due exposures	0.0%	0.0%	4.1%	0.4%	0.3%	19.2%
Non-performing Exposures	5.4%	3.1%	44.6%	16.4%	8.4%	53.5%
Performing loans	94.6%	96.9%	1.1%	83.6%	91.6%	0.6%

(*) Data as at 30 June 2017. Source: Bank of Italy, Financial Stability Review, No. 2, November 2017, page 26.

	As at 31 December 2017					
	Significant Italian banks*			**Less significant Italian banks***		
%	**Incidence of gross loans**	**Incidence of net loans**	**Coverage**	**Incidence of gross loans**	**Incidence of net loans**	**Coverage**
Bad loans	10.5%	3.8%	67.2%	11.8%	5.1%	60.8%
Unlikely to pay	5.7%	4.1%	35.0%	6.8%	5.3%	29.4%
Past due exposures	0.3%	0.2%	25.0%	0.9%	0.9%	9.5%
Non-performing Exposures	16.5%	8.2%	55.3%	19.5%	11.4%	47.5%
Performing loans	83.5%	91.8%	0.6%	80.5%	88.6%	0.7%

(*) Data as at 30 June 2017. Source: Bank of Italy, Financial Stability Review, No. 2, November 2017, page 26.

It should be noted that as at 31 December 2017 BIP had a lower incidence percentage for Non-performing Exposures on gross and net loans compared to the average industry data recorded on 30 June 2017, represented by the "Total Italian banks", by "Significant Italian banks" and "Less significant Italian banks". At the same time, BIP has coverage levels for Non-performing Exposures that are below the averages for the abovementioned entities, while the coverage levels for the performing segment are greater than the average for the Italian banking system.

Consider that the on-going state of crisis in credit markets, the deteriorating conditions of capital markets, the continuing global economic slowdown recorded in recent years, as well as contingent measures taken by the authorities of each country may further reduce the households disposable income and the profitability of businesses and/or have a further negative impact on the capacity of BIP customers to honour their commitments and to determine, as a result, a significant deterioration in the credit quality of the same, with possible negative consequences on the operating results, financial position and cash flow for BIP and, after the Business Combination, the Integrated Group.

1.2.16 *Risks associated with the Bank of Italy's supervisory initiatives*

Banca Interprovinciale, in as much as it carries out the banking business, is subject to comprehensive regulations and supervision of various authorities including, specifically, the Bank of Italy.

During an inspection made by the Bank of Italy, which ended on 30 June 2017, some observations concerning management profiles materialised, more specifically concerning areas of governance and controls, and credit and operational risks. At the end of an interim phase between the Supervisory Authority and the Target, it should be noted that, at the Information Document Date, there remain some profiles that must be handled, also by adopting and/or implementing suitable measures, including:

1. rapidly defining corporate development prospects through an updated strategic plan that considers the capital requirements and the need to sustain adequate income streams, in a context of lower economic contribution of "finance";
2. re-determining internal rules for transactions with related parties, also in terms of interest rates applied;
3. aligning internal policies with the legislation on remuneration policies, also taking into account the *"golden parachute"* accorded to the general manager for an aggregate of 36 months' salary in addition to a variable part;
4. monitoring the credit risk concentration profile, for the purpose of its progressive containment and by updating the impairment policy prepared for that purpose;
5. verifying the adequacy of the new internal process regarding the communication of "massive operations" and the application of "CIV";
6. verifying the adequacy of the new internal process regarding anti-money laundering.

It is recalled in this regard that the Bank of Italy submits, on a periodic basis, Banca Interprovinciale to several ordinary and extraordinary inspections and/or verifications, which feed the annual supervisory review and evaluation process (SREP), intended to ensure that the credit institution has adequate financial and organisational safeguards for the risks undertaken.

Although BIP considers to have adopted and/or resolved, on the Information Document Date, appropriate measures to manage the risks it has undertaken, and to manage the critical issues pointed out by the Authority in the context of the above inspections, there is no certainty that they are entirely or partially effective, or that they are considered such after further inspections and/or new findings from inspections and that, consequently, additional measures are necessary or desirable to remedy any shortcomings that may be detected, with potentially adverse consequences for BIP and, after the Business Combination, for the Integrated Group.

1.2.17 Risks arising from sanctioning proceedings instituted against some BIP executives

As at the Information Document Date: (i) investigations are being conducted against the Chairman of BIP Board of Directors, Mr Umberto Palmieri, - in his capacity as Statutory Auditor of the company GRES 2000 S.p.A., in which he held office until 20 September 2007 and which declared bankruptcy on 10 February 2010 - together with other individuals, within the criminal proceedings (General Criminal Records Registry No. 2305/2010 instituted before the Court of Crotone). Preliminary investigations are currently being conducted in relation to allegations of criminal bankruptcy committed by a person other than the business owner incorporating the crimes of unlawful repayment to shareholders of contributions made through a capital increase pursuant to Article 2626 of the Italian Civil Code and false accounting offences pursuant to Article 2622 of the Italian Civil Code; (ii), investigations are being conducted against the General Manager, Mr Alessandro Gennari, in criminal proceedings in relation to allegations of bank usury, fraud and extortion for which, following the Public Prosecutor's request that the case be dismissed, the judge for the preliminary investigations ordered that additional investigations be conducted.

If the outcome of any one of these proceedings was unfavourable, we cannot exclude that BIP and, as a result of the Business Combination, the Integrated Group, may suffer damages, including reputational loss.

1.2.18 Risks arising from the concentration of BIP economic activities based on line of services and geographic area

Concentration risk derives from exposures to counterparties and groups of related counterparties operating in the same economic sector, conducting the same business or belonging to the same geographical area.

Despite the concentration risk being monitored regularly, excessive concentration in a specific geographical area, in case of deterioration in the respective creditworthiness, might negatively affect BIP's equity or economic and/or financial situation and, as a result of the Business Combination, of the Integrated Group.

The table below provides information on the concentration of credit exposures, net of sovereign debt exposures, broken down by geographical area, as at 31 December 2017.

Geographic area - Thousands of euros	**Cash exposure**	**Bad loans**	**Unlikely-to-pay exposure**	**Impaired and non-performing exposures**	**Performing exposures**
Italy	Gross exposure	10,527	7,729	121	319,303
	Total impairment losses	(5,614)	(2,585)	(5)	(3,437)
	Net exposure	4,913	5,144	116	315,866
America	Gross exposure	0	0	0	10
	Total impairment losses	0	0	0	0

	Net exposure	0	0	0	10

Geographic area - Thousands of euros	Cash exposure	Bad loans	Unlikely-to-pay exposure	Impaired and non-performing exposures	Performing exposures
North-Western Italy	Gross exposure	565	0	91	16,254
	Total impairment losses	(337)	0	(4)	(145)
	Net exposure	228	0	87	16,109
North-Eastern Italy	Gross exposure	8,912	6,992	29	296,174
	Total impairment losses	(4,594)	(2,416)	(1)	(3,222)
	Net exposure	4,318	4,576	28	292,952
Central Italy	Gross exposure	1,050	0	1	6,441
	Total impairment losses	(683)	-	-	(67)
	Net exposure	367	0	1	6,374
Southern Italy and islands	Gross exposure	0	737	0	436
	Total impairment losses	-	(169)	-	(4)
	Net exposure	0	568	0	432

An analysis of the geographical distribution of BIP clients as at 31 December 2017 shows that loans to customers are mainly concentrated in the regions of North-Eastern Italy.

Due to its strong roots in the territory of origin, BIP's banking intermediation activity is mainly concentrated in Emilia Romagna.

Retail financial services are mainly provided to households, small and medium-sized enterprises and professionals operating mainly across the provinces of Modena, Bologna and Reggio Emilia.

As regards the risk of geographical concentration, as at 31 December 2017 BIP uses a commercial network set up in the Emilia-Romagna region. More specifically, the Bank runs four branches in the province of Modena, two in the province of Bologna and one in the province of Reggio Emilia.

Despite the fact that the production structure and the economic trend in Emilia Romagna are aligned with the national scenario, we cannot rule out that the specific regional setting may change and deteriorate, even in relative terms compared to the national economy, with possible negative effects on the activities and on the Target's equity and economic and/or financial situation and, as a result of the Business Combination, of the Integrated Group.

1.2.19 Risks arising from severance payment to employees

In conducting its business, Banca Interprovinciale relies on employees; for information on this, please refer to Chapter 3, Paragraph 3.2.7 of the Information Document.

As at the Information Document Date, BIP has 2 project-based contracts (*"contratti a progetto")* in place, expiring on 30 April and 31 December 2018 respectively, as well as one 1 "non-standard" collaboration contract (*"rapporto di collaborazione atipico")* started on 1 January 2018.

If these collaborators were to believe that their duties are in fact typically governed by an employment contract, we may not exclude that BIP might be involved in lawsuits concerning the redefinition of their working relationship as a permanent employment contract and payment of the related salary and social contributions differences. Furthermore, if these relationships were redefined as employment contracts, termination of the same might be considered equivalent to dismissal. As a result, BIP would be exposed also to the risk of paying, for each employee, (i) compensation in lieu of notice for an amount equivalent to 4 months' salary, (ii) compensation pursuant to Law 92/2012 for an amount comprised between the equivalent of 12 and 24 months' salary. Last, with regard to these relationships, we may not exclude that the competent Authorities (i.e., INPS, ITL, INAIL) might conduct inspections vis-á-vis BIP and issue civil and administrative sanctions resulting from the allegedly illegitimate contracts qualifying as employment relationships. Where one or more lawsuits were brought, and their outcome was unfavourable to BIP, we cannot exclude, as result thereof, negative consequences on the equity, economic and financial situation of BIP and, as a result of the Business Combination, of the Integrated Group.

With regard to the two existing managerial working relationships, it should be noted that, at the meeting held on 11 January 2018, the BIP Board of Directors, in light of the favourable opinion of the Audit and Risk Committee, approved some amendments to the relevant contracts. Upon acquiring the favourable opinion of the Board of Statutory Auditors, the contracts will be submitted to the Shareholders' Meeting, if the Bank of Italy, to which they will be transmitted, raises no concerns. If the latter approves the proposed amendments, then BIP would incur greater financial disbursements, both during the relationship and in the event of their termination.

As at the Information Document Date, under BIP "Remuneration Policies" approved by the Shareholders' Meeting in May 2017, the General Manager is awarded a "retention bonus" and a "golden parachute", as determined by the Board of Directors. More specifically, as at the Information Document Date, the General Manager was granted the possibility of tendering his resignations for just-cause (*"giusta causa")* upon occurrence of certain events. The resignations must be tendered within 12 months from the event that constitute grounds for the same, including, among other things, the transfer to third parties of the Bank's share capital in an amount equal to or greater than 50% – with respect to the composition of the same on the Information Document Date –, the carrying out of a merger, spin-off, transfer of the Bank's assets and/or stakes and completion of a transaction as a result of which the parties which control BIP on the Information Document Date no longer hold their majority stake. If the General Manager tendered his resignations on any of the above grounds, BIP would have to pay an amount equivalent to 36 months' annual gross remuneration, representing a "quantitative" component of the variable remuneration, as provided for under the approved remuneration policies. In any event, this payment is subject to the right of the Board of Directors to apply "claw back" and "malus" provisions and the verification that in the year after that in which the relationship was terminated (accrual period), BIP has reached the minimum targets forecast for the year in question.

The General Manager's contract also provides for a stability pact valid until 31 December 2019: in the event of a breach by BIP, the General Manager will receive the same payment to which he would be entitled in the event of just-cause resignation at the same conditions.

With regard to the proposed changes to the contract of the Deputy General Manager, these concern: (i) the confirmation, starting from 1 January 2020, of the stability pact (with termination date on 31 December 2019), for which an amount is paid annually (i.e., EUR 40,000.00) as fixed remuneration; and (ii) in the event of termination without a justified reason or just-cause during the stability period, payment of the monthly salary until 31 December 2019, in addition to payment in lieu of the notice (equivalent to 9 months' salary) and compensation (between 7 to 22 months' salary), as provided for in the applicable CCNL (National Collective Bargaining Agreement).

In view of the above, where the General Manager and/or the Deputy General Manager were to terminate their employment relationship with BIP in any one of the scenarios described above, the Bank could be required to pay them the above-mentioned severance indemnities, with negative consequences on BIP's equity and economic or financial position and, as a result of the Business Combination, of the Integrated Group.

1.2.20 Risks arising from control and management system

As at the Information Document Date, BIP has a reporting system in place which allows monitoring the economic and financial performance of the various Organisational Units ("UU.OO.") through the management control procedure (KDG), through a Multiple ITRs System that allows attributing nominal yield for differentiated interest rates based on the maturity date, consistently with the interest rate targets set in the approved annual "Operational Plan".

The methods for calculating the ITR in the risk management and control procedures are as follows:

- for demand deposits (bank accounts, savings deposits, ownership instruments): the ITR is obtained from the reference market rate on the rate curve on the last day of the month (Euribor 1M) with allocation of a fixed component (spread 2) that BIP's planning and control office determines consistently with the annual budget objectives. The base ITR for each month corresponds to the reference rate applied and may not be changed in the subsequent periods; therefore, the ITR base component corresponds, in each period, to the average of observations on the last day of the previous months weighted by the monthly reference figures (average cash balance by the number of days in the month).
- for fixed-rate instruments with a maturity date (TD, CD and fixed rate bonds): the base ITR is identified as a relation between the interest rate start date and the interest rate duration on the curve corresponding to the currency of the position on the instrument transaction date. In this case, too, the ITR consists of two components: the base ITR corresponding to the point on the curve deriving from the maturity and instrument transaction date, and a fixed component (spread2) entered manually, taking into account the budgeted rate based on the product type and the maturity. This second component (spread 2) is applied to all the instruments close to maturity in the month, regardless of the instrument transaction date. As a result, the overall average of the ITR by product type will correspond to the target rate set in the budget, while the average maturity of each UU.OO. is the average of the ITR weighted by the figures and the maturity date for each instrument close to maturity, depending on the various financing and investment product types. Therefore, the average ITR shown in the tables is always a

function of the ITR weighted average in the observation year.

- for floating rate instruments (loans and floating rate bonds): the procedure applies the indexation criterion underlying the instrument obtained, in this case, from the loans and bond securities procedure. The base rate for each monthly instalment is equal to the difference between the effective rate applied to the client and the contractual spread, i.e., the reference rate for each period, or – in our case – generally the 3-month Euribor rate as commonly intended (i.e., the monthly average of the month) and subject to specific rounding adjustments. The annual base ITR corresponds to the weighted average of the monthly rates thus determined. A second component (spread 2) is then applied to the base ITR applied to all instruments close to maturity in that month, regardless of the instrument transaction date. Consequently, in this case too, the average ITR by product type corresponds to the target rate set in the budget, while the average maturity of each UU.OO. is the average of the ITR weighted by the figures and the maturity of each instrument close to its maturity date, depending on the various financing and investment product types. Therefore, the average ITR shown in the tables is always a function of the weighted average ITR in the observation year.

The only exception to these logics of calculation of the ITR is represented by the ITR identified for certain transactions with banks, more specifically for the Minimum Required Liquidity, PHAs, deposit liabilities with the ECB and overnight deposits, for which the rate represents an exogenous variable attributed for every monthly instalment and represent a weighted average of the various monthly payments.

The performance of the UU.OO. is equal to the difference between effective and real interest rates, while the performance of the treasury unit are assessed considering the mismatching between interest rates at maturity and interest rates on demand. The Bank's overall performance is equal to the difference between effective interest rates at maturity and effective interest rates on demand , i.e., it represents the effect of the (base) ITR on the Bank’s real interest rate.

BIP Planning and Control Office prepares, on a regular basis, a report that provides the management and the Board of Directors of the Bank with indications on the economic and financial position, including on a prospective basis, on the various company risks and liquidity (“Planning and Control Report”).

In this regard, it should be noted that, due to the Business Combination, development plans and a greater use of resources may be necessary, in order to make the reporting system consistent with the growth of the Integrated Group and with the strategies pursued after completing the Business Combination. Reference is made to Chapter 4, Paragraph 4.5 of the Information Document.

It should be noted that, within the process aimed at achieving full integration of the Integrated Group, the Control System might be subject to the risk of delays or errors in the consolidated information reports, which may result, in turn, in the possibility that the management receives erroneous information on issues that are potentially significant or that require taking prompt actions.

1.2.21 Risks arising from system liquidity support

The financial market crisis has led to a reduction in the liquidity available to operators, an increase in the risk premium and, as a result, growing tensions deriving from the sovereign debt of some countries. These factors, together with the increase in the capital and liquidity requirements envisaged by Basel 3 and the comprehensive assessment results, have generated the need for structured plans to support the credit system involving directly the Member States (including through acquiring direct stakes in the capital of some banks) and central banks (initially, mainly through refinancing operations upon providing suitable security interests and, subsequently, also through repurchasing securities on financial markets). Against this backdrop, the competent authorities took action to ensure adequate liquidity conditions for the banking system to overcome the most critical phases of the crisis affecting the Eurozone, in particular from mid-2011, by granting guarantees on the issuance of medium-term debt securities and by expanding the securities eligible to be pledged as collateral to obtain ECB funding. On 6 September 2012, to curb the increase in the spread between government bond yields, the ECB's Governing Council announced a plan to purchase government bonds without limiting its amount (known as 'Outright Monetary Transaction'). Under this plan, the ECB purchased securities on the secondary market with a maturity date between 1 and 3 years and without any pre-established limit, subject to compliance with certain conditions.

At the meeting held on June 2014, the ECB also launched a plan to purchase ABSs and covered bonds with the aim of increasing its balance sheet assets by EUR 1,000 billion by the end of 2016. The purchase plan, which provides for joint intervention on the ECB market and national central banks, was subsequently extended to other assets, including government bonds, bonds issued by local and regional governments, as announced in the last ECB meeting of 2015, and also to Euro-denominated investment grade bonds issued by non-bank companies located in the Euro Zone, as announced in the meeting on 10 March 2016. Last, in addition to introducing further interest rate cuts, a few months before the expiry of the LTRO launched in 2011, the ECB launched a series of new long-term (4-year maturity) financing operations, called TLTRO, with the aim of encouraging banks to increase lending to the economy. These auctions began between September and December 2014 and continued for two years, for amounts linked to the loans granted by banks to the private sector. In its meeting on 10 March 2016, as a further action, the ECB launched four new long-term financing operations, called TLTRO II, with a four-year maturity. These auctions were held from June 2016 to March 2017 on a quarterly basis.

As at 31 December 2017, the Target refinancing made available by the ECB comprised 10 TLTRO operations for EUR 305 million.

On 26 October 2017, ECB's Governing Council adopted a series of monetary policy decisions (as announced in the press release on the same day), including the following:

- Eurosystem will reinvest the principal payments from maturing securities purchased under the Asset Purchase Program for an extended period of time after the end of its net asset purchases, and in any case for as long as necessary. This will contribute to generate positive liquidity conditions and an adequate monetary policy stance; and
- it will continue to conduct the main refinancing operations (MROs) and three-month longer-term refinancing operations (LTROs) as fixed rate tender procedures with full allotment for as long as necessary, and at least until the end of the last reserve maintenance period of 2019.

However, the term and extent of any future liquidity support operations that may be implemented is uncertain, depending on the trend of the economic cycle and the market situation. In addition, the liquidity support currently offered by the ECB could in future be limited or precluded to BIP as a result of changes to the rules governing access thereto. The amount of liquidity funded by the ECB is linked to the value of the securities provided as collateral to the Target, a significant portion of which is represented by Italian government securities or securities guaranteed by the Italian State. Should the value of these assets decline, the liquidity funded and made available to the Target would reduce accordingly. Furthermore, on 1 March 2015, certain limitations regarding the use of government-guaranteed securities entered into force. Although these limitations did not entail any impact on the Target's liquidity, we may not exclude that in the future, should the ECB review the rules regarding the types of eligible guarantees or the rating requirements thereof, other types of securities held by the Target may no longer be provided as collateral, with a consequent increase in the funding cost for BIP and a limited possibility for the same to obtain liquidity on the market. The inability to find liquidity on the market through access to the Euro system, or the significant reduction or disappearance of liquidity support to the system offered by governments and central authorities, could generate greater difficulties in obtaining liquidity on the market and/or higher costs associated thereto, with possible negative effects on the activities and on BIP's equity and economic and/or financial situation and, as a result of the Business Combination, of the Integrated Group.

1.2.22 Risks arising from the real estate market

As part of its lending activities, Banca Interprovinciale is exposed to the real estate market risk both as a result of loans granted to companies operating in the real estate sector, whose cash flows are mainly generated by the lease or sale of real estate (known as 'commercial real estate') and, indirectly, as a result of real estate secured loans granted to private individuals, where enforcement procedures proved necessary due to the debtor's default.

As at 31 December 2017, the gross credit exposure of the Target vis-á-vis the real estate market amounts to a total of EUR 79.6 million (23.6% compared to total gross value of loans to customers), and refers for EUR 41 million to credits vis-á-vis the construction industry and for EUR 38 million to credits vis-á-vis clients operating in the real estate sector.

It should also be noted that, regardless of the exposure vis á-vis the real estate market referred to above, the total value of real estate secured loans as at 31 December 2017 amounted to EUR 122 million, which are almost entirely covered by the value of the aforementioned guarantees (EUR 122 million: this value has been determined by setting, in relation to the overall amount of the secured loans, the exposure value at the fair value of the collateral).

In the last few years, the real estate market has been particularly affected by the economic and financial crisis which led to a fall in market prices and the number of transactions carried out, as well as the increase in the cost of debt and the increasing difficulties in accessing credit, generating – for the companies operating in the sector – a decrease in transaction volumes and margins, an increase in commitments deriving from financial charges, as well as a greater difficulty in refinancing, with negative consequences on the profitability of their activities, which could negatively affect BIP capacity to repay loans. As regards loans granted to private individuals, the decline in real estate property prices could translate into a reduction in the liquidation value of the collateral that may be realised upon enforcement of the same in case the debtor defaults on the loan.

Therefore, a possible deterioration on the real estate market could result in the need for BIP to make further value adjustments to loans granted to companies operating in the sector and/or to individuals and/or real estate secured loans. In turn, this might negatively affect, even significantly, the Target's equity and economic/financial position and, as a result of the Business Combination, of the Integrated Group.

1.2.23 Risks arising from new accounting principles being introduced

Banca Interprovinciale prepares its financial statements based on the International Accounting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and endorsed by the European Union, as applicable on the date they are drafted. In this regard, it should be considered that, as a general rule, BIP may need to revise the accounting or regulatory treatment of certain assets and liabilities and transactions (and related income and charges), with possible negative effects on the financial information, which may even be significant.

More specifically, it should be noted that the new international accounting standards issued by the IASB – in particular, IFRS 9 "Financial instruments" and IFRS 15 "Revenues from contracts with customer" – will have a potential impact on the Target starting from 2018, as specified below.

On 24 July 2014, the International Accounting Standard Board (IASB) issued the final version of the new IFRS 9, which supersedes the previous versions of the standard published in 2009 and 2010 for the "classification and measurement" phase, and in 2013 for the "hedge accounting" phase and completes the IASB project to replace IAS 39 "Financial Instruments: Recognition and Measurement".

The IFRS 9:

- introduces significant changes to the classification and measurement rules for financial assets that will be based on the business model assessment ("business model") and on the characteristics of the cash flows of the financial instrument (SPPI criterion - Solely Payments of Principal and Interests), which could involve different methods of classification and measurement of financial instruments with respect to IAS 39;
- the main quantitative effects expected upon first application of the principle may be described as follows:
    - o the application of the new impairment accounting model, which is based on expected loss models taking into account the effects of the forward-looking macro-economic cycle, will result in:
        - portfolio adjustments for non-impaired assets classified under "stage 1" based on the one-year "expected credit loss" approach and for assets classified under "stage 2" based on the "expected credit loss lifetime";
        - analytical adjustments in relation to impaired assets classified under "stage 3" based on the "expected credit loss lifetime" approach.
- the application of new rules on moving assets between the different classification "stages" provided for by the new standard. More specifically, it is expected that greater volatility may be generated in the equity and economic results between the different reporting periods, due to the dynamic movement across the different "stages" of the financial assets recorded in the financial statements (more specifically, between "stage 1", which will mainly include the new loans underwrittten and all fully performing loans and the "stage 2", which will include positions in financial instruments that have suffered a credit deterioration after "initial recognition").
- last, deals with "hedge accounting" by rewriting the rules to identify a hedging instrument and verify its effectiveness, with a view to ensuring a greater alignment between the accounting representation of the hedging and the underlying management approach.

It should be noted that the standard provides that the entity may continue to apply the provisions of IAS 39 on "hedge accounting" until the IASB has completed its project concerning the definition of "macro-hedging" rules.

In addition, the new IFRS 9 changes the accounting method for what is known as "own credit", that is, changes in the fair value of financial liabilities that are designated under the fair value option and attributable to variations in an entity's credit rating. The new standard provides that these changes must be recognised as an equity reserve, rather than in the income statement, as required by IAS 39, thus eliminating a source of volatility in economic results.

IFRS 9, approved by the European Commission on 22 September 2016 with Regulation No. / 2016/2067, will mandatorily apply to the financial statements concerning financial years started on 1 January 2018, but with the possibility of early application of the principle or only of the changes related to the accounting treatment of the own credit for financial liabilities designated at fair value. In relation to this last aspect, the Target did not make use of this option because it did not record liabilities designated at fair value in its financial statements.

The main quantitative impacts expected at the date of first application of the principle may be essentially summarised as follows:

i) the application of the new impairment accounting model will result in portfolio adjustments for non-impaired assets classified under stage 2, with application of the lifetime expected losses approach, while analytical adjustments concerning impaired assets classified under stage 3 will be determined by applying the forward-looking and multi-scenario approach that will allow a timely discovery of the expected credit losses; and

ii) the application of the new rules concerning moving assets between the different classification "stages" provided for by the new standard. More specifically, it is expected that greater volatility may be generated in the equity and economic results between the different reporting periods, due to the dynamic movement across the different "stages" of the financial assets recorded in the financial statements (more specifically, between "stage 1", which will mainly include the new loans underwritten and all fully performing loans and the "stage 2", which will include positions in financial instruments that have suffered a credit deterioration after the "initial recognition").

Changes in the book value of financial instruments due to the transition to IFRS 9 will be accounted for against the shareholders' net equity as at 1 January 2018.

In this regard, it should be noted that, during 2017, the Target launched the transition project using the expertise of its outsourcer CSE.

With reference to the "Classification and measurement" of financial assets, the standard introduces a model based on a business model assessment and the contractual characteristics of the cash flows of the financial instrument to be verified through a specific process (known as 'SPPI Test'). Based on the analyses carried out by BIP, it is assumed that the redefinition of the business model upon its first application (FTA) will involve the transfer of some securities portfolio held by the Target and currently booked as Assets available for sale into Assets at amortised cost.

Furthermore, with reference to the residual investments represented by UCI units held in the portfolio and currently classified as Assets available for sale, the standard confirms the measurement at fair value, but provides that any changes must be recorded in the income statement rather than in the shareholders' net equity reserve. Upon first application, the changes in fair value recorded until 31 December 2017 will remain recorded in the shareholders' net equity valuation reserve and will never be moved to the income statement, even if the financial instrument that generated them will be sold.

As at the Information Document Date, the analysis of the main business areas impacted by the adoption of the new standard are still ongoing, as well as the implementation and carrying out of the activities for the first time adoption and the simulations of the accounting impacts mainly deriving from impairments on financial asset.

In the light of what highlighted above in relation to the significant changes introduced by accounting standard IFRS 9, above all, with regard to the classification and measurement rules for financial assets included in the three stages provided for by the standard and with regard to a new loss impairment model based on an "expected losses" approach, it might be possible to expect an impact upon the first application of the standard and an increase, compared to the past, in the volatility of the economic results for the various reporting periods, as a result of the financial assets recorded in the financial statements moving across different stages, with possible negative effects on the Target's equity and economic and/or financial situation – and, as a result of the Business Combination – on the Integrated Group, as well as on regulatory capital ratios.

For the sake of completeness, it should also be noted that, on 28 May 2014, the IASB issued the final version of the International Accounting Standard IFRS 15 "Revenues from contracts with customers".

The new International Accounting Standard IFRS 15, approved by the European Commission on 22 September

2016 with Regulation No. 2016/1905, applies starting from 1 January 2018, with the possibility to opt for its early application. This standard modifies the current set of International Accounting Standards, replacing the principles and interpretations of "revenue recognition" in force on the Registration Document Date and, more specifically, IAS 18.

IFRS 15 provides for:

- two approaches for recording revenues ("at point in time" or "over time");
- a new transaction analysis model ("Five steps model") focused on the transfer of control; and
- further required information to be included in the explanatory notes to the financial statements.

Considering the current characteristics of the accounting components of the Target, the application of this principle could result in broader disclosure requirements, without causing quantitative accounting changes: the principle requires a wide set of information on the nature, amount, timing and the degree of uncertainty of revenues, as well as the cash flows arising from contracts with customers.

1.2.24 Risks arising from the bail-in

In 2014, Directive 2014/59/EU of the European Parliament and Council, known as "**BRRD**" (*Banking Resolution and Recovery Directive*) was issued, establishing a framework for the recovery and resolution of credit institutions and identifying the powers and the measures that national authorities in charge of tackling bank crises may use in the event of an economic crisis or financial distress of a bank.

More specifically, the BRRD, implemented in Italy with Legislative Decrees No. 180/2015 and No. 181/2015, provides that, when the conditions for commencing the crisis management procedures *vis-a-vis* the intermediary are met, the Supervisory Authority (e.g., the European Central Bank or the Bank of Italy, as the case may be) may order: (a) the reduction or conversion of shares, other equity investments and equity instruments issued by the entity in question, when this allows the intermediary to remedy its financial distress or the risk of financial distress; or (b) when the measure indicated in letter (a) are insufficient to remedy the financial distress or the risk of financial distress, the adoption of measures to wind up the intermediary, or the compulsory administrative liquidation.

The resolution measures include the "bail-in" or "*salvataggio interno*", which came into force in Italy on 1 January 2016, consisting in the reduction of the rights of shareholders and creditors or in the conversion of the rights of the latter into equity, in order to absorb losses and recapitalise the bank in distress or the new entity that takes over its essential functions. The bail-in is inspired by the principle that those who invest in riskier financial instruments must endure any losses or the conversion into shares before anybody else, thus establishing a specific hierarchy. Only after having exhausted all the resources of the riskiest category of investments, the focus shifts to the next category. Based on such "hierarchy": (i) firstly, the interests of the bank's "owners", *i.e.,* of the existing shareholders, are sacrificed, reducing or bringing down to zero the value of their shares; and (ii) secondly, measures must be taken with respect to certain categories of creditors, whose assets can be transformed into shares - in order to recapitalise the bank - and/or reduced in value, if bringing down to zero their value is insufficient to cover the losses. The order to allocate losses in the event of a "bail-in" is, therefore, the following: (i) shareholders; (ii) holders of other instruments of ownership; (iii) owners of hybrid capitalisation instruments; (iv) holders of subordinated loans; (v) bondholders and other creditors; (vi) holders of deposits for an amount exceeding EUR 100,000.00.

The liabilities listed in Article 49 of Legislative Decree No. 180/2015 are excluded from the bail-in, including, without limitation, bonds guaranteed by banks' assets (such as covered bonds), and deposits protected by the deposit guarantee fund within a limit of EUR 100,000.00 per depositor (not all deposits are protected by the fund: those listed in Article 96- *bis* of the Italian Consolidated Law on Banking are excluded). If the bail-in is ordered against a bank, the deposit guarantee fund will pay an amount sufficient to cover the protected deposits within a limit of EUR 100,000.00 per depositor, provided that the sum necessary for this purpose does not exceed 50% of the fund's assets (or the higher amount established by the competent Supervisory Authority).

If one or more of the banking institutions with which the Restricted Amounts could be deposited were to find themselves in a situation of instability and the bail-in referred to in Legislative Decree No. 180/2015 was ordered before the Material Transaction is carried out, we cannot exclude the risk that the Company may encounter difficulties or be unable to be returned, in whole or in part, the liquidity deposited with this institution, with a consequent decrease in the Restricted Amounts (which may even be brought down to zero). As a result, the sums that would be paid in favour of the shareholders in the event of exercise of the right of withdrawal or liquidation due to expiry of the term of the Company, or the amounts to be used for carrying out the Material Transaction, may also be reduced or brought down to zero.

Moreover, where Banca Interprovinciale undergoes a financial crisis as a result of which it is subjected to a winding up procedure, BIP's shares may depreciated and/or its receivables cancelled or significantly reduced; furthermore, as a result of the Business Combination, the shareholding held by SPAXS, which are BIP's shareholders, may be diluted in the event that other liabilities were converted in shares at a conversion rate that is especially unfavourable for the same. Last, as a result of the introduction of the bail in, the investment collection may entail higher costs.

1.2.25 Risks arising from the evolution of the banking regulations and other provisions applicable to the Issuer

As a financial institution, Banca Interprovinciale operates in a highly regulated context and the laws and regulations applicable to it as a bank are subject to constant changes.

More specifically, BIP is subject to extensive regulation and supervision by the Bank of Italy, the European Central Bank and the European System of Central Banks. The banking regulations to which BIP is subject regulate the activities that banks may carry out and aim to preserve the banks' reliability and financial soundness, limiting their exposure to risk. Furthermore, the Issuer must comply with the provisions on financial services regulating the marketing and sale of the services offered.

The supervisory Authorities regulate various aspects of BIP's business, which may include the liquidity levels and capital adequacy, the prevention of, and fight against, money laundering and the protection of privacy, ensuring transparency and fair-dealing in the relations with customers, as well as compliance with registration and reporting obligations.

To operate in compliance with the regulations of the sector, Banca Interprovinciale implemented internal procedures and policies; therefore, it believes that its business is carried out in compliance with the law. Furthermore, we may not rule out that, despite the existence of these procedures and policies, (a) a violation of the various regulations to which the Issuer is subject – with specific reference to anti-money laundering regulations and fair-dealing obligations vis-á-vis clients – and (b) the failure to comply with the interpretation of the regulations applied by the Authorities may occur. In turn, this may negatively affect the business, equity, and economic/financial situation of BIP and, as a result of the Business Combination, of SPAXS.

Moreover, as at the Information Document Date, some laws and regulations concerning the sector in which BIP operates have recently been approved (and the related implementing rules are being defined) or are being amended, thus increasing the risks that BIP might fail to comply with the same in a timely fashion and, as a result, commit a violation thereof.

1.3 RISK FACTORS CONCERNING FINANCIAL INSTRUMENTS

1.3.1 Special characteristics of the investment in financial instruments

The investment in the Issuer's financial instruments must be considered an investment intended for an expert investor, who is aware of the characteristics of the financial markets and especially of the type of activity carried out by the Issuer, which is characterised by special risks of an entrepreneurial nature.

Therefore, the risk profile of such investment cannot be considered consistent in line with that typically characterising investors looking for low-risk investments.

For additional information on the characteristics of the Issuer's financial instruments, please refer to Chapter 3, Paragraph 3.1.8 of the Information Document.

1.3.2 Risks linked to trading on AIM Italia, to the liquidity of the markets and to the potential volatility of SPAXS' Financial Instruments

SPAXS' Ordinary Shares and the Conditional Share Rights will not be listed on an Italian regulated market and will be traded on AIM Italia.

An investment in financial instruments traded on the AIM Italy may involve a risk that is higher than that associated with financial instruments listed on a regulated market.

We cannot exclude that a liquid market for SPAXS' Ordinary Shares and the Conditional Share Rights may not be established or maintained; therefore, there is also a possibility that these securities may develop some common and generalised liquidity problems, irrespective of the Issuer and their amount, since the sale requests might not find suitable and timely purchase offers or be exposed to (even significant) price fluctuation.

Furthermore, the market prices of SPAXS' Ordinary Shares and the Conditional Share Rights may fluctuate significantly due to a series of factors, some of which fall outside of the Issuer's control; therefore, the market price may not reflect the Company's operating results.

In addition, in light of the fact that a significant percentage of the market capitalisation and trading volumes on AIM Italy is represented by a limited number of companies, we cannot exclude that any fluctuations in the market values of these companies may have a significant effect on the price of the instruments admitted to trading on this market, including, SPAXS' Ordinary Shares and the Conditional Share Rights.

With reference to the AIM Italia market**,** it must be noted the provisions concerning the public offer for the purchase or exchange provided by Articles 106 and 109 of the TUF will apply on a voluntary basis and insofar as they are compatible. In this regard, it should be noted that SPAXS' Articles of Association include a reference to the aforementioned provisions concerning listed companies, as implemented by the TUF and the implementing regulations issued by Consob on mandatory public offer for purchase and exchange.

Last, it should be noted that neither Consob nor Borsa Italiana have examined or approved this Information Document.

1.3.3 Risks of dilution concerning SPAXS 'current shareholders

As at the Information Document Date, the Promoting Companies hold all the Special Shares of the Company, amounting to a maximum of no. 1,800,000 Special Shares, that have not been listed on the AIM Italia and convertible into SPAXS’ Ordinary Shares upon fulfilment of the conditions and pursuant to the procedures set out under Article 6 of the Articles of Association (in this regard, please refer to Section 3, Paragraph 3.1.8 below of the Information Document).

It should be noted that, following the implementation of the Business Combination, the conversion of SPAXS’ Special Shares into Ordinary Shares and BIP Reserved Capital Increase, to be paid in through the Contribution, will determine, for holders of SPAXS’ Ordinary Shares, a dilution of their shareholding.

The following table shows the aforementioned diluting effects, at the various offer levels, in case of conversion of the Special Shares following implementation of the Material Transaction, calculated on the basis of different withdrawal percentages.

Upon implementation of the Business Combination as a result of: (i) the conversion of the first tranche of SPAXS’ Special Shares (amounting to 360,000 SPAXS’ Special Shares which will be converted into 2,160,000 ordinary shares), as well as (ii) the implementation of BIP Reserved Capital Increase, two scenarios are possible which are characterised by the dilution of SPAXS’ ordinary shareholders’ stake:

- in the event of exercise of SPAXS shareholders' right to withdraw for a percentage equal to 0% of the ordinary share capital of SPAXS with voting rights, holders of ordinary shares in the Issuer will experience a 5.0% dilution; or
- in the event of exercise of SPAXS shareholders' right to withdraw for a percentage equal to 30% of the ordinary share capital less an ordinary share of the Issuer, holders of ordinary shares in the Issuer will experience a 7.0% dilution.

For more information, please refer to the Paragraph 4.6 below of the Information Document.

As at the Information Document Date, SPAXS has issued 6,000,000 Conditional Share Rights admitted to trading on AIM Italia.

In accordance with the SPAXS’ Conditional Share Rights Regulation, the Ordinary Shares issued and outstanding on the effective date of the Business Combination will be assigned, at no charge, 4 Conditional Share Rights every 10 SPAXS’ Ordinary Shares held by the abovementioned parties; therefore, following the Material Transaction, SPAXS may issue a maximum of 24,000,000 further Conditional Share Rights. Taking into account the foregoing, as a result of the Acquisition being finalised, a maximum of 30,000,000 Conditional Share Rights will be outstanding.

The Conditional Share Rights will grant the right to be allocated 1 SPAXS’ Ordinary Share for every 5 Conditional Share Rights held on the 1st anniversary of the effective date of the Material Transaction.

Moreover, (i) where the conditions for converting the remaining SPAXS’ Special Shares (amounting to 1,440,000 SPAXS’s Special Shares, which will be converted in 11,520,000 ordinary shares) and (ii) upon allocating the Conversion Shares deriving from the Conditional Share Rights, the following scenarios may materialise with respect to the dilution of SPAXS’ ordinary shareholders’ stake:

- in the event of exercise of the right of withdrawal by SPAXS shareholders representing 0% of SPAXS’ ordinary share capital with voting rights, holders of ordinary shares in the Issuer will experience a 18.2% dilution; or
- in the event of exercise of the right of withdrawal by SPAXS shareholders representing 30% of SPAXS’ ordinary share capital less one share in the Issuer, holders of ordinary shares in the Issuer will experience a 24.0% dilution.

With respect to the above specifications, it is also worth mentioning that the increase in the number of SPAXS' outstanding Ordinary Shares after completing the Acquisition may have negative effects on the value of SPAXS' Ordinary Shares.

It should be noted, in this regard, that if by the date indicated above, some shareholders assigned their Conditional Share Rights, they would suffer a dilution of the stake that they will hold in SPAXS.

For further information, please refer to Paragraph 3.1.8 below of the Information Document and the Conditional Share Rights Regulation, which may be found on SPAXS' website at www.spaxs.it, Section "*Investor Relations/IPO*".

1.3.4 Risks linked to the lock-up commitments taken on by the Promoting Companies

The Promoting Companies took on a lock-up commitment towards the Joint Global Coordinator, as defined in SPAXS' Trading Admission Document available on its website www.spaxs.it, Section "*Investor Relations/IPO*", in relation to SPAXS' Ordinary Shares deriving from the conversion of SPAXS' Special Shares, effective for 12 months after the respective conversion date, which will be assigned to the Promoting Companies and/or to other Companies directly and/or indirectly controlled by the Promoting Companies and/or the Promoters (the " **Share Lock-up Period**").

Upon expiration of the Share Lock-up Period, it cannot be excluded that the Promoting Companies may proceed to sell SPAXS' Ordinary Shares held, with a possible adverse effect on the price trend of the same.

For additional information, please refer to Chapter 4, Paragraph 4.3, of the Information Document.

1.3.5 Risks linked to the possibility of withdrawing from trading

Pursuant to the AIM Rules for Companies, Borsa Italiana may order the withdrawal of SPAXS' financial instruments from trading if:

- SPAXS does not replace the Nomad within 2 months from the date when the trading was suspended due to supervening absence of the said Nomad;
- the financial instruments have been suspended from trading for at least 6 months;
- the withdrawal has been approved by a number of shareholders representing at least 90% of the shareholders' voting rights represented at the meeting.

In such case, negative consequences may develop with regard to both the liquidity of the investment and the lack of information on SPAXS and its subsidiaries.

2. INFORMATION CONCERNING THE MATERIAL TRANSACTION

2.1 Brief description of the terms and conditions of the Material Transaction

2.1.1 Introduction

SPAXS is a special purpose acquisition company ("SPAC") incorporated in Italy to find, through the placement of its financial instruments and the admission to trading on AIM Italia, which took place on 30 January 2018 upon Borsa Italiana issuing a notice, the necessary and functional financial resources to implement, after carrying out the necessary research and selection activity, the Material Transaction with one or more operating companies ("*target*").

As at Information Document Date, SPAXS has available liquidity for EUR 600,000,000.00 originating from the placement and deposited in the Escrow Account, which may be used, pursuant to SPAXS' Articles of Association, to implement the Material Transaction.

As at Information Document Date, SPAXS has carried out its research and selection activity to identify a possible target, in the view of establishing an Italian operator in the banking and/or financial sector that will be active primarily in the following sectors:

(i) the provision of banking and/or financial services to corporate clients and especially to "Mid Corporate" clients (including companies with low rating/no rating) including those "performing" as well as those classified as "unlikely-to-pay", that includes, invoice lending, crossover lending and turn around services;

(ii) in the market of non-performing loans, through the purchase of secured and unsecured "bad loans" (both loan portfolios and single credit securities) and their management, including through the establishment of an advanced servicing platform. The servicing platform will also be used for the servicing of portfolios owned by other operators; and

(iii) the offer to retail savers of highly digitalised banking and/or financial services.

Following an analysis carried out on Interprovincial Bank, SPAXS identified in BIP the potential target company for carrying out the Material Transaction in the framework of an operation that involves the transfer of at least 86.00 % of BIP's share capital through (i) the transfer to SPAXS by the Selling Shareholders of an overall investment equal to 71.98% of BIP share capital, and (ii) the subscription by the Contributing Shareholders of 987,128 SPAXS' new ordinary shares, as part of BIP Reserved Capital Increase to be paid in through the Contribution, amounting to 19.39% of BIP's share capital.

Banca Interprovinciale is a company operating in the Italian banking sector with a geographical focus in Emilia. It operates based on a commercial banking business model in the retail savings market. Its main clients are SMEs and retail investors.

Banca Interprovinciale's main products are corporate mortgages and unsecured loans, both short and long term, overdraft loans, retail mortgage loans, corporate and retail bank accounts and time deposits with home banking and mobile banking services. Its commercial offer is completed with secured financing in insolvency proceedings with a high level of guarantees, mortgage bank accounts, credit lines to assign trade receivables and some outsourced products (i.e., import/export advances, letters of credit and other types of foreign funding). On 12 April 2018, SPAXS and the BIP Shareholders signed the Framework Agreement, which, among other things, provides for (i) the assignment to SPAXS, by the Selling Shareholders, of a total investment equal to 71.98 % of BIP share capital (ii) the subscription by the Contributing Shareholders of 987,128 SPAXS' new ordinary shares, as part of BIP Reserved Capital Increase to be paid in through the Contribution, amounting to 19.39% of BIP's share capital. The Framework Agreement also provides for standard clauses for transactions of a similar nature relating to, among other things, representations and warranties, commitments (including disclosure obligations), indemnity obligations and automatic termination clauses in the event of failure to implement the preparatory procedures for the execution of the Material Transaction or the occurrence of other conditions precluding the same, such as, for example, the failure to obtain the prescribed authorisation from the Central European Bank on a proposal by the Bank of Italy under Article 19 TUB and/or the failure to transfer (Acquisition and Contribution) a percentage at least equal to 86.00 % of BIP's share capital.

As of the Information Document Date, no shareholders hold a majority stake in Banca Interprovinciale.

Pursuant to Article 7 and Article 15.2 of SPAXS' Articles of Association, the amounts deposited in the Escrow Account may be used, subject to the Shareholders' Meeting's authorisation, only to take the following actions:

(i) implementation of the Material Transaction;
(ii) up until the effective date of the Material Transaction, any use of the amounts deposited in the Escrow Account, that involved release of the Escrow Account; and
(iii) up until the date of approval of the Material Transaction, financial borrowing, without prejudice to the possible advance payment of interests that will accrue in the Escrow Account and granting of securities.

For the purposes of the foregoing, the proposal to authorise the completion of the Business Combination as a whole, including pursuant to Article 15 of SPAXS' Articles of Association, will be submitted to SPAXS Shareholders' Meeting for its assessment and approval, together with the proposal to authorise the use of the sums deposited in the Escrow Account for the purposes of the Material Transaction (in accordance with Article 7 of SPAXS' Articles of Association) and therefore: (a) for the purposes of the Material Transaction; and (b) for the payment of the liquidation value of the shares to those shareholders which may exercise the right of withdrawal following approval by SPAXS Shareholders' Meeting of the Business Combination. All the above is subject to the competent authorities issuing their authorisation to carry out the Business Combination.

For further information on the main provisions and material commitments undertaken upon signing the Framework Agreement, please refer to Paragraph 2.3 below of the Information Document.

2.1.2 The Business Combination

2.1.2.1 Terms and pre-conditions

BIP Shareholders shall procure that, in the time between the signing date and the Effective Date, the following Preliminary Operations are carried out:

(i) the Board of Directors calls BIP shareholders' meeting, where this has not yet been called, to approve the 2017 financial statements and, in any event, within the terms established by law;

(ii) BIP Board of Directors tasks a notary to prepare the twenty-year notary report on the property owned by BIP;

(iii) the Board of Directors calls BIP shareholders' meeting on or before the Effective Date, with an agenda that includes the replacement of the outgoing directors and, if any, statutory auditors with the directors and statutory auditors designated by SPAXS;

(iv) with reference to the framework agreement relating to the "*Plafond casa*" subscribed by BIP with Cassa Depositi e Prestiti S.p.A., the latter is informed of the signing of the Framework Agreement and the forthcoming implementation of the transaction regulated therein, subject to the fulfilment of the conditions precedent; and

(v) all the deeds, the legal transactions and the operations necessary or appropriate are finalised to achieve the timely fulfilment of the conditions precedent to the execution of the Framework Agreement and suitable documentary evidence of their occurrence is provided to SPAXS, where relevant.

Furthermore, before the Effective Date, the parties undertake to carry out any necessary or appropriate fulfilment to obtain the authorisations required under the Competition Laws to complete the transaction governed by the Framework Agreement, presenting in a timely fashion all the documents and other information required to obtain those authorisations in the shortest possible time.

In consideration of the above, despite the commitments undertaken, within their scope of responsibility, by the parties concerned, in each case, under the Framework Agreement, for the purpose of carrying out the Preliminary Operations and the activities referred to above, we cannot exclude that these operations and/or activities may not be completely and correctly performed and that, therefore, the Business Combination may not be carried out according to the envisaged terms and conditions.

2.1.2.2 Right of withdrawal

SPAXS' ordinary shareholders who did not vote in favour of the resolution approving the Business Combination may withdraw pursuant to Article 2437 of the Italian Civil Code, insofar as the amendments to SPAXS' Articles of Association required in the view of implementing the Business Combination will entail for SPAXS' ordinary shareholders: (i) a significant change to the Company's activity in which they will be involved as a result of the Business Combination; (ii) removal of one ground of withdrawal from the Articles of Association, and (iii) the extension of the company's term. Therefore, the grounds for exercising the right of withdrawal pursuant to Article 2437, paragraph 1, letter a) and e), and paragraph 2, letter a), of the Italian Civil Code are met.

In light of the provisions under Article 2437-*ter* of the Italian Civil Code and Article 8.3 of SPAXS' Articles of Association, in determining the value for purposes of withdrawal, the company's Board of Directors will give preference to the Company's financial solidity, considering, more specifically, the amounts deposited in the Escrow Account.

The terms and conditions to exercise the right of withdrawal and those governing the liquidation proceeding are established under Article 2437-*quater* of the Italian Civil Code; any further information will be made available through press releases disseminated through the SDIR-NIS System and published on the Company's website www.spaxs.it Section "*Business Combination*".

2.1.2.4 Material effects of the Business Combination on key factors affecting and characterising SPAXS' activity, as well as its business

As a result of the Business Combination, SPAXS will cease its activity as a SPAC and will control BIP. With reference to the business sectors and markets, as well as to the services offered by BIP, which will be provided by the Integrated Group as a result of the Business Combination, please refer to Chapter 3, Paragraph 3.2.3 of the Information Document, as well as to Chapter 4, Paragraph 4.5. of the Information Document.

2.2 Reasons for and purposes of the Business Combination

2.2.1 Reasons for the Business Combination

Following the preliminary selection of potential target companies conducted by SPAXS, the selection process focused on a limited number of potential target companies and, finally, SPAXS identified Banca

Interprovinciale as the company with which to implement the business combination.

The main characteristics of Banca Interprovinciale that prompted SPAXS' choice, in line with the investment policy adopted by the Company and announced upon admission to trading on AIM Italia (as illustrated in the Trading Admission Document, available on SPAXS' website www.spaxs.it), are as follows:

- Banca Interprovinciale is a small bank with a limited number of employees and a streamlined structure: this will allow SPAXS to reduce the risks deriving from the integration process and simplify organisational needs;
- in the opinion of the SPAXS' management, Banca Interprovinciale has a good base of deposits with opportunities for expansion and a well-launched business on the corporate side, focused on small and medium local businesses: in the Issuer's opinion, the business model is consistent with SPAXS' future strategies and represents an excellent starting point for the implementation of the same, without the need to discontinue the relations with clients and the supply of current products;
- after carrying out an accurate due diligence, the Company also believes that Banca Interprovinciale is a strong bank with a solid balance sheet, with adequate structures and policies to hedge against risks and reduce the incidence of non-performing loans; and
- SPAXS' management believes that Banca Interprovinciale is an efficient bank, without any major organisational and technological legacy, which could allow SPAXS to focus, in the short term, on the development of new activities to be carried out also through BIP.

In conclusion, in SPAXS' management opinion, Banca Interprovinciale was the best target bank to implement the Issuer's business project. For further information, reference is made to Chapter 4, Paragraph 4.5 of the Information Document.

2.2.2 *Indications on the programmes*

Information on the programmes to be implemented in the months following the implementation of the Business Combination is provided in Chapter 4, Paragraph 4.5 of the Information Document.

2.3 <u>Main provisions under the Framework Agreement</u>

Conditions precedent

In line with the best market practice for similar transactions, the Framework Agreement provides for a series of conditions precedent which must occur for the Framework Agreement to be executed. More specifically, among other things, the Framework Agreement provides that:

(i) the authorisation under Article 19 TUB must be obtained;
(ii) in compliance with the Conventional Accounting Standards, BIP must approve the 2017 Financial Statements within the statutory time limits, which must be broadly in line with the draft financial statements approved by BIO Board of Directors on 29 March 2018;
(iii) by or on the Effective Date, the Preliminary Operations must be promptly and correctly performed in compliance with the provisions of the Framework Agreement and BPI Shareholders have delivered to SPAXS documentary evidence of the completion thereof;
(iv) as at the Effective Date, no material breach of the representations and warranties issued by the BPI Shareholders under Article 8 of the Framework Agreement has occurred which result in liabilities for an amount equal to or greater than EUR 100,000.00 being ascertained;

(v) no Material Adverse Event has occurred as at the Effective Date; and

(vi) the Business Combination has been approved by SPAXS's shareholders' meeting (together with the related change of the corporate purpose has been approved, where necessary) and this resolution does not result in shareholders representing at least 30% (thirty per cent) of SPAXS' ordinary share capital exercising their right of withdrawal, (within 15 days after approval of the transaction) where they did not vote in favour of such corporate purpose change, which was necessary to carry out the transaction or, where exercised, the withdrawal does not result in the redemption or cancellation of a number of shares equal to or greater than 30% (thirty per cent) of SPAXS' Ordinary Shares, subject to, in any event, Article 15.4 of SPAXS' Articles of Association;

Managing the interim period

In line with the market practice for similar transactions, the Framework Agreement provides for a series of commitments (including disclosure obligations) and restrictions in the period between the signing of the Framework Agreement and the Business Combination effective date, including, among other things, commitments concerning the ordinary management and prohibitions for the parties to carry out certain transactions, disclosure requirements and collaboration commitments between the parties.

Moreover, the Framework Agreement provides, among other things, that the Seller shall procure that, in the period between the signing and the Framework Agreement effective date, BIP is run and conducts operations exclusively within the boundaries of the ordinary management and sound and prudent corporate approach, subject to the prohibition to carry out, without obtaining SPAXS' prior non-binding favourable opinion (which may not be unreasonably withheld), the following actions:

(a) change its capital structure or carry out any extraordinary finance transaction (contributions, mergers, demergers, issuance of bonds or financial products of any kind, carry out a capital increase or reduction and transactions involving any company's transformation);

(b) carry out, in any way whatsoever, any distribution of profits or reserves or other repayment of share capital vis-á-vis their shareholders;

(c) issue convertible and/or subordinated bonds or other equity instruments or other hybrid capitalisation instruments;

(d) make disbursements, extensions, carry out renewals, restructurings, moratoriums, grant extensions, waivers, classifications and/or changes in credit classifications (including against bankruptcy proceedings) and/or issue guarantees, including in relation to third-party obligations and/or waive debts for amounts greater than those falling within the scope of competence of the general manager, as currently provided for by the policy on loan disbursement and related monitoring; carry out assignments or transfers of individual loans and/or loan portfolios on any basis whatsoever; it is understood, in any event, that any of the activities referred to in this point (d) requires obtaining, without any amount limit, the prior non-binding opinion of SPAXS when carried out with related parties or connected parties (except for loan disbursement and/or issuing of guarantees, including in relation to obligations undertaken by connected parties;

(e) sign contracts on derivative instruments of any kind;

(f) sign any commercial agreement with third parties that may limit the distribution and/or sale of financial products and/or the provision of financial or banking services;

(g) provide funding (including through the issuance of bonds or other financial instruments and/or debt securities) on the interbank and/or corporate and/or retail market on terms and conditions that are not at arm's length (for banks having similar characteristics in terms of funding and loans) and/or substantially inconsistent with a sound and prudent management approach;

(h) purchase or sell companies, business branches, investments or other fixed assets;

(i) terminate its insurance coverage policies (liability, damage, all risk, theft, etc.) or renew these policies on terms and conditions that are less favourable for BIP than those currently in place;

(j) sell or otherwise transfer assets or other tangible or intangible assets with a unit price above EUR 50,000.00 or, in the case of simultaneous and/or related sales of tangible or intangible assets, for a total price of more than EUR 100,000.00, or grant property rights, including security interests, in favour of third parties, on any of the aforesaid assets;

(k) make investments in government securities for an amount exceeding EUR 15,000,000.00 for each investment and/or other financial instruments, without any amount limit;

(l) purchase assets, including any tangible or intangible assets, with a unit price above EUR 25,000.00, excluding VAT, applicable taxes and charges, or in the case of simultaneous and/or related purchases of tangible or intangible assets, for a total price higher than EUR 50,000.00, excluding VAT, applicable taxes and charges;

(m) sign contracts for consulting and/or supply of goods and/or services from which payment obligations arise vis-á-vis BIP for an annual fee exceeding EUR 50,000.00 for each contract, excluding VAT, charges and applicable taxes, or a unit price (regardless of the contract's term) exceeding EUR 25,000.00, excluding VAT, charges and applicable taxes;

(n) subject to the provisions under letter (d) above, sign, modify, renew or terminate material contracts, either verbally or in writing;

(o) default on the obligations set forth in any material contracts in place;

(p) grant salary increases to its employees or in any case modify their current terms of employment, unless within the limits required by the applicable laws and National Collective Bargaining Agreements (including the company's);

(q) conclude and/or enter into new employment contracts (self-employment, employment, para-employee relationship or collective contracts), including where stipulated orally, by implied acceptance or for a fixed-term, or modify and/or extend the conditions (including economic terms and/or regulations, also based on National Collective Bargaining Agreements) of contracts currently in place, or approve severance packages and/or payment of any other additional amount, including indemnities and/or compensation, in favour of directors or employees and/or collaborators and/or self-employed workers;

(r) in preparing interim financial statements, adopt accounting principles, methods or practices other than those used for the preparation of previous interim financial statements and the 2017 Financial Statements;

(s) make significant changes in the accounting management, or of any other kind, that do not fall within the scope of ordinary performance of BIP's business or perform other transactions that could artificially alter the value of the shareholders' net equity or regulatory capital, in violation of the provisions under the Conventional Accounting Standards and the laws in force;

(t) waive debts or rights, except in connection with the financing activity;

(u) conclude settlement agreements of any kind, except in connection with the financing activity;

(v) use own resources of which BIP may dispose to carry out transactions with BIP Shareholders and its related parties (including BIP's directors); and

(w) in general, take any action or perform any act that may prejudice the execution and completion of all the obligations and transactions to be performed on or before the Effective Date.

With reference to the *interim*, the Framework Agreement provides that, for the purpose of obtaining the aforementioned non-binding written opinion of SPAXS, BIP Shareholders shall procure that this is sent to the latter, via certified e-mail address, with a specific request indicating the transaction (accompanied by the necessary information normally provided by BIP to the competent bodies to obtain their authorisation to complete the relevant transaction) that they intend to implement. It is understood that where the latter do not receive a written reply from SPAXS via certified e-mail address within the next 72 (seventy-two) hours, the request must be considered accepted. The Framework Agreement also regulates a procedure for loan disbursement and credit management laying down term which are equivalent to the one described above.

Scope of the Framework Agreement

In order to allow the broadest possible participation of BIP shareholders in the material Transaction, the Framework Agreement provides that, within 10 (ten) working days of the signing date, other members of BIP may undertake to sell to SPAXS, which undertakes to purchase, with effect from the Effective Date, additional BIP Shares against a pro-rata fee, subject to any further terms and conditions set forth in the Framework Agreement.

Furthermore, by way of exception, the Framework Agreement provides that SPAXS shall agree to the completion of the Relevant Transaction if, on the Effective Date, less than a maximum of 5% (five per cent) of the Shares are transferred to SPAXS, compared to the percentages indicated in the same Framework Agreement (the “**Minimum Threshold of Shares on Sale**”) and less than a maximum of 5% (five per cent) of contribution shares compared to the number of shares indicated in the Framework Agreement (the “**Minimum Threshold of Contribution Shares**”). It is understood that it is essential for SPAXS to acquire ownership of a number of shares at least equal to the Minimum Threshold of Shares on Sale and to the Minimum Threshold of the Contribution Shares and that this represents a determining reason for SPAXS to carry out the Material Transaction.

Therefore, if no shares are transferred for percentages at least equal to the Minimum Threshold of Shares on Sale and to the Minimum Threshold of Contribution Shares, SPAXS will no longer be required to complete the transaction and will be released from any obligation arising from the Framework Agreement, subject to SPAXS’ right to reimbursement of the expenses incurred in connection with the same.

Representations and warranties

In line with the best market practice for similar transactions, the Framework Agreement provides for a series of representations and warranties typically issued by the BIP Shareholders for similar transactions concerning, among other things, (i) the incorporation, (ii) share capital and capital requirements, (iii) stakes, (iv) accounting books, financial statements, subsequent material events, no undisclosed liabilities, (v) authorisation, (vi) taxes, (vii) loans and security interests, (viii) material contracts, (ix) credits, (x) employees and collaborators, (xi) insurance, (xii) industrial and intellectual property, (xiii) litigation, (xiv) ownership and functioning of corporate assets, (xv) environmental issues, (xvi) laws, (xvii) compliance with privacy legislation and Legislative Decree 231/2001, (xviii) contracts with related and connected parties, (xix) services and information systems, (xx) obligations to file documentation with the authorities and money laundering prevention, (xxi) no intermediaries, (xxii) prior management and (xxiii) complete information.

3. DESCRIPTION OF THE COMPANIES INVOLVED IN THE BUSINESS COMBINATION

The companies involved in the Business Combination are SPAXS and Banca Interprovinciale.

3.1 SPAXS (Buyer)

3.1.1 Company history and development

SPAXS is a special purpose acquisition company ("SPAC") incorporated in Italy with the object to find, through the placement of its financial instruments and the admission to trading on AIM Italia, which took place on 30 January 2018 as for notice by Borsa Italiana, the necessary financial resources to implement, after carrying out the relevant research and selection activity, the Material Transaction with one or more operating companies ("*target*").

The Company was incorporated on 20 December 2017 as a Joint-Stock Company under the name "SPAXS S.p.A.", with a share capital of EUR 50,000.00, with a deed drawn upon by Notary Mr Carlo Marchetti, Index No. 14216, Collection No. 7514.

As at Information Document Date, SPAXS has available liquidity for EUR 600,000,000.00 originating from the placement of financial instruments and deposited in the Escrow Account, which may be used, pursuant to SPAXS' Articles of Association, to implement the Material Transaction.

Listed below are the main events that led to the listing of SPAXS' Financial Instruments on AIM Italia:

- on **17 January 2018**, the Issuer's Shareholders' Meeting approved new Articles of Association (subsequently amended on 25 January 2018), in order to, among other things, update the provisions of the Articles of Association to the current laws concerning companies with financial instruments admitted to trading on the AIM Italia;
- on **15 January 2018**, the Company proceeded to send to Borsa Italiana the pre-admission communication pursuant to Article 2 of the AIM Italia Issuers' Regulations and requested admission of its Ordinary Shares and its Conditional Share Rights to trading on AIM Italy;
- on **25 January 2018**, the Company completed the procedure by filing with Borsa Italiana its application for admission and its Trading Admission Document;
- on **29 January 2018**, filed with Borsa Italiana the updated version of the pre-admission communication;
- on **30 January 2018** Borsa Italiana admitted to trading on AIM Italia SPAXS' Ordinary Shares and the Conditional Share Rights; and
- the trading of financial instruments on AIM Italia started on **1 February 2018**.

In accordance with Article 4 of the Articles of Association, the Company's duration is until the earlier of the following dates: (i) 31 July 2020 and (ii) the end of the 18th calendar month after the "Trading Start Date" (i.e., 1 February 2018), provided that, where at such date an agreement concerning the implementation of the Material Transaction has been signed and disclosed to the market pursuant to the applicable provisions, the Company's duration will automatically be extended to the end of the 6th calendar month following such date.

Following an analysis on Banca Interprovinciale, SPAXS identified in BIP the potential target company for carrying out the Material Transaction in the framework of an operation that involves the transfer of at least of 86.00% of BIP's share capital through (i) the transfer to SPAXS by the Selling Shareholders of an overall investment equal to 71.98% of BIP share capital, and (ii) the subscription by the Contributing Shareholders of 987,128 SPAXS' new ordinary shares, as part of BIP Reserved Capital Increase to be paid in through the Contribution, amounting to 19.39% of BIP's share capital.

Banca Interprovinciale is a company operating in the Italian banking sector with a geographical focus in Emilia Romagna region, It operates under a commercial banking business model in the retail savings market. Its clients are SMEs and retail investors.

Banca Interprovinciale's main products are corporate mortgages and unsecured loans, both short and long term, overdraft loans, retail mortgage loans, corporate and retail bank accounts and time deposits with home banking and mobile banking services. Its commercial offer is completed with secured financing in insolvency proceedings with a high level of guarantees, mortgage bank accounts, credit lines to assign trade receivables and some outsourced products (i.e., import/export advances, letters of credit and other types of foreign funding). On 12 April 2018, SPAXS and the BIP Shareholders signed the Framework Agreement, which, among other things, provides for (i) the assignment to SPAXS, by the Selling Shareholders, of a total investment equal to 71.98% of BIP's share capital (ii) the subscription by the Contributing Shareholders of 987,128 SPAXS' new ordinary shares, as part of BIP Reserved Capital Increase to be paid in through the Contribution, amounting to 19.39% of BIP's share capital. The Framework Agreement also provides for standard clauses for transactions of a similar nature relating to, among other things, representations and warranties, commitments (including disclosure obligations), indemnity obligations and automatic termination clauses in the event of failure to implement the preparatory procedures for the execution of the Material Transaction or the occurrence of other conditions precluding the same, such as, for example, the failure to obtain the authorisation under Article 19 TUB from the Central European Bank on a proposal by the Bank of Italy and/or the failure to transfer (Acquisition and Contribution) a percentage at least equal to 86.00% of BIP's share capital.

For an overview of the Framework Agreement and information on the Business Combination, please refer to Chapter 2 of the Information Document.

3.1.2 SPAXS' main activities

SPAXS' corporate purpose is the research and selection of possible acquisitions of shares in other company/ies and of other forms of possible merger of the company with other company/ies, to be implemented after the trading on AIM Italia has started through, including, but not limited to, mergers with the selected company/ies, acquisitions pursuant to any method allowed by law (including the subscription of capital increases and the sale and purchase) of shareholding in the selected company/ies and/or contributions, as well as their implementation with any method allowed by law and only following the prior amendment of the Company's purpose, as resulting, at any given time, from the Articles of Association. For this purpose, the Company will be allowed to, among other things, acquire majority or minority shareholdings as well as participating financial instruments. The actual implementation of the Material Transaction is subject to prior approval by the Shareholders' Meeting and to the subsequent amendment of the Issuer's corporate purpose.

As at Information Document Date, SPAXS has carried out its research and selection activity to identify a possible target, in the view of establishing an Italian operator in the banking and/or financial sector that will be active primarily in the following sectors:

(i) the provision of banking and/or financial services to corporate clients and especially to "Mid Corporate" clients (including companies with low rating/no rating) including those "performing" as well as those classified as "unlikely-to-pay", that includes, invoice lending, crossover lending and turn around services;

(ii) in the market of non-performing loans, through the purchase of secured and unsecured "bad loans" (both loan portfolios and single credit securities) and their management, including through the establishment of an advanced servicing platform. The servicing platform will also be used for the servicing of portfolios owned by other operators; and

(iii) the offer to retail savers of highly digitalised banking and/or financial services.

For further information, reference is made to SPAXS' Articles of Association, the Investment Policy and SPAXS' Trading Admission Document, which may be found on SPAXS website www.spaxs.it, Section "*Investor Relations/Operazione Rilevante*".

3.1.3 *Primary market and competitive positioning*

SPAXS' goal is to carry out its activities in specific broad segments of the Italian banking and/or financial sector with high growth potential.

More specifically, SPAXS intends to operate in the segment of medium-size companies with a turnover between EUR 30 and 250 million, a segment which comprises an overall *in bonis* (performing) credit stock of several hundreds of billions of euros, offering cross-over lending, invoice lending and turnaround services.

It also intends to operate in the segment involving the purchase and management of non-performing loans in Italy, a market which is expected to be among the largest and most dynamic in Europe.

Finally, the Retail market is a fast-growing market that already relies, in the Italian system, on 3 million "Pure Digital" clients characterised by their high propensity to resort to online channels through digital or IT applications *("apps")*.

For further details on SPAXS' competitive positioning and reference markets, reference is made to Paragraph 4.5 of the Future plans and strategies.

3.1.4 *Exceptional events*

As at the Information Document Date, no exceptional events have occurred that affected SPAXS' activity.

The Company was incorporated on 20 December 2017 and does not have any prior operational history.

3.1.5 *Dependence on patents or licenses, industrial, commercial or financial agreements, or new manufacturing processes*

As at the Information Document Date, the Company is not dependent on any patents, trademarks or licenses, nor on commercial or financial agreements and on new manufacturing processes.

3.1.6 *Group structure*

3.1.6.1 Description of the group to which SPAXS belongs

As at the Information Document Date, SPAXS does not belong to any group, nor does any party control SPAXS pursuant to Article 2359 of the Italian Civil Code 93 of the TUF.

SPAXS is not subject to direction and coordination pursuant to Articles 2497 and ff. of the Italian Civil Code.

3.1.6.2 Description of the group of which SPAXS is the parent company

As at the Information Document Date, SPAXS does not hold any stake in other companies.

3.1.7 Employees

3.1.7.1 Number of SPAXS' employees

As at the Information Document Date, SPAXS does not have any employees. On the same date, SPAXS has only two continuous and coordinated contractual relationships and one project-based contract in place.

3.1.7.2 Stakes and stock option

Stakes

As at the Information Document Date, without prejudice to the specifications provided below, the members of SPAXS Board of Directors and Board of Statutory Auditors do not hold, either directly or indirectly, any stakes in SPAXS' share capital.

It is worth pointing out that, as at the Information Document Date, the Promoting Companies hold all of SPAXS' Special Shares, as specified in Paragraph 3.1.9 below of the Information Document.

Stock option

As at the Information Document Date, SPAXS has not approved any stock-option plan.

3.1.7.3 SPAXS' employee stock ownership plan (ESOP)

As at the Information Document Date, there are no agreements or provisions of the Articles of Association providing for any SPAXS' employee stock ownership plan.

3.1.8 SPAXS' share capital

As at the Information Document Date, SPAXS' share capital is EUR 61,800,000.00 divided into 60,000,000 SPAXS' Ordinary Shares and 1,800,000 SPAXS' Special Shares, all without indication of their nominal value. On the same date, 6,000,000 Conditional Share Rights are outstanding.

SPAXS' Ordinary Shares and Conditional Share Rights have been admitted to trading on AIM Italia with trading start date on the same trading system on 30 January 2018 and 1 February 2018. SPAXS' Special Shares are not traded on AIM Italia.

SPAXS' *Ordinary Shares*

The Company's Ordinary Shares are registered shares, freely transferable, without indication of the nominal value, with regular dividend rights and granting dematerialised securities pursuant to Articles *83-bis* ff. of the TUF and corresponding implementing regulations and are included in the centralised management system managed by Monte Titoli.

All SPAXS' Ordinary Shares have the same characteristics and grant the same rights to their holders. Each SPAXS' Ordinary Share assigns the right to vote in the ordinary and extraordinary Shareholders' Meetings of the Company, as well as other property and administrative rights pursuant to applicable law provisions and Articles of Association provisions.

SPAXS' Ordinary Shares are freely transferable in compliance with the law or SPAXS' Articles of Association.

For further information on the characteristics of SPAXS' Ordinary Shares, reference is made to SPAXS' Articles of Association available on SPAXS' website at www.spaxs.it, Section "*Corporate Governance/Documenti Societari*".

SPAXS' *Special Shares*

The Promoting Companies hold SPAXS' Special Shares.

Pursuant to Article 6 of the Articles of Association, and without prejudice to the specifications included therein, SPAXS' Special Shares assign the same rights and obligations as the Ordinary Shares.

SPAXS' Special Shares have the following characteristics:

(a) non-transferable for the maximum term established under the law, except for those transfers to subsidiaries (directly or indirectly) from the owner of SPAXS' Special Shares or said owner's shareholders or successors; a transfer for these purposes includes any act or event that, for whatever reason, results in a transfer to third parties of the ownership, bare ownership or enjoyment rights over the securities or subjecting the same to charges or encumbrances of any nature, whether *in rem* or otherwise, in favour of third parties;

(b) in accordance with Article 12 of the Articles of Association, said shares provide the right to submit proposals for the appointment in positions in corporate bodies to the said corporate bodies of the Company; however, they do not grant voting rights in the ordinary and extraordinary Shareholders' Meetings, without prejudice in any case to the powers provided by law and/or the Articles of Association applicable to the special meeting of holders of SPAXS' Special Shares;

(c) are excluded from the right to receive profits; however, they entitle the holders to receive distributable reserves;

(d) if the Company is dissolved, the said shares provide its holders the right to redemption of their share of the equity after liquidation pursuant to Article 28 of the Articles of Association;

(e) are automatically converted into SPAXS' Ordinary Shares, providing that each Special Share shall be converted into six (6) SPAXS' Ordinary Shares in the amount of 360,000 SPAXS' Special Shares (equal to twenty percent 20% of their amount) if the Material Transaction is executed and after the seventh (7^{th}) trading day following the effective date of the Material Transaction;

(f) are automatically converted into SPAXS' Ordinary Shares, providing that each SPAXS' Special Share shall be converted into eight (8) SPAXS' Ordinary Shares in the further amount of 1,440,000 SPAXS' Special Shares (equal to eighty percent 80% of their amount) (the "**Remaining Tranche**") in the event that, within 48 months after the Effective Date of the Material Transaction, the average price of SPAXS' Ordinary Shares traded on AIM Italia (or, if the case may be, a regulated Italian market), over at least twenty-two (22) consecutive trading days, is equal to or greater than EUR 15.00 (fifteen euros and no cents) per SPAXS' Ordinary Share;

(g) if there are adjustments to the value of SPAXS' Ordinary Shares following notification from Borsa Italiana S.p.A., the above-mentioned value at subparagraph (f) of EUR 15.00 shall be adjusted according to the "K coefficient" notified by Borsa Italiana; and

(h) are automatically converted into SPAXS' Ordinary Shares, providing that each SPAXS' Special Share shall be converted into eight (8) SPAXS' Ordinary Shares in the amount of one hundred percent (100%)

of their amount - in the event that all three of the following conditions are fulfilled: (X) one or more of the directors in office at the effective date of the Articles of Association cease to be in office for any reason whatsoever; (Y) the holders of SPAXS' Special Shares propose the appointment of a director, under Article 6.4(b) and 12 of the Articles of Association, or of a substitute, pursuant to Article 17.1 of the Articles of Association; and, (Z) the ordinary Shareholders' Meeting appoint Company directors that are not proposed in the preceding point (Y).

If the conditions for automatically converting the Remaining Tranche pursuant to Article 6.4(f) of the Articles of Association are not fulfilled by the Maximum Deadline, each remaining SPAXS' Special Share shall convert into 1 (one) SPAXS' Ordinary Share without any change to the amount of the share capital.

For further information on the characteristics of SPAXS' Special Shares, reference is made to SPAXS' Articles of Association available on SPAXS' website at www.spaxs.it Section "*Corporate Governance/Documenti Societari*".

Conditional Share Rights

Conditional Share Rights are registered, freely transferable, and admitted to the Monte Titoli centralised management system for uncertificated securities pursuant to Articles 83-bis and ff. of Legislative Decree 58/1998 and the relevant implementing regulations.

For purposes of converting the Conditional Share Rights, on 17 January 2018, the extraordinary Shareholders' Meeting of the Company resolved to issue 5,000,000 ordinary shares without changing the share capital amount, to be assigned at no charge to the holders of Conditional Share Rights, therein resolved upon the first anniversary of the Material Transaction effective date. On 25 January 2018, the extraordinary Shareholders' Meeting of the Company also resolved to increase the maximum overall amount of the number of shares to be issued for the assignment of the Conditional Share Rights up to 6,000,000.

For further information on the characteristics of the Conditional Share Rights, reference is made to SPAXS' Conditional Share Rights Regulation that may be found on the website www.spaxs.it Section "*Investor Relations/IPO*").

3.1.9 Main shareholders

As at the Information Document date, based on the shareholders' register entries, the notices received pursuant to the law and the other information available to SPAXS, the shareholders which, either directly or indirectly, hold a stake greater than 5% of SPAXS' share capital with voting rights are the following.

Shareholder	**Percentage of SPAXS' share capital with voting rights**
AMC Metis S.a.r.l.[(1)]	7.67%
SDP Capital Management (Malta) Ltd	6%
Kairos Partners SGR S.p.A.	5.98%
Numen Capital LLP	5.75%

Tensile Capital Partners L.P.	5%

(1) Company indirectly owned by Atlas Merchant Capital Fund LP (reporting agent).

As at the Information Document Date, no party controls SPAXS pursuant to Article 2359 of the Italian Civil Code.

SPAXS is not subject to direction and coordination pursuant to Article 2497 and ff. of the Italian Civil Code.

With reference to SPAXS' Special Shares, as at the Information Document Date, the share capital represented by said shares is owned as follows.

Shareholder	**Percentage of** SPAXS' **share capital with voting rights**
Tetis (1)	99%
AC Valuecreations	1%

(1) Company entirely controlled by Metis S.p.A., in which SPAXS *Executive Chairman, Mr Corrado Passera, holds a 90% stake and holds office as Sore Director, and in which the Director, Mr Massimo Brambilla, holds a 5% stake.*

3.1.10 Administrative, management or supervisory bodies and top managers

3.1.10.1 SPAXS' Board of Directors

Pursuant to Article 16 of the Articles of Association, the management of the Company is assigned to a Board of Directors composed by a minimum of four (4) to a maximum of five (5) Directors, of which at least one (1) fulfilling the requirements of independence set out under Article 148, paragraph 3, of the TUF, as referred to by Article 147-fer, paragraph 4, of the TUF.

The Board of Directors in office on the Information Document Date was appointed on 12 January 2018 (pursuant to the provisions of the Articles of Association in effect at that time). The members of the Board of Directors will remain in office for 3 financial years, and more specifically, until the date of the Shareholders' Meeting convened for the approval of the financial statement ending on 31 December 2020.

The members of the Board of Directors are indicated in the following Table.

First and Last Name	**Office**	**Place and date of birth**
Corrado Passera	Executive Chairman of the Board of Directors	Como, 30 December 1954
Andrea Clamer	Director	Milan, 23 September 1977
Massimo Brambilla	Director	Milan, 9 January 1970
Maurizia Squinzi (1)	Director	Pero (Milan), 23 May 1950

(1) *Independent Director pursuant to Article 148, paragraph 3, of the TUF, as referred to by Article 147-ter, paragraph 4, TUF.*

The members of SPAXS Board of Directors are all domiciled for office at the registered office of the Company, except for the director Mr Massimo Brambilla, who is domiciled in Ponte Cremenaga, at via Cantonale no. 35 (Switzerland).

Set out below are short *curricula vitae* (resumes) of the members of SPAXS Board of Directors, which show the competence and experience developed in the business management field.

Corrado Passera

In 1977, Corrado Passera received his Business Economics degree from the Bocconi University of Milan. From 1978 to 1980, he was a master's student in Business Administration at the Whartoon School in Philadelphia.

His professional career started in 1980, when he joined the advisory firm McKinsey & Co, working both in Italy and abroad in reorganising and relaunching banking, insurance and service companies. In 1985, he joined CIR and in 1988 he became the General Director.

In 1992, he became the co-Managing Director of the Olivetti Group, while in 1996 he headed Banco Ambroveneto.

In 1998, he joined Poste Italiane. However, he returned to the credit market in 2002 as Managing Director and CEO of IntesaBci, the banking group created from the merger between Banca Intesa and Banca Commerciale Italiana.

In the summer of 2006, he assisted in the merger between Banca Intesa and San Paolo IMI, which created Intesa Sanpaolo, of which he later became Managing Director and CEO.

In November 2011, he was asked to join the cabinet of the Monti government as Minister of Economic Development, Infrastructure and Transport. At the close of the parliamentary term in 2013, he ended his term in office. From June 2015, he dedicated himself to a Milan relaunch project aimed at making Milan a competitor with the most dynamic metropolitan European cities, albeit choosing to refrain from partaking in the administrative elections.

He was granted a "*Cavaliere del Lavoro*" medal honorary award for industry leaders by the Italian President. Furthermore, he is a member of numerous advisory boards, including the McKinsey Advisory Council, and numerous Boards of Directors of listed companies (including, Finmeccanica and Credit Agricole in Paris) and non-profit organisations (Bocconi University, Scuola Normale Superiore di Pisa, Fondazione La Scala, Fondazione Cini, International Business Council of the World Economic Forum in Geneva, Wharton School in Philadelphia, International Institute of Finance in Washington).

In 2010, he established the Encyclomedia Publishers, an editorial project with Umberto Eco to produce the first high quality "Storia della Civiltà Europea" History of European Civilisation.

Andrea Clamer

Andrea Clamer received his Business and Economics Degree from the University of Pavia in 2002. In 2005 he received a Master of Business Administration at the Università Commerciale Luigi Bocconi and in 2016 he received a Diploma in Strategic Marketing in the banking sector at the "INSEAD" Business School.

His professional experience started at SAP Italia and as a consultant at Deloitte from 2006 until 2008.

From 2008 until 2012 he worked as Head of NPL Market in Toscana Finanza, where he gained a consolidated experience in valuing complex assets class (NPL secured and unsecured portfolio) and modeling business and financial elements.

From 2012 until 2017 he worked as Head of NPL Division of Banca Ifis. In such role he oversaw the acquisition of NPL portfolios managing the division's partnerships with major financial institutions and other suppliers, dealing with potential national and international investors. He was also focused on optimising collection strategy, managing directly the collection platform.

Since 2017, Andrea Clamer has been a member of Interbanca Board of Directors.

Massimo Brambilla

Massimo Brambilla received his Business Administration degree in 1996 from the Università Commerciale Luigi Bocconi.

From 1996 until 1997 he worked as an analyst with Tamburi & Associates.

In 1997 he was an Auditor for Reconta Ernst & Young.

From 1997 to 2002, Massimo Brambilla held the Vice President post of the Mergers and Acquisitions area as well as Head of Transaction Team for Société Générale Investment Banking.

From 2002 to 2004 he was also a Director in Euromobiliare Corporate Finance and from 2004 to 2006 he held the same office in Abaxbank.

Since 2006, Massimo Brambilla is the Managing Director Europe at Fredericks Michael & Co., in the offices of New York and London.

Maurizia Squinzi

Self-employed in the finance and financial services sector. She holds and has held advisory and top-tier management positions in areas of general management, CFO (finance, administration and control) and corporate planning in complex, industrial, service and insurance companies.

She is currently a non-executive and independent Director of Maire Tecnimont S.p.A.. Previously, she was a member of the Board of Directors, Chairman of the Risks Committee and member of the Remuneration Committee at Banca Carige S.p.A. until June 2017. She was the General Director of Mittel S.p.A. until January 2015 and member of the Board of Directors and the Executive Committee of Sorin S.p.A. until April 2015.

She was a Director of Resources (financial and human) of the financial restructuring of the San Raffaele Hospital in Milan; CFO of organisational restructuring and strategic relaunch of Poste Italiane; and Group Director of planning and control during the financial and organisational restructuring of the Montedison Group.

After receiving her degree in Economics and Trade (with full marks) from the Bocconi University, she worked for over eight years at the advisory firm McKinsey & Co. in areas of finance and financial products.

* * *

Powers of the Board of Directors

Pursuant to Article 20 of the Articles of Association, the Board of Directors is granted the fullest powers for the ordinary and extraordinary management of the Company, and has the power to take all the actions that are deemed necessary to achieve the corporate purpose, except those actions that are reserved to the Shareholders' Meeting by law and by the Articles of Association. More specifically, pursuant to Article 19.6 of the Articles of Association, the Board of Directors has exclusive competence to take decisions on the following matters:

(a) the proposal to carry out a Material Transaction;

(b) the proposals to be presented to the Shareholders' Meeting concerning the resolutions indicated under Article 15.2(ii) and (iii) of the Articles of Association;

(c) establishing the terms and conditions for the deposit and/or investment of the amounts deposited in the Escrow Account and/or possible changes to these terms and conditions;

Pursuant to Article 20.2 of the Articles of Association, the Board of Directors also has the power to take resolutions on: (a) the merger and de-merger, in cases provided for by law; (b) the establishment or closure of sub-offices/secondary units; (c) the choice of which Directors can represent the Company; (d) the decrease of the share capital in case of withdrawal of one or more shareholders; (e) to change the Articles of Association to make them consistent with law provisions; (f) the transfer of the head office within the Italian territory. Assignment of such powers to the Board of Directors does not exclude the concurring competence of the Shareholders' Meeting on the same subject matters.

Powers of the Executive Chairman

It should be noted that, upon resolution of the Board of Directors on 12 January 2018, the executive Chairman of the Board of Directors was granted the broadest necessary or appropriate powers for the ordinary management of the Company.

More specifically, including but not limited to, the execution of any transaction act, also potential (such as drafting, signing or termination of contracts, the hiring of employees or personnel and the disposal of assets relating to the Company's intellectual or industrial property rights) of a value not exceeding EUR 100,000.00 per single transaction.

* * *

The following Table shows the main companies or non-incorporated entities, other than the Issuer, where the members of the Board of Directors have acted as members of the administrative, management or supervisory bodies, or have been shareholders, in the past 5 years, with an indication of whether such members are still in office or are still holding the shareholding.

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Trading Admission Document Date
Corrado Passera	Metis S.p.A.	Sole Director	Currently in Office
	Ca’ Zampa S.r.l.	Director	Currently in Office
	Credicom Consumer Finance Bank SA (Greece)	Chairman of the Board of Directors	Currently in Office
	Metis S.p.A.	Shareholder	Currently in Office
	Larihotels S.p.A.	Shareholder	Currently in Office
	Immobiliare Venezia S.r.l.	Shareholder	Currently in Office
	Como Venture S.r.l.	Shareholder	Currently in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Trading Admission Document Date
	Ediglobe S.r.l.	Shareholder	Currently in Office
	Mediaglobe S.r.l.	Shareholder	Currently in Office
	EM Publishers S.r.l.	Shareholder	Currently in Office
	Club Italia Investimenti 2 S.p.A.	Shareholder	Currently in Office
	PetVet Holding S.r.l.	Shareholder	Currently in Office
Andrea Clamer	AC Valuecreation S.r.l.	Director	Currently in Office
	Neprix S.r.l.	Shareholder	Currently in Office
	TF sec S.r.l. in liquidazione	Liquidator	No longer in Office
	Interbanca S.p.A.	Director	No longer in Office
Massimo Brambilla	Tetis S.p.A.	Sole Director	Currently in Office
	Ca' Zampa S.r.l.	Director	Currently in Office
	Metis S.p.A.	Shareholder	Currently in Office
	PetVet Holding S.r.l.	Shareholder	Currently in Office
	Golfnspa S.r.l.	Shareholder	Currently in Office
	Hexagon Group S.r.l.	Shareholder	Currently in Office
Maurizia Squinzi	Maire Tecnimont S.p.A.	Director	Currently in Office
	Banca Carige S.p.A.	Director, President of the Supervisory Committee, Member of the Remuneration Committee	No longer in Office
	Mittel S.p.A.	General Manager	No longer in Office
	Earchimede S.p.A.	Chairman and CEO	No longer in Office
	Fashion District Group S.p.A.	Executive Chairman	No longer in Office
	Castello SGR S.p.A.	Director	No longer in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Trading Admission Document Date
	Sorin S.p.A.	Director and Member of the Executive Committee	No longer in Office
	Fondazione Ospedale San Raffaele	Manager of Financial and Human Resources	No longer in Office

* * *

None of the members of the Board of Directors is in one of the family relationships indicated by Book 1, Title 5, of the Italian Civil Code with the other members of the Board of Directors, nor such family relationships exist between these members and the members of the Issuer's Board of Statutory Auditors.

To the best of the Company's knowledge, in the last five years without prejudice to the rules set out in further below, none of the members of the Board of Directors (i) has been sentenced for crimes related to fraud or bankruptcy; (ii) has been declared bankrupt or subject to bankruptcy procedures or has been involved in bankruptcy procedures, receivership or liquidation procedure; (iii) has been officially sentenced and/or has been sanctioned by public or regulatory authorities (including relevant professional organisations) in the performance of his tasks, nor has been banned from holding the office of administrator, manager or supervisor of the Issuer or from the office of Director or manager for other companies. It is noted that on the Information Document Date, the executive Chairman, Corrado Passera:

(a) is charged, together with other individuals, in criminal proceedings (criminal proceedings General Docket No. 852/15, Court of Ivrea) on cases under Articles 590 and 589 of the Italian Criminal Code, as well as the violation of the accident prevention provisions pertaining to the exposure to asbestos of two workers of the company Ing. C. Olivetti & C. S.p.A. The charge was based on the offices held in the aforementioned company between 25 September 1992 and 4 July 1996. At the outset of the proceedings at first instance, the Court of Ivrea issued a sentence granting the conditional suspension of the sentence which was then appealed. The appeal is currently pending before the Turin Court of Appeal, with the hearing scheduled on 18 April 2018;

(b) is also charged, in his previous capacity as the CEO of Banca Intesa S.p.A. and then Intesa Sanpaolo S.p.A and together with other individuals, in criminal proceedings (criminal proceedings General Docket No. 1999/15, Court of Trani) on cases under Articles 110-640 of the Italian Criminal Code in relation to the negotiation of derivatives transactions with two companies clients of Banca Intesa S.p.A. At the outset of the proceedings a first instance, the Court of Trani found the CEO, Corrado Passera (and the other co-defendants) not guilty of the offence and issued an acquittal, because he did not commit the alleged offence. The judgment is not yet final;

(c) in his previous capacity as the CEO of Banca Intesa S.p.A. and Intesa Sanpaolo S.p.A., is registered as a suspect in relation to a preliminary investigation pending before the Court of Imperia pertaining to bank usury crimes. In relation to the above-mentioned proceedings, the Public Prosecutors have submitted requests to discontinue the case. Following the objection to the discontinuance filed by the complainant, a hearing has been scheduled for 28 May 2018 before the Preliminary Investigation

Judge;

(d) in his previous capacity as the CEO of Banca Intesa S.p.A. and Intesa Sanpaolo S.p.A., is registered as a suspect in relation to a preliminary investigation pending before the Court of Asti. In relation to the above-mentioned proceedings, the Public Prosecutors have submitted requests to discontinue the case. Following the objection to the discontinuance filed by the complainant, a hearing was scheduled before the Preliminary Investigation Judge for 8 February 2018 at the Court of Asti, following which the Judge reserved the decision. As of today, the Judge has not issued the decision;

(e) in his previous capacity as the CEO of Banca Intesa S.p.A. and Intesa Sanpaolo S.p.A., is registered as a suspect in relation to a preliminary investigation pending before the Court of Avezzano pertaining to bank usury crimes. In relation to the above-mentioned proceedings, the Public Prosecutors have submitted requests to discontinue the case. Following the objection to the discontinuance filed by the complainant, a hearing has been scheduled for 4 June 2018 before the Preliminary Investigation Judge;

(f) is registered as a suspect in relation to a preliminary investigation pending before the Italian Public Prosecutor Office at the Court of Ivrea, of which he has learned following a notice of extension of the deadline for preliminary investigations (however, the criminal action was neither commenced nor has notice been issued stating that the preliminary investigation has concluded). Such investigation concerns damages caused from the exposure to asbestos suffered by certain workers of the company Ing. C. Olivetti & C. S.p.A., other than those involved in the above-mentioned proceedings pending in appeal before the Turin Court of Appeal (currently, the alleged crime that has been registered is that of cases under Articles 589 and 590 of the Italian Criminal Code);

(g) is registered as a suspect in relation to a preliminary investigation pending before the Italian Public Prosecutor Office in Turin, of which he has learned following a notice of extension of the deadline for preliminary investigations (however, the criminal action was neither commenced nor has notice been issued stating that the investigation has concluded). Such investigation concerns an acquisition transaction of a foreign bank by the Intesa Sanpaolo Group (currently, the alleged crime that has been registered is that of cases under Articles 110, 648bis and 648ter of the Italian Criminal Code).

3.1.10.2 SPAXS Board of Statutory Auditors

Pursuant to Article 24.1 of the Articles of Association, on the Information Document Date, the Board of Statutory Auditors is composed of 3 Standing Auditors and 2 Alternate Auditors.

The Board of Statutory Auditors in office has been appointed by the ordinary Shareholders' Meeting held on 12 January 2018 and will remain in office until the meeting of the Shareholders' Meeting convened for approving the financial statements for the financial year ending on 31 December 2020.

As of the Information Document Date, the Board of Statutory Auditors is composed as follows:

First and Last Name	Office	Date and Place of Birth
Ernesto Riva	Chairman of the Board of Statutory Auditors	Seregno (MB), 24 April 1945
Luigi Sironi	Standing auditor	Lecco, 12 October 1961
Riccardo Foglia Taverna	Standing auditor	Trivero (BI), 16 June 1966
Paolo Baruffi	Alternate Auditor	Milano, 8 May 1959

Paolo Pippo Fatrizio	Alternate Auditor	Giussano (MB), 9 November 1968

The members of the Board of Statutory Auditors are domiciled for office at the Company's registered office.

Following are short curricula vitae (resume) of the members of the Board of Statutory Auditors, which show the competence and experience developed in the area of business management.

Ernesto Riva

Ernesto Riva received his Law Degree in 1971 from Università Cattolica of Milan. He has been an Auditor since 2001 (no. 123738 of the Register).

From 1972 Ernesto Riva has been an employee of Banco Ambrosiano, the Nuovo Banco Ambrosiano as well as of Banco Ambrosiano Veneto. Since 1976 he has worked as administrator and since 1986 he has acted as manager (budget and tax).

He has also worked as Head of the *Direzione Centrale Amministrativa* (Central Administrative Directorate) of the Banco Ambrosiano Veneto (1995-1997), Banca Intesa (1998-2006) and Intesa Sanpaolo (2007-2015), where he focused on the administrative structure of the holding
Bank and of the Group's consolidated entity, composed of banks, insurance companies, financial services firms, with offices in Italy and abroad.

Luigi Sironi

Luigi Sironi received his Economics Degree in 1987 from the Università L. Bocconi of Milan.

He has been registered with the Association of Certified Accountants since 1990, and with the Register of Auditors since 1995.

Luigi Sironi provides tax and corporate advice to sole practitioners, professionals, partnerships and companies in addition to business and management advice.

Furthermore, he has held and holds member positions with the Boards of Statutory Auditors and Directors at numerous Italian Companies.

Riccardo Foglia Taverna

Riccardo Foglia Taverna received his Economics Degree in 1990 from the Università degli Studi di Torino.

In 1993 he became a certified accountant.

Accounting Auditor, he is registered in the Register of Auditors of the Court of Appeal of Turin with no. 110326, with Decree of the General Director of Civil Affairs and Liberal Professions of 25 November 1999 - published on the extraordinary supplement to the Official Journal of the Republic of Italy, 4th special series no.100.

Between 1991 and 1992, Riccardo Foglia Taverna held a position as an Auditor at Reconta Ernst & Young; from 1993 to 1997 he was tax manager for Banca Sella Group.

Between 1997 and 2002 he worked as associate for the Tax Law Unit of Ernst & Young International Tax Law Firm, providing advice on corporate and tax matters to national and international clients, with a special focus on the banking, finance and insurance sector.

Between 2002 and 2015 he was a partner in the Studio Tributario e Legale VALENTI e associate Tax Law Firm. He is also a statutory auditor at leading companies, including listed companies.

Since 2016, he is a partner at the Studio Associato Legale e Tributario STLEX Tax Law Firm.

Paolo Baruffi

In 1984, Paolo Baruffi received his Degree in Economics from the Università L. Bocconi of Milan, and is registered with the Association of Certified Accountants and Experts of Milan (Milan and Lodi) since 1990 with no. 2806. He is also registered with the Register of Auditors with Ministerial Decree of 12 April 1995, published in Official Journal no. 31bis of 21 April 1995.

Paolo Baruffi is a partner of Carnelutti Studio Legale Associato.

He is member of the Association of Certified Accountants and of the Board of Statutory Auditors. He collaborates with the Tax Department of the Law Firm, where he works as advisor to the top management of banks, industrial and commercial businesses on matters dealing with corporate and tax law; he also works as advisors on matters dealing with corporate restructuring operations, mergers and acquisitions, at both the national and international level.

He is also a member of the Accountants Global Network (AN) International and of the AGNO development committee.

He acts as director, auditor and member of the Supervisory Body pursuant to Legislative Decree No. 231/2001 in companies of primary importance in both Italian and international groups, which operate in the areas of finance, industry and services.

He specialises in administrative liability of companies. He advises leading groups in designing and implementing models for the Organisation, Management and Control pursuant to Legislative Decree No. 231/2001.

He is also the Author of the book *"Il Modello di Organizzazione Gestione e Controllo di cui al Decreto Legislativo 231/2001"* Model of Management Organisation and Control pursuant to Legislative Decree No. 231/2001.

Furthermore, he is recommended by Legal Experts EMEA as a tax consultant.

Paolo Pippo Fatrizio

In 1993, Paolo Pippo Fatrizio received his Economics degree from Università Cattolica del Sacro Cuore of Milan.

Since 1999 he is registered in the Register of Statutory Auditors and since 2002 he is also a certified accountant.

From 1994 to 1997 he was a statutory auditor for Arthur Andersen S.p.A.

From 1997 to 1998 he worked with studio Corno of Lissone (MB).

Since 1998 he works with the Carnelutti e Associati law firm.

* * *

The following Table shows the main companies or unincorporated entities, other than the Issuer, whose members of the Board of Statutory Auditors have been members of the administration, management or supervisory bodies, or shareholders, in the last 5 years, with an indication of the length of time in office and of the shareholding.

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
Ernesto Riva	Intesa Sanpaolo Securitisation Vehicle S.r.l.	Chairman of the Board of Directors	Currently in Office
	Intesa Sanpaolo Group Service S.c.p.A.	Director	No longer in Office
	Intesa Sanpaolo S.p.A.	Head of the Central Administration and Tax Directorate and Manager in Charge pursuant to Article 154-bis of the TUF	No longer in Office
Riccardo Foglia Taverna	Banca Sella Holding S.p.A.	Alternate Auditor	Currently in Office (termination upon approval of the financial statements for the financial year ended on 31 December 2017)
	Anteo S.r.l.	Standing Auditor	Currently in Office
	Soft NW S.p.A.	Standing Auditor	Currently in Office (termination upon approval of the financial statements for the financial year ended on 31 December 2017)
	Finanziaria 2010 S.p.A.	Standing Auditor	Currently in Office
	Lenzi Paolo Broker di Assicurazioni S.r.l.	Standing Auditor	Currently in Office
	Cedis S.r.l.	Director	Currently in Office
	Lampugnani Farmaceutici S.p.A.	Standing Auditor	Currently in Office
	Ambros Saro S.p.A.	Standing Auditor	Currently in Office
	Cabeco S.r.l.	Standing Auditor	Currently in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
	Tekim S.p.A.	Standing Auditor	Currently in Office
	Jakil S.p.A.	Standing Auditor	Currently in Office (termination upon approval of the financial statements for the financial year ended on 31 December 2017)
	Sella Capital Management S.g.r. S.p.A. in liquidazione	Standing Auditor	Currently in Office (termination upon approval of the financial statements for the financial year ended on 31 December 2017)
	Gestimm S.p.A.	Chairman of the Board of Statutory Auditors	Currently in Office
	Industries S.p.A.	Alternate Auditor	Currently in Office
	Ruffini Partecipazioni Holding S.r.l.	Statutory Auditor	Currently in Office
	Achille Pinto S.p.A.	Sole Accounting Auditor	Currently in Office
	C.I.DI.S in liquidazione	Liquidator	Currently in Office
	Dafe 4000 S.p.A.	Standing Auditor	Currently in Office
	Ibiella S.r.l.	Standing Auditor	Currently in Office (termination upon approval of the financial statements for the financial year ended on 31 December 2017)
	Zephyro S.p.A.	Standing Auditor	Currently in Office (termination upon approval of the

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
			financial statements for the financial year ended on 31 December 2017)
	Franco Ferrari S.r.l.	Accounting Auditor	Currently in Office
	AVM Gestioni s.g.r. S.p.A.	Alternate Auditor	Currently in Office
	Primomiglio s.g.r. S.p.A.	Standing Auditor	Currently in Office
	Ruffini Partecipazioni S.r.l.	Standing Auditor	Currently in Office
	FVH S.r.l.	Standing Auditor	Currently in Office
	Storgaz S.p.A.	Standing Auditor	Currently in Office
	Ankorgaz S.p.A.	Standing Auditor	Currently in Office
	Fonderie Valdesane S.p.A.	Standing Auditor	Currently in Office
	Selfid S.p.A.	Standing Auditor	Currently in Office
	Ankorgaz S.p.A.	Standing Auditor	Currently in Office
	Selfid S.p.A.	Standing Auditor	Currently in Office
	Storgaz S.p.A.	Standing Auditor	Currently in Office
	Agave Blu S.r.l.	Standing Auditor	No longer in Office
	Advanced Italian Yachts S.r.l.	Standing Auditor	No longer in Office
	Agie Charmilles S.p.A.	Standing Auditor	No longer in Office
	Banca Sella S.p.A.	Standing Auditor	No longer in Office
	Cba Vita S.p.A.	Standing Auditor	No longer in Office
	Dafe 3000 S.r.l.	Accounting Auditor	No longer in Office
	Enersel S.p.A.	Alternate Auditor	No longer in Office
	Filatura e Tessitura di Tollegno S.p.A.	Alternate Auditor	No longer in Office
	Intercos S.p.A.	Alternate Auditor	No longer in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
	Intercos Europe S.p.A.	Standing Auditor	No longer in Office
	Investbiz S.p.A.	Standing Auditor	No longer in Office
	Impresa Ing. La Falce S.p.A.	Alternate Auditor	No longer in Office
	ISC S.p.A.	Alternate Auditor	No longer in Office
	Lanificio di Tollegno S.p.A.	Standing Auditor	No longer in Office
	Manifattura di Valduggia S.p.A.	Standing Auditor	No longer in Office
	Moncler S.r.l.	Alternate Auditor	No longer in Office
	Punto S.r.l.	Standing Auditor	No longer in Office
	Shark Bites S.p.A.	Standing Auditor	No longer in Office
	UVIAITA S.r.l.	Standing Auditor	No longer in Office
Luigi Sironi	Advanced Capital SGR S.p.A.	Chairman of the Board of Statutory Auditors	Currently in Office
	Blockbuster Italia S.p.A.	Chairman of the Board of Statutory Auditors	Currently in Office
	Nutrition Foundation of Italy	Chairman of the Board of Statutory Auditors	Currently in Office
	Inbetween SGR S.p.A.	Standing Auditor	Currently in Office
	Opera SGR S.p.A.	Standing Auditor	Currently in Office
	C*Blade S.p.A.	Standing Auditor	Currently in Office
	Elba Compagnia di Assicurazione e Riassicurazione S.p.A.	Standing Auditor	Currently in Office
	Startrade S.R.L.	Sole Standing Auditor	Currently in Office
	Vril Finanziaria S.p.A.	Sole Statutory Auditor	No longer in Office
	Agenzia per lo Sviluppo dell'Editoria Audiovisiva S.R.L.	Sole Statutory Auditor	No longer in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
	Immobiliare Pegaso “Progetto Affori” S.p.A.	Standing Auditor	No longer in Office
	Ampelos S.R.L.	Sole Director	No longer in Office
	Canossa S.R.L.	Sole Director	No longer in Office
	Concordia S.R.L.	Sole Director	No longer in Office
	L.M. Properties S.R.L.	Sole Director	No longer in Office
	Immobiliare Ancora di Villa & C. S.r.l.	Shareholder	Currently in Office
	Immobiliare Giusti V.B. S.r.l.	Shareholder	Currently in Office
	Sailing Italia Charter S.r.l.	Shareholder	Currently in Office
	Sailing Italia Yacht S.r.l.	Shareholder	Currently in Office
	Ampelos S.r.l.	Shareholder	No longer in Office
	Concordia S.r.l.	Shareholder	No longer in Office
	Villa di Vitigliano S.r.l.	Shareholder	No longer in Office
	Fattoria di Vitigliano S.r.l.	Shareholder	No longer in Office
Paolo Baruffi	Apple S.p.A.	Accounting Auditor	Currently in Office
	Apple Italia S.r.l.	Accounting Auditor	Currently in Office
	Apple Retail Italia S.r.l. - SU	Chairman of the Board of Statutory Auditors	Currently in Office
	C blade S.p.A. forging & manufacturing	Chairman of the Board of Statutory Auditors	Currently in Office
	Consorzio e.s.e.	Chairman of the Board of Statutory Auditors and Accounting Auditor	Currently in Office
	Continental Finanziaria S.p.A. in liquidazione	Standing Auditor and Accounting Auditor	Currently in Office
	Conbipel c&d S.r.l. - SU	Standing Auditor	Currently in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
	Conbipel S.p.A.	Alternate Auditor and member of the Supervisory Body	Currently in Office
	Cray valley S.r.l.	Chairman of the Board of Statutory Auditors and Accounting Auditor	Currently in Office
	Decox S.p.A.	Standing Auditor and Accounting Auditor	Currently in Office
	Digital solutions S.r.l.	Standing Auditor	Currently in Office
	Do & co italy S.r.l. - SU	Chairman of the Board of Statutory Auditors and Accounting Auditor	Currently in Office
	Finpro S.p.A.	Alternate Auditor	Currently in Office
	Ferroli S.p.A.	Alternate Auditor	Currently in Office
	Gardner denver italy holdings S.r.l.	Standing Auditor	Currently in Office
	Garo dott.ing.roberto gabbioneta S.p.A.	Standing Auditor	Currently in Office
	Giesecke & devrient italia S.r.l. - SU	Sole Auditor and Accounting Auditor	Currently in Office
	Hotel residence club S.p.A.	Statutory Auditor	Currently in Office
	Konelco S.p.A.	Chairman of the Board of Directors	Currently in Office
	Istituto mobiliare lombardo S.p.A.	Director	Currently in Office
	Li.t.e.r. S.r.l.	Statutory Auditor and Accounting Auditor	Currently in Office
	Mak mart italia S.p.A. - SU	Statutory Auditor and Accounting Auditor	Currently in Office
	Nexans italia S.p.A.	Statutory Auditor	Currently in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
	Nexans intercablo S.p.A.	Chairman of the Board of Statutory Auditors	Currently in Office
	Nexans partecipazioni 1talia S.r.l.	Sole Statutory Auditor	Currently in Office
	Orologeria luigi verga S.p.A.	Chairman of the Board of Statutory Auditors and Accounting Auditor	Currently in Office
	Pierre fabre italia S.r.l.	Alternate Statutory Auditor	Currently in Office
	Pierre fabre pharma S.r.l.	Alternate Statutory Auditor	Currently in Office
	Publishare 1talia S.r.l.	Sole Statutory Auditor and Accounting Auditor	Currently in Office
	River tre S.p.A.	Alternate Auditor	Currently in Office
	Resilia S.r.l. - SU	Sole Statutory Auditor and Accounting Auditor	Currently in Office
	Sertem S.r.l.	Chairman of the Board of Directors	Currently in Office
	Swisscom italia S.r.l. - SU	Standing Auditor	Currently in Office
	Seaboats S.r.l.	Alternate Auditor	Currently in Office
	The european house - ambrosetti S.p.A.	Statutory Auditor and Accounting Auditor	Currently in Office
	Conbipel S.p.A.	Member of the Supervisory Body under Legislative Decree No. 231/2001	Currently in Office
	Telelombardia S.r.l.	Member of the Supervisory Body under Legislative Decree No. 231/2001	Currently in Office
	Viacom international media networks italia S.r.l.	Member of the Supervisory Body under Legislative Decree No. 231/2001	Currently in Office
	Veneta decalcogomme S.r.l.	Member of the Supervisory Body under Legislative	Currently in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
		Decree No. 231/2001	
	TIMA S.A.S. di Paolo Baruffi	Partner and Liquidator	No longer in Office
	Frabklin templeton italia SIM S.p.A.	Standing Auditor	No longer in Office
	Mcf S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Fastweb wholesale S.r.l.	Standing Auditor	No longer in Office
	Swisscom ict italia S.r.l. in liquidazione	Standing Auditor	No longer in Office
	Attiva società di gestione del risparmio S.p.A. in liquidazione	Standing Auditor	No longer in Office
	Iseco S.p.A.	Standing Auditor	No longer in Office
	Technologies for water services S.p.A.	Standing Auditor	No longer in Office
	Polymer logistics italy S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	J.walter thompson italia S.p.A.	Standing Auditor	No longer in Office
	Kantar italia S.r.l.	Standing Auditor	No longer in Office
	Grey S.r.l.	Alternate Auditor	No longer in Office
	Fider S.r.l.	Chairman of the Board of Directors	No longer in Office
	So.ge.s S.r.l. in dissolution	Director	No longer in Office
	Sudler & hennessey S.r.l.	Accounting Auditor	No longer in Office
	Burson-marsteller S.r.l.	Standing Auditor	No longer in Office
	Wunderman S.r.l.	Standing Auditor	No longer in Office
	Wavemaker italia S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Chemviron italia S.r.l.	Chairman of the Board of	No longer in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
		Statutory Auditors	
	Oberthur technologies italia S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Mydrin S.r.l.	Standing Auditor	No longer in Office
	Sunclear S.r.l.	Standing Auditor	No longer in Office
	Sprint production S.r.l.	Standing Auditor	No longer in Office
	Milward brown S.r.l.	Standing Auditor	No longer in Office
	Aufidio S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Media club S.p.A.	Chairman of the Board of Statutory Auditors	No longer in Office
	Mindshare S.p.A.	Alternate Auditor	No longer in Office
	Mediacom italia S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Par-tec S.p.A.	Alternate Auditor	No longer in Office
	Fast financial administration solutions& technologies S.r.l.	Alternate Auditor	No longer in Office
	Kinetic S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Mammoet italy S.r.l.	Standing Auditor	No longer in Office
	Abp S.r.l. in dissolution	Standing Auditor	No longer in Office
	Frette S.r.l.	Standing Auditor	No longer in Office
	Groupm S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Professional governance overview S.r.l.	Director	No longer in Office
	Ganesh S.r.l.	Alternate Auditor	No longer in Office
	Arkemacoatings resins S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
	Usi overseas italy S.r.l.	Standing Auditor	No longer in Office
	J. Walter thompson roma S.r.l.	Standing Auditor	No longer in Office
	Isg italia S.p.A.	Alternate Auditor	No longer in Office
	Maxus mc2 S.p.A.	Alternate Auditor	No longer in Office
	Huntsman pigments S.p.A.	Standing Auditor	No longer in Office
	Eurofreditaly S.p.A.	Standing Auditor	No longer in Office
	Arcobalegno S.r.l.	Standing Auditor	No longer in Office
	S.p.m. Scarl	Alternate Auditor	No longer in Office
	Velux italia S.r.l.	Standing Auditor	No longer in Office
	CEG S.r.l.	Shareholder	Currently in Office
	SERTEM S.r.l.	Shareholder	Currently in Office
	Monticello Golf S.r.l.	Shareholder	Currently in Office
	KON.EL.CO S.p.A.	Shareholder (through a trusteeship)	Currently in Office
	Fider S.r.l.	Shareholder	No longer in Office
	Professional governance overview S.r.l.	Shareholder	No longer in Office
	TIMA S.A.S. di Paolo Baruffi	Shareholder	No longer in Office
	Emg liguria S.r.l.	Shareholder	No longer in Office
	FULL-PROJECT S.r.l.	Shareholder (through a trustee)	No longer in Office
Paolo Pippo Fatrizio	C Blade Forging & Manufacturing S.p.A.	Standing Auditor	Currently in Office
	Blockbuster Italia S.p.A. in liquidazione	Standing Auditor	Currently in Office
	Infoklix S.r.l. in dissolution	Liquidator	Currently in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
	Continental Finanziaria S.p.A. in liquidazione	Liquidator	Currently in Office
	Mak Mart Italia S.p.A.	Director	Currently in Office
	Immobiliare Selene S.r.l.	Sole Director	Currently in Office
	M.B. Immobiliare S.r.l.	Sole Director	Currently in Office
	Golf Club Carimate A.S.D.	Chairman of the Board of Statutory Auditors	Currently in Office
	Conbipel Communication&Develop S.r.l.	Alternate Auditor	Currently in Office
	Hotel Residence Club S.p.A.	Alternate Auditor	Currently in Office
	Caro Dott. Ing. Roberto Gabbioneta S.p.A.	Alternate Auditor	Currently in Office
	Nexans Intercablo S.p.A.	Alternate Auditor	Currently in Office
	Pierre Fabre Italia S.p.A.	Alternate Auditor	Currently in Office
	Orologeria Luigi Verga S.p.A.	Alternate Auditor	Currently in Office
	Cofidis S.p.A.	Alternate Auditor	Currently in Office
	Kon.El.Co. S.p.A.	Alternate Auditor	Currently in Office
	Li.T. E.R. S.r.l.	Alternate Auditor	Currently in Office
	Nexans Italia S.p.A.	Alternate Auditor	Currently in Office
	Gardner Denver Italy Holdings S.r.l.	Alternate Auditor	Currently in Office
	Cray Valley Italia S.r.l.	Alternate Auditor	Currently in Office
	Pulse Italy S.r.l.	Standing Auditor	No longer in Office
	Mak Mart Europe S.r.l.	Director	No longer in Office
	Arkema S.r.l.	Alternate Auditor	No longer in Office
	Aufidio S.r.l.	Alternate Auditor	No longer in Office

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
	Coemar S.p.A. - In liquidazione	Standing Auditor	No longer in Office
	Altair Servizi Informatici S.r.l.	Standing Auditor	No longer in Office
	Sied S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Fidia Farmaceutici S.p.A.	Alternate Auditor	No longer in Office
	Cementilce S.r.l.	Alternate Auditor	No longer in Office
	Arcobalegno S.r.l.	Alternate Auditor	No longer in Office
	Franklin Templeton Italia Sim S.p.A.	Alternate Auditor	No longer in Office
	Sied Real Estate S.r.l.	Standing Auditor	No longer in Office

* * *

None of the members of the Board of Statutory Auditors is in one of the family relationships indicated in Book 1, Title 5 of the Italian Civil Code with the other members of the Board of Statutory Auditors, nor any of them is in one of such family relationships with the members of Board of Directors of the Issuer.

To the best of the Company's knowledge, in the past five years, without prejudice to the rules set out further infra, none of the members of the Board of Statutory Auditors (i) has been sentenced for crimes related to fraud or bankruptcy; (ii) has been declared bankrupt or subject to bankruptcy procedures or has been involved in bankruptcy procedures, receivership or liquidation procedure; (iii) has been officially sentenced and/or has been sanctioned by public or regulatory authorities (including relevant professional organisations) in the performance of his tasks, not has been banned from holding the office of administrator, manager or supervisor of the Issuer or from the office of director or manager for other companies.

3.2.10.3 Independent Audit Firm of SPAXS

As of the Information Document Date, the appointed audit firm is KPMG S.p.A., which will remain in office until the approval of the financial statements for the financial year ending 31 December 2020.

3.1.10.4 Senior Managers of SPAXS

As of the Information Document Date SPAXS has no managers.

3.1.10.5 Founding Partners

The Issuer was incorporated as a Joint-Stock Company under the name "SPAXS S.p.A.", with a share capital of EUR 50,000.00, with deed drawn upon by Notary Mr Carlo Marchetti, Index No. 14216, Collection No. 7514.

For information on the shareholding structure of the Company as of the Information Document Date and its development in case of full placing of the maximum number of Ordinary Shares concerning the Offer, please refer to Paragraph 3.1.9 of the Information Document.

3.1.10.6 Conflicts of Interest of Administrative, Management or Supervisory Bodies and Senior Managers

Conflicts of interest of the members of SPAXS' Board of Directors

Except as indicated below, as at the Information Document Date, there are no situations of conflict of interest concerning the members of SPAXS Board of Directors. More specifically, it should be noted that as of the Information Document Date, the executive Chairman Mr Corrado Passera and Director Massimo Brambilla hold shares in one of the Promoting Companies and Director Andrea Clamer holds Special Shares of the Company as indicated in detail in Paragraph 3.1.9 of the Information Document.

It should be noted that, as at the Information Document Date, SPAXS is a party to a consulting agreement with Neprix, a company in which the Director Andrea Clamer holds a 50% stake in the share capital, intended to analyse non-performing loan packages, instrumental to SPAXS identifying and evaluating potential target companies for the completion of the Material Transaction. For more information please refer to Paragraph 3.1.12 below of the Information Document.

Conflicts of Interest of the members of SPAXS' Board of Statutory Auditors

It should be noted that, as of the Information Document Date, no conflict of interest exists with regard to the members of SPAXS' Board of Statutory Auditors.

Conflicts of Interest of SPAXS' Senior Managers

Not applicable.

3.1.11. SPAXS' BOARD OF DIRECTORS' PROCEDURES

3.1.11.1Terms of office of the members of the Board of Directors and the members of the Board of Statutory Auditors

The Board of Directors in office on the Information Document Date were appointed on 12 January 2018 (based on the articles of association in force at the time). The Board of Directors shall remain in office for three financial years, and more specifically, until the Shareholders' Meeting that will be convened to approve the financial statement for the financial year closing on 31 December 2020.

3.1.11.2 Employment agreements executed by the members of the Board of Directors and the members of the Board of Statutory Auditors with SPAXS that provide for severance remuneration

as at the Information Document Date no employment agreements have been entered into by the members of the Board of Directors and the members of the Board of Statutory Auditors with SPAXS that provide for severance remuneration.

3.1.11.3 Implementation of the provisions on corporate governance

The Issuer, as a Company requesting admission to trading on the AIM Italia, is not expected to implement the provisions on governance applicable to companies listed on regulated markets, except for the provisions set out by MAR.

However, it should be noted that the Shareholders' Meeting of the Issuer held on 17 January 2018 and on 25 January 2018 resolved, among other things, to, respectively, adopt and amend new Articles of Association for the Company in order to make the Company's system of corporate governance compliant with the law provisions applicable to companies with financial instruments admitted to trading on AIM Italia.

More specifically, the SPAXS' Articles of Association:

(i) provide for the mandatory appointment, within the Board of Directors, of at least one Director meeting the independence requirements set out under Article 148, paragraph 3, of the TUF, as referred to by Article 147-ter, paragraph 4, of the TUF;

(ii) in compliance with the provisions of the AIM Rules for Companies Italy, for as long as the Ordinary Shares will be admitted to trading on AIM Italy, provide for the Shareholders' duty to notify the Company of any material change;

(iii) in compliance with the provisions of the AIM Rules for Companies Italy, for as long as the Ordinary Shares will be admitted to trading on AIM Italy, provides for the application - insofar as they are voluntarily accepted and applicable - of the provisions concerning listed companies set out by the TUF and Consob's implementing regulations concerning mandatory public takeover and exchange bid, but only with regard to Articles 106 and 109 of the TUF;

(iv) provide for the prior approval by the ordinary Shareholders' Meeting, pursuant to Article 2364, paragraph 1, no. 5, of the Italian Civil Code, in the cases provided for and regulated by the AIM Regulation as well as in the cases mandated by law.

For additional information concerning the documents above, please refer to Section "*Governance/Documenti Societari*" ("*Governance/Corporate Documents*") of the website www.spaxs.it.

Furthermore, with resolution taken on 12 January 2018, the Company's Board of Directors, in order to make the Company's system of corporate governance consistent with the law provisions applicable to companies with financial instruments admitted to trading on AIM Italia, including the MAR, resolved, among other things, to adopt the Company's investment policy, as well as:

effective from the date of the filing with Borsa Italiana of the application for admission to trading of the Company's Ordinary Shares on the AIM Italia,

(i) the "*Procedure for the processing of privileged information and disclosure obligations";*

(ii) the *"Procedure for the management of the register of individuals with access to Privileged information";*

(iii) the *"Procedure for the management of disclosures in matters of internal dealing";*

effective from the Trading Start Day, the procedure regulating the Company's decision-making process in order to identify internal operating rules suitable to ensure transparency, substantive and procedural for the identification of the target company/ies and approval of the Material Transaction.

Furthermore, with resolution taken on 24 January 2018, the Company's Board of Directors resolved to adopt, effective from the Trading Start Day, the "***Procedure for related-party transactions***" pursuant to Article 13 of the AIM Rules for Companies and Consob Regulation no. 17221 of 12 March 2010 (as later amended and supplemented) regulating the related-party transactions carried out by the Company, also through subsidiaries or companies subject to management and coordination, in order to guarantee the substantive and procedural fairness of such transactions, as well as that the market is correctly informed.

For additional information concerning the documents above, please refer to Section "*Governance/Documenti Societari*" ("*Governance/Corporate Documents*") of the website www.spaxs.it.

3.1.12 Related-Party Transactions

At the Information Document Date, SPAXS has the following relationships with related parties.

On 20 February 2017, SPAXS and Neprix, a company in which the Director Andrea Clamer holds a 50% stake in the share capital, entered into a consulting agreement whereby Neprix undertook to provide SPAXS with consulting activity intended to analyse non-performing loan portfolios, instrumental to SPAXS identifying and evaluating potential target companies for the completion of the Material Transaction. The remuneration provided in favour of Neprix for these activity is equal to EUR 70,000.00 excluding VAT for the whole duration of the contract, namely until 21 July 2018. In the event that as of this date SPAXS has yet to identify the target company, the parties are entitled to agree on one or more extensions of the contract's duration, from time to time, by one month.

The Company, with resolution of the Board of Directors of 24 January 2018, adopted, effective from the Trading Start Day, a procedure for the management of the transactions entered into with related parties, which is available on the Company's website (www.spaxs.it).

3.1.13 Relevant Agreements

SPAXS has not stipulated any contract outside the normal course of the activity falling within the corporate purpose.

For more information on the Framework Agreement, please refer to Chapter 2 above of the Information Document.

3.1.14 Environmental Issues

As of the Trading Admission Document Date, also in light of the activity performed by SPAXS, the Company is unaware of any environmental issues that may affect the use of the Company's existing tangible non-current assets.

3.1.15 Financial Information Relating to SPAXS

As of the Information Document Date, SPAXS has not approved financial information relating to itself, except for the accounting statement prepared with a view to processing the pro-forma financial information, for which please refer to Chapter 5 of the Information Document below.

3.2 Banca Interprovinciale (Acquiring Company)

3.2.1 History and development

Banca Interprovinciale is a joint stock company organised under Italian law, established in Italy and operating under Italian law with its registered office at 107, Via Emilia Est, Postal Code 41121, tax code, VAT number and registration number in the Modena Register of Companies 03192350365, Economic and Administrative Index of Modena No. 371478.

Important facts in the development of Banca Interprovinciale's activity

(i) on 5 March 2008, BIP was established, which commenced its business on 6 July 2009;

(ii) in 2012, BIP acquired a stake in Banca CARIM, which was partially written down in 2016; this investment was fully written down in 2017;

(iii) on 8 October 2015, the preliminary purchase and sale agreement was signed with a number of shareholders of Banca Emilveneta S.p.A. representing 54.60% of the share capital;

(iv) on 17 June 2016, with minutes of the ordinary and extraordinary shareholders' meeting, pursuant to Article 2375(3) of the Italian Civil Code, held on 26 May 2016, Articles 5 and 7 of the BIP's Articles of Association were amended as a result of the approved capital increase from EUR 40,000,000.00 to EUR 55,000,000.00. The said changes became effective as a result of the authorisation of the Bank of Italy, Protocol No. 1061300/16 dated 1 September 2016; as at the Information Document Date, such capital increase has not yet been carried out;

(v) on 25 May 2017, the merger of Banca Emilveneta S.p.A. by incorporation into BIP was implemented, with legal effects starting – as per the minutes of the meeting where the merger plan was approved – from 1 October 2017 and with accounting and tax effects starting from 1 January 2017.

3.2.2 Main Activities of Banca Interprovinciale

Banca Interprovinciale is a company operating in the Italian banking sector with a geographical focus in the Emilia Romagna region.

Banca Interprovinciale operates based on a model of retail commercial bank with a key focus on SME and retail customers.

Banca Interprovinciale's main products are corporate mortgages and unsecured loans, both short and long term, overdraft loans, retail mortgage loans, corporate and retail bank accounts and time deposits with home banking and mobile banking services. Its commercial offer is completed with secured financing in insolvency proceedings with a high level of guarantees, mortgage bank accounts, credit lines to assign trade receivables and some outsourced products (i.e., import/export advances, letters of credit and other types of foreign funding).

3.2.2.1 Future Plans and Strategy

If the Business Combination is implemented, the future plans and strategy of Banca Interprovinciale will coincide with those of SPAXS, in this regard reference should be made to Paragraph 4.5 of Chapter 4 below of the Information Document.

3.2.3 Main Markets and Competitive Positioning

Banca Interprovinciale is a small bank based in the Emilia Romagna Region, with a sales network of 7 branches in the province of Modena, Bologna and Reggio Emilia.

Compared to the main national competitors, Banca Interprovinciale confirms its solid regulatory capital, that is above the average of the Italian banks, and its strong asset quality. Furthermore, Banca Interprovinciale presents an efficient cost structure despite its size and a funding cost lower than that of competitors, due to greater recourse to funding from central banks.

Main Competitors

The main competitors of Banca Interprovinciale are Banco BPM, Monte dei Paschi di Siena, Credem and Banco Popolare dell'Emilia Romagna (BPER), due to their widespread presence in the area of reference, commercial offer and target customer segments.

Market Trends

The main market trends in the banking business are related to digital transformation, strategic cost management and adaptation to new regulatory scenarios.

The financial ecosystem is characterized by the growth of non-traditional operators and financial services have become a digital business, with implications for the development of new business models linked to both the methods of providing services to customers and the automation of internal processes. The traditional financial institutions are forced to review their competitive strategies to understand how to cooperate with the new players to maintain their competitive advantage.

Strategic planning will have to be increasingly dynamic in order to react to a constantly evolving context: it will be key for traditional banks to correctly address the reduction of costs, using the resources for key investments, and this will be instrumental to maximizing efficiency.

Finally, the evolution of the regulatory and legislative environment will continue to exert increasing pressure, with the need for substantial investments in terms of compliance actions, an ever-increasing attention to the monitoring of credit risk with the underlying impact on pricing models and the challenge for Italian banks of facing the cultural change in the comparison with the expectations of supervisors who are increasingly oriented towards the logic of global best practices.

3.2.4 Exceptional Factors

As at the Information Document Date, no exceptional events have occurred that affected the Banca Interprovinciale’s activity.

3.2.5 Dependence on Patents or Licenses, Industrial, Commercial or Financial Contracts or New Manufacturing Processes

Except as indicated below, as at the Information Document Date, Banca Interprovinciale does not report any dependence on particular patents, trademarks or licenses, or new manufacturing processes.

As of the Information Document Date, BIP uses certain software licenses necessary for its ordinary business and holds, among others, the internet domain where the http://www.bancainterprovinciale.it/ website is hosted.

3.2.6 Group Structure

3.2.6.1 Description of the Group to which Banca Interprovinciale belongs

At the Information Document Date, BIP does not belong to any group and no entity exercises control over it pursuant to Article 2359 of the Italian Civil Code and Article 23 of TUB.

BIP is not subject to management and coordination activities pursuant to Articles 2497 et seq of the Italian Civil Code.

3.2.6.2 Description of the Group Headed by Banca Interprovinciale

At the Information Document Date, BIP does not hold any controlling interests in other companies.

3.2.7 Employees

3.2.7.1 Number of Banca Interprovinciale's Employees

The following table illustrates the total number of employees employed by Banca Interprovinciale at 31 December 2017, and at 31 December 2016, broken down according to the main categories.

Employees	**31 December 2017**	**31 December 2016**
Executives	2	2
Middle management	23	21
Office staff	38	35
Total	63	58

The average number of employees of Banca Interprovinciale for the year ended 31 December 2017 was 60.

3.2.7.2 Equity Investments and Stock Options

Shareholdings

At the Information Document Date, except as indicated below, the members of the Board of Directors, the Board of Statutory Auditors and Senior Managers of Banca Interprovinciale do not hold, directly and/or indirectly, shareholdings in the share capital of Banca Interprovinciale.

As of the Information Document Date: Mr Gianluca Raguzzoni, Director, holds 3,650 shares, equal to 8.415% of the share capital; (ii) Mr Claudio Gandolfo, Statutory Auditor of BIP, holds 100 shares equal to 0.23% of the share Capital of the Banca: (iii) Mr Stefano Pivetti, Director of BIP, holds 95 shares equal to 0.21% of the share capital of the Banca.

Stock Options

At the Information Document Date, there are no stock option plans.

3.2.7.3 Stock Ownership Agreements for Employees in the Share Capital of Banca Interprovinciale

At the Information Document Date, there are no contractual agreements or statutory clauses providing for forms of employee sharheolding in the share capital of Banca Interprovinciale.

3.2.8 *Share Capital of Banca Interprovinciale*

At the Information Document Date, the share capital of Banca Interprovinciale, fully subscribed and paid-up, is equal to EUR 43,377,000.00, divided into 43,377 BIP Shares, with a nominal value of EUR 1,000.00 each, with equal voting rights attached. The authorised share capital of BIP amounts to EUR 58,377,000.00.

3.2.9 *Main Shareholders*

At the Information Document Date, the shareholders holding 5% or a greater shareholding in the share capital of BIP are indicated below.

Shareholder	**Number of Ordinary Shares**	**Percentage of Share Capital in Banca Interprovinciale**
Petroniana DUE S.r.l.	4,000	9.22%
Gianluca Raguzzoni	3,650	8.41%
Maria Teresa Cappi	2,700	6.22%
Total	10,350	23.85%

It should be noted that as at the Date of the Information Document, a shareholders' agreement exists between the BIP shareholders that represent 76.19% of the entire share capital. The shareholders' agreement was signed between the parties on 1 July 2013 and, unless renewed, will cease to be effective on 1 July 2018. The purpose of the shareholders' agreement is to ensure the stability of the bank's shareholding and, consequently, the related governance, including through the establishment of limitations on the transferability of the syndicated share.

3.2.10 *Administrative, Management or Supervisory Bodies and Senior Managers*

3.2.10.1 Board of Directors of Banca Interprovinciale

Pursuant to Article 17 of the Articles of Association of Banca Interprovinciale, the management of Banca Interprovinciale is entrusted to the Board of Directors composed of an odd number of members between 7 and 11, as resolved by the Shareholders' Meeting.

The members of the Board of Directors of Banca Interprovinciale in office at the Information Document Date are indicated in the table below.

First and Last Name	Office	Date and Place of Birth
Umberto Palmieri	Chairman of the Board of Directors and Director	Bologna, 7 June 1939
Giorgio Antonioni	Deputy Chairman of the Board of Directors and Director	Pavullo nel Frignano (Province of Modena), 23 April 1958
Francesco Ielpo	Deputy Chairman of the Board of Directors and Director	Naples, 24 November 1962
Marco Orlandoni	Director	Bazzano (Province of Bologna), 8 May 1963
Stefano Pivetti	Director	Modena, 25 October 1966
Gianluca Raguzzoni	Director	Modena, 6 August 1963
Alberto Lotti	Director	Modena, 29 November 1952
Vincenzo Florio	Director	Morcone (Province of Benevento), 22 February 1951
Luca Mandrioli	Director	Modena, 19 October 1967

The members of the Board of Directors of Banca Interprovinciale are domiciled for the office at the registered office of BIP.

Following are short *curricula vitae* (résumés) of the members of the Board of Directors of Banca Interprovinciale, which show the competence and experience developed in the area of business management.

Umberto Palmieri

Umberto Palmieri has been a chartered accountant and accounting expert in Bologna since 1978. Furthermore, he has also been registered in the register of statutory auditors since 1995.

He was the manager of an important mechanical engineering company based in Bologna. He then founded Studio SCOA - Società Consulenza Aziendale, of which he was President for years.

He gained considerable experience in the fields of corporate consultancy and insolvency procedures.

Giorgio Antonioni

Giorgio Antonioni earned a Bachelor's in Business Economics from the University of Modena and Reggio Emilia in 1982.

He has been a certified chartered accountant and auditor since 1995.

He deals with insolvency procedures, corporate law and taxation. He is also appointed as bankruptcy trustee and/or judicial commissioner in several bankruptcy proceedings before the Court of Modena.

Francesco Ielpo

Francesco Ielpo earned a degree in law degree from the University of Naples Federico II in 1987.

From 1997 until 2007, he worked for the Bank of Italy, first, at the Milan office - Supervision Area - SIM Supervision Division and, subsequently, at the Extraordinary Proceedings Division of the Competitive Governance Services and General Supervisory Affairs.

From 2007 until 2015, he was the Head of the Department for Regulated Entities at the Central Bank of San Marino, gaining experience in banking and financial supervision, as well as in off-site supervision procedures.

Since 2015, he has regularly carried out consulting services in the banking/financial sector; he is a counsel attorney in the law firm Varani & Tummolo, associated chartered accountants; he founded the consulting firm V & T Consulting S.r.l. and is the CEO of AC Services S.r.l.

Marco Orlandoni

Marco Orlandoni earned a degree in law from the University of Bologna in 1988. In the following years, he became a certified attorney and, in 2000, he became a certified notary public.

In 2001, he began practicing as a notary first enrolling in the Notary District of Reggio Emilia and, in 2003, in the Notary District of Bologna.

He gained experience in the fields of corporate and commercial law.

He regularly carries out training courses at the Rolandino Passaggeri Notary School in Bologna in the field of civil and commercial law.

Stefano Pivetti

Stefano Pivetti earned a Bachelor’s in Business Economics from the University of Modena and Reggio Emilia in 1992. He has been a certified chartered accountant and auditor since 1997.

In the exercise of his profession, he deals with financial, corporate and tax consultancy and specialises in extraordinary business transactions.

Gianluca Raguzzoni

From 1983 until 2007, Gianluca Raguzzoni was the managing director of an important mechanical engineering company, gaining significant experience in finance and management control.

Alberto Lotti

Alberto Lotti earned a degree in law from the University of Modena and Reggio Emilia in 1976. In 1980, he became a certified attorney and was admitted to the Modena Bar Association. In 1995, he was admitted to the Bar of the Italian Supreme Court of Cassation.

Since 1983, he has been a university researcher in civil procedural law at the Law School of the University of Modena. He is currently an associate professor of civil procedural law at the Law School of the University of Modena.

He is the author of publications on arbitration comparative law and a professor at the Postgraduate Post-Graduate School of the same University, where he teaches courses on the Italian court system.

Vincenzo Florio

Vincenzo Florio earned a degree in law from the University of Bologna in 1975. In 1978, he became a certified attorney and was admitted to the Bologna Bar Association. He has been admitted to the Bar of the Italian Supreme Court of Cassation.

Since 2015, he has been a member of the Council of the Bologna Bar Association.

He is also a speaker and lecturer at the Fondazione Forense Bolognese.

Luca Mandrioli

In 1993, Luca Mandrioli earned a Bachelor's in Business Economics from the University of Modena and Reggio Emilia. He has been a certified chartered accountant and auditor since 1996.

Since 2005, he has been a contract professor of Business Crisis Management Law at the University of Modena, Department of Economics.

Since 2012, he has been an adjunct professor at the Department of Economics of the University of Trento, where he teaches courses on insolvency proceedings.

He is appointed as bankruptcy trustee and/or judicial commissioner in several bankruptcy proceedings at the Court of Modena.

He is the author of numerous publications on bankruptcy law.

* * *

<u>*Powers of the Board of Directors*</u>

Pursuant to Article 20 of the BIP Articles of Association, the Board of Directors is granted full powers for the ordinary and extraordinary management of BIP, except for those actions that are reserved to the Shareholders' Meeting by law and by its articles of association.

In addition to the powers that may not be delegated according to the law, the following matters shall exclusively fall within the competence of the Board of Directors of BIP:

- determination of the strategic lines and transactions, general guidelines and risk management policies and the establishment and modification of the Target Company's industrial and financial plans;
- assessment of the general operational performance;
- verification of the adequacy of the organisational, administrative and accounting structure of the Target Company and, more specifically, of the functionality, efficiency and effectiveness of the internal control system;
- determination of the criteria for the execution of the instructions of the supervisory authority;
- purchase and sale of treasury shares and, in general, acquisition and sale of shareholdings;
- any appointment and revocation of the general manager;
- appointment and any revocation, after consulting the Board of Statutory Auditors, of the head of

internal audit and compliance departments;

- approval and modification of internal regulations, which are not reserved by the articles of association or by law for another corporate body;
- approval and modification of the regulations governing the limits of the maximum number of positions held in the corporate bodies;
- any establishment of committees with determination of the composition, powers, functioning and remuneration due;
- establishment, transfer and shutting-down of branches, agencies, banking facilities, addresses and representations both in Italy and abroad.

The resolution of the Board of Directors of 13 January 2010, as subsequently amended and supplemented, granted the powers pursuant to Article 27 of the company's Articles of Association to the General Manager.

* * *

The following table illustrates the main corporations or partnerships in which the members of the Board of Directors of Banca Interprovinciale have been members of the administrative, management or supervisory bodies or shareholders over the last five years, with an indication of their term of office and shareholding.

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
Umberto Palmieri	Building Investments S.r.l.	Sole Director	Currently in office
	Fincoe S.p.A.	Sole Director	Currently in office
	Immobiliare villa Marullina s.a.s. di Palmieri Filippo	General Partner	Currently in office
	Polfin Immobiliare S.r.l.	Sole Director	Currently in office
	Trefin s.n.c. di Federico Palmieri & c.	Sole Director	Currently in office
	B.T.P. holding S.r.l.	Chairman of the Board of Statutory Auditors	Currently in office
	Barbieri & Tarozzi Holding S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Qubica Holdings S.r.l.	Chairman of the Board of Statutory Auditors	Currently in office

	Qubicaamf Europe S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Sati-Usmac S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Servomech Holding S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Servomech S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Ascot Holding S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	Pastorelli S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	Faller S.r.l.	Sole Director	No longer in office
	Fintubi S.r.l.	Sole Director	No longer in office
	Oppittero*Sette S.p.A.	Liquidator	No longer in office
	S.co.a. S.r.l. a socio unico	Executive Director	No longer in office
	S.co.a. S.r.l.	Director	No longer in office
	Banca Emilveneta S.p.A.	Deputy Chairman of the Board of Directors	No longer in office
	Motech S.p.A.	Director	No longer in office
	SIR S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	SITI - B&T Group S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	Coemi Finanziaria S.r.l.	Sole Director	No longer in office
	Lens S.r.l.	Sole Director	No longer in office
	Polfin S.r.l.	Sole Director	No longer in office
Giorgio Antonioni	Abafin S.r.l.	CEO	Currently in office

Abafin S.r.l.	Shareholder	Currently in office
Casa Marini di Casolari Chiara & c. s.a.s.	Limited Partner	Currently in office
AL.F.A. S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
OMLAC di Montorsi Madia e C. s.n.c. in fallimento	Bankruptcy Receiver	Currently in office
Resinfer S.r.l. in bankruptcy	Bankruptcy Receiver	Currently in office
San Domenico S.r.l.	Bankruptcy Receiver	Currently in office
You S.r.l.	Bankruptcy Receiver	Currently in office
C.M.F. Technology S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
Iuris Service S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
A&G s.a.s. di Gober Annalisa e C.	Limited Partner	No longer in office
Banca Emilveneta S.p.A.	Director	No longer in office
ABACO Commercialisti associati STP a r.l.	CEO	No longer in office
CISDI S.p.A.	Standing Auditor	No longer in office
Francesco e Chiara Srl	Alternate Auditor	No longer in office
Inco Industria Colori S.p.A.	Standing Auditor	No longer in office
Italkero S.r.l.	Director	No longer in office
Tino Prosciutti	Alternate Auditor	No longer in office
David &Giò S.r.l. in fallimento	Bankruptcy Receiver	No longer in office
Fimar Carni S.p.A.	Chairman of the Board of	No longer in office

		Statutory Auditors	
	Golf Club Modena S.p.A. in dissolution	Director	No longer in office
	Mambro S.r.l. in fallimento	Bankruptcy Receiver	No longer in office
	N.D.A. International S.r.l.	Bankruptcy Receiver	No longer in office
Francesco Ielpo	AC service S.r.l.	Shareholder	Currently in office
	Banca Emilveneta S.p.A.	Chairman of the Board of Directors	No longer in office
	AC Service S.r.l.	Executive Director	No longer in office
	Tummolo e Associati S.r.l.	Sole Director	No longer in office
Marco Orlandoni	Terzaroli S.r.l.	Shareholder	Currently in office
	Tantoperdire S.r.l.	Shareholder	Currently in office
	La Bandiga S.r.l.	Shareholder	Currently in office
Stefano Pivetti	Banca Interprovinciale S.p.A.	Shareholder	Currently in office
	Car Trade S.r.l.	Shareholder	Currently in office
	CO-AD S.r.l.s.	Shareholder	Currently in office
	S.B.P. Trust management S.r.l.	Shareholder	Currently in office
	Consultras S.r.l. in liquidazione	Shareholder	Currently in office
	Studio 10 - S.r.l.	Shareholder	Currently in office
	Essepi Investment S.r.l.	Shareholder	Currently in office
	Bettelli recuperi S.r.l.	CEO	Currently in office
	CO-AD S.r.l.s.	Chairman of the Board of Directors	Currently in office

Banca Emilveneta S.p.A.	Director	No longer in office
Consultras S.r.l. in liquidazione	Liquidator	Currently in office
FIN PART S.r.l. in liquidazione	Liquidator	Currently in office
RecoS.r.l. in liquidazione	Liquidator	Currently in office
S.I. Immobiliare S.r.l. in liquidazione	Liquidator	Currently in office
Ancora S.p.A.	Standing Auditor	Currently in office
Dalmine Logistic Solutions S.r.l.	Standing Auditor	Currently in office
Immobiliare Vaschieri S.p.A.	Standing Auditor	Currently in office
La Punta S.r.l.	Standing Auditor	Currently in office
Veronica S.p.A.	Accounting Auditor	Currently in office
Edilmontorsi S.r.l.	Alternate Auditor	No longer in office
Golinelli Communication Lab S.r.l.	Alternate Auditor	No longer in office
Morandi Immobiliare S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
Renostar S.r.l.	Standing Auditor	No longer in office
Tara S.p.A.	Standing Auditor	No longer in office
TGW Italia S.r.l.	Standing Auditor	No longer in office
Toscana Legami S.r.l.	Standing Auditor	No longer in office
Bedonia Gres Industries S.p.A. in liquidazione	Alternate Auditor	No longer in office
Il Ceppo S.r.l. in liquidazione	Standing Auditor	No longer in office

	Orsini Luciano S.r.l.	Alternate Auditor	No longer in office
	Powergres S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	Promil S.r.l.	Director	No longer in office
Gianluca Raguzzoni	Banca Interprovinciale S.p.A.	Shareholder	Currently in office
	San Ireneo S.r.l.	Shareholder	Currently in office
	Società Agricola Sant'Arnolfo simple partnership	Shareholder	Currently in office
	Banca Emilveneta S.p.A.	Director	No longer in office
	San Clemente S.r.l.	Chairman of the Board of Directors	No longer in office
Alberto Lotti	Immobiliare Cieffe S.r.l.	Sole Shareholder	Currently in office
	Golf Club Modena S.r.l. in liquidazione	Liquidator	Currently in office
	Termosanitaria Corradini S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
	CO-MER Import Export S.r.l. in fallimento	Bankruptcy Receiver	No longer in office
	Gestione SE.TEC. S.r.l. in fallimento	Bankruptcy Receiver	No longer in office
	Italia Maglieria S.r.l. in fallimento	Bankruptcy Receiver	No longer in office
	Maglificio MB 2000 S.r.l.	Bankruptcy Receiver	No longer in office
	Mondo s.a.s. di Mondini Roberto e C. in fallimento	Bankruptcy Receiver	No longer in office
	S.AND S. Engineering S.r.l. in bankruptcy	Bankruptcy Receiver	No longer in office

	Banca Emilveneta S.p.A.	Director	No longer in office
Vincenzo Florio	-	-	-
Luca Mandrioli	Immobiliare City S.r.l.	Shareholder	Currently in office
	Immobiliare City S.r.l.	Sole Director	Currently in office
	Assemblaggi g & g S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
	Cantieri navali Rizzardi S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
	Compendium Consulting S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
	La fonte S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
	Maestri Maiolicari arte del cotto S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
	Manifattura Via Emilia S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
	Residence dei gallucci S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
	Smaltiflex Energia S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
	Solland Silicon S.r.l. in fallimento	Bankruptcy Receiver	Currently in office
	Vecchia Levigatoria Fioranese S.r.l. in fallimento	Bankruptcy Receiver	Currently in office

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None of the members of the Board of Directors of Banca Interprovinciale is in any of the family relationships indicated by Book 1, Title 5 of the Italian Civil Code with the other members of the Board of Directors, nor such family relationships exist between these members and the members of the Banca Interprovinciale's Board of Statutory Auditors.

To the best of the Banca Interprovinciale's knowledge, in the last five years, none of the members of the Board of Directors (i) has been sentenced for crimes related to fraud or bankruptcy; (ii) has been declared bankrupt or subject to bankruptcy procedures or has been involved in bankruptcy, receivership or liquidation procedures; (iii) has been officially sentenced and/or sanctioned by public or regulatory authorities (including relevant professional organisations) in the performance of his tasks or banned from holding the office of administrator, manager or supervisor of Banca Interprovinciale or from the office of director or manager of other companies.

For the sake of completeness, as of the Information Document Date, investigations are being conducted against the Chairman of BIP Board of Directors, Mr Umberto Palmieri, - in his capacity as Statutory Auditor of the company GRES 2000 S.p.A., in which he held office until 20 September 2007 and which declared bankruptcy on 10 February 2010 - together with other individuals, within the criminal proceedings (General Criminal Records Registry No. 2305/2010 instituted before the Court of Crotone). Preliminary investigations are currently being conducted in relation to allegations of criminal bankruptcy committed by a person other than the business owner incorporating the crimes of unlawful repayment to shareholders of contributions made through a capital increase pursuant to Article 2626 of the Italian Civil Code and false accounting offences pursuant to Article 2622 of the Italian Civil Code.

3.2.10.2 Banca Interprovinciale's Board of Statutory Auditors

As of the Information Document Date, the Board of Statutory Auditors of Banca Interprovinciale consists of 3 (three) standing statutory auditors, 1 (one) alternate statutory auditor, in office until the approval of the financial statements for the financial year ended 31 December 2017.

On 20 September 2017 the alternate statutory auditor Cristina Spaggiari resigned because the condition of her independence was no longer satisfied due to the professional relationship with the director Stefano Pivetti, a member of the Board of Directors of BIP.

At the Information Document Date, the Board of Statutory Auditors of Banca Interprovinciale is composed as indicated in the following table.

First and Last Name	Office	Date and Place of Birth
Stefano Caringi	Chairman of the Board of Statutory Auditors and Auditor	Rome, 13 July 1944
Claudio Gandolfo	Statutory Auditor and Auditor	Modena, 11 April 1958
Doriano Bonini	Alternate Auditor and Accounting Auditor	Formigine (Province of Modena), 25 October 1952
Matteo Tiezzi	Statutory Auditor and Accounting Auditor	Vignola (Province of Modena), 10 May 1966

The members of the Board of Statutory Auditors are domiciled for the office at the company's registered office.

Below are short *curricula vitae* (résumés) of the members of the Board of Statutory Auditors, which show the competence and experience developed in the area of business management.

Stefano Caringi

Stefano Caringi graduated in Economics and Commerce in 1971 from the University of Rome. He became an accounting auditor in 1996.

In 1972, Stefano Caringi became an employee of the Bank of Italy serving in the Credit Institutions Supervision Inspectorate. In 2000 he was nominated a Senior Inspector.

In the role of the officer in charge, he led numerous general inspections at Italian credit institutions. He also represented the Bank of Italy at the European Monetary Institute (Banking Supervisory Sub-Committee).

In 2006, he became a member of the Supervision Committee of the Central Bank of the Republic of San Marino assuming responsibility for the Supervision Inspectorate Service, holding the position of Head of the Supervision Department from 2008 to 2010.

From 2010 to 2012, he was Chairman of the Supervisory Committee of Banca di Credito Cooperativo di Tarsia (Province of Cosenza) (in extraordinary administration).

From 2011 to 2016, he was Chairman of the Board of Statutory Auditors of BCC Recanati e Calmurano and Chairman of the Supervisory Body pursuant to Legislative Decree No. 231/2001 at Banca Carim.

Claudio Gandolfo

Claudio Gandolfo graduated in Economics and Commerce in 1980 from the University of Modena and Reggio Emilia.

In 1982 he was registered with the Association of Chartered Accountants and Accounting Experts of Modena. Since 1995, he has also been registered with the Register of Auditors.

Since 2004 he has been a visiting professor at the Faculty of Economics of the University of Modena teaching courses on extraordinary business operations.

Matteo Tiezzi

Matteo Tiezzi obtained his degree in Economics and Commerce in 1994 from the University of Bologna.

In 1994, he obtained the qualification to practice as a chartered accountant. In the exercise of his profession he provides advice on corporate and tax matters with particular specialisation in tax planning operations, extraordinary corporate transactions and reorganisation of corporate groups.

Doriano Bonini

An independent professional registered with the Register of Auditors since 1995.

Since 1994 he has advised businesses, professionals and corporations on business, corporate and tax matters.

The following table illustrates the main corporations or partnerships in which members of the Board of

Statutory Auditors have been members of the administration, management or supervisory bodies or shareholders in the last 5 years, with an indication of the term of office and the shareholding.

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
Stefano Caringi	Banca Emilveneta S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	Banca Credito Cooperativo di Recanati e Calmurano	Chairman of the Board of Statutory Auditors	No longer in office
	Banca di credito cooperativo di Tarsia	Member of the Supervisory Board	No longer in office
	Banca Tirrenica S.p.A.	Alternate Auditor	No longer in office
Claudio Gandolfo	Banca Interprovinciale S.p.A.	Shareholder	Currently in office
	Consulta Imprese S.r.l.	Shareholder	Currently in office
	Polis Immobiliare S.r.l.	Shareholder	Currently in office
	Borgochiaro S.r.l.	Shareholder	Currently in office
	Immobiliare temax di Malverti Ernesto e C. s.n.c. in fallimento	Bankruptcy receiver	Currently in office
	Royal Aromi S.r.l. in fallimento	Bankruptcy receiver	Currently in office
	SPEL S.r.l. in fallimento	Bankruptcy receiver	Currently in office
	Comest Holding S.r.l.	Standing Auditor	Currently in office
	Edis S.r.l.	Alternate Auditor	No longer in office
	Finedis S.r.l.	Alternate Auditor	No longer in office
	Gerpi S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	L.M. S.p.A.	Alternate Auditor	No longer in office

	Tellure Rota S.p.A.	Alternate Auditor	No longer in office
	Sport Group S.r.l.	Bankruptcy receiver	No longer in office
	Tintoria B.B.C. S.r.l.	Bankruptcy receiver	No longer in office
	A.T.M. S.r.l.	Bankruptcy receiver	No longer in office
	Banca Emilveneta S.p.A.	Standing Auditor	No longer in office
Doriano Bonini	Silmar S.r.l.	Shareholder	Currently in office
	Benedetti S.r.l.	Shareholder	Currently in office
	Office market S.r.l.	Shareholder	Currently in office
	Gamma Due S.p.A.	Shareholder	Currently in office
	Target S.r.l.	Standing Auditor	No longer in office
	Acetaia di Modena S.r.l.	Standing Auditor	No longer in office
	Artic S.r.l.	Standing Auditor	No longer in office
	Gamma Due S.p.A.	Alternate Auditor	No longer in office
	La Rosa S.r.l.	Sole Director	No longer in office
	Modenplast Medical S.r.l.	Standing Auditor	No longer in office
	Modenplast Ubersetto S.r.l.	Standing Auditor	No longer in office
	San Ireneo S.r.l.	Alternate Auditor	No longer in office
	San Clemente S.r.l.	Alternate Auditor	No longer in office
	Banca Emilveneta S.p.A.	Alternate Auditor	No longer in office
Matteo Tiezzi	INV IM S.r.l.	Shareholder	Currently in office
	Immobiliare Gherbella S.r.l.	Shareholder	Currently in office
	Emilia Elaborazioni S.r.l.	Shareholder	Currently in office
	Mag Energy S.r.l.	Shareholder	Currently in office
	Gestioni Commerciali S.p.A.	Shareholder	Currently in office

	Info-tel Communication S.r.l. in dissolution	Shareholder	Currently in office
	Commerciale Ducale S.r.l.	Sole Director	Currently in office
	RTZ Labour S.r.l.	Chairman of the Board of Directors	Currently in office
	Aeroporto Guglielmo Marconi di Bologna S.p.A.	Standing Auditor	Currently in office
	Alba Leasing S.p.A.	Alternate Auditor	Currently in office
	C.M.F. Technology S.p.A.	Standing Auditor	Currently in office
	Coimmgest S.p.A.	Chairman of the Board of Statutory Auditors	Currently in office
	Grandi Salumifici Italiani S.p.A.	Standing Auditor	Currently in office
	Parmalat S.p.A.	Alternate Auditor	Currently in office
	Caffitaly System S.p.A.	Alternate Auditor	Currently in office
	Caffita System S.p.A.	Alternate Auditor	No longer in office
	E' caffè S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	Banca Emilveneta S.p.A.	Standing Auditor	No longer in office
	Alpi Ostellato S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	Arca Camper S.r.l.	Alternate Auditor	No longer in office
	Banca Cassa di Risparmio di Savigliano S.p.A.	Alternate Auditor	No longer in office
	Biochimica S.p.A.	Chairman of the Board of Statutory Auditors	No longer in office
	Biochimica Finbroker S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	Consorzio Stabile Coseam Italia S.p.A.	Standing Auditor	No longer in office

	Fint Tel S.r.l.	Standing Auditor	No longer in office
	G.A. Immobiliare S.r.l.	Chairman of the Board of Statutory Auditors	No longer in office
	Generon S.p.A.	Alternate Auditor	No longer in office
	Montanari Giulio & C. S.r.l.	Alternate Auditor	No longer in office
	INV IM S.r.l.	Sole Director	No longer in office
	MR JOB società cooperativa	Chairman of the Board of Statutory Auditors	No longer in office
	NEM S.r.l.	Director	No longer in office
	Rail S.r.l.	Alternate Auditor	No longer in office
	Relfin S.p.A.	Alternate Auditor	No longer in office
	S.I.S.A. S.p.A.	Alternate Auditor	No longer in office
	S.I.S.A. S.r.l.	Alternate Auditor	No longer in office
	Trigano S.p.A.	Alternate Auditor	No longer in office
	Trigano Van S.p.A.	Alternate Auditor	No longer in office
	Argematic Group S.r.l. in liquidazione	Alternate Auditor	No longer in office
	Risdorando S.r.l. in liquidazione	Alternate Auditor	No longer in office

* * *

None of the members of the Board of Statutory Auditors of Banca Interprovinciale is in any of the family relationships indicated in Book 1, Title 5 of the Italian Civil Code with the other members of the Board of Statutory Auditors, nor is any of them in any of such family relationships with the members of the Board of Directors or Senior Managers of Banca Interprovinciale.

To the best of the Banca Interprovinciale's knowledge, in the last five years, none of the members of the Board of Statutory Auditors (i) has been sentenced for crimes related to fraud or bankruptcy; (ii) has been declared bankrupt or subject to bankruptcy procedures or has been involved in bankruptcy, receivership or liquidation procedures; (iii) has been officially sentenced and/or sanctioned by public or regulatory authorities (including relevant professional organisations) in the performance of his tasks or banned from holding the office of administrator, manager or supervisor of Banca Interprovinciale or from the office of director or manager of other companies

3.2.10.3 Banca Interprovinciale's Audit Firm

As of the Information Document Date, the appointed auditing firm is Deloitte & Touche S.p.A., which will remain in office until the approval of the financial statements for the financial year ending on 31 December 2020.

3.2.10.4 Banca Interprovinciale's Senior Managers

The table below shows the information concerning the Senior Managers of Banca Interprovinciale in office at the Information Document Date.

Position	First and Last Name	Place and Date of Birth	Date of Beginning of the Term of Office and/or Collaboration
General Manager	Alessandro Gennari	Modena, 14 October 1960	10 January 2010
Deputy General Manager	Giuliano Davoli	Modena, 27 October 1965	8 June 2009

Below are short *curricula vitae* (résumés) of the Senior Managers, which show the competence and experience developed in the area of business management.

Alessandro Gennari

Since 1990, Alessandro Gennari has held a series of positions of increasing responsibility in the corporate commercial network of a significant Italian bank. In 2003, he assumed responsibility for the entire district of Modena.

Since January 2010, he has been General Manager of Banca Interprovinciale.

Giuliano Davoli

From 2004 to 2006 Giuliano Davoli held the position of deputy branch manager at a leading Italian credit institution, taking over the role of branch manager from 2007 until 2009.

Since June 2009, he has held the position of Deputy General Manager at Banca Interprovinciale.

The following table illustrates the main corporations or partnerships in which Senior Managers have been members of the administrative, management or supervisory bodies or shareholders over the last five years, with an indication of their term of office and shareholding.

First and Last Name	Company	Office or Shareholding Held in the Company	Status as of the Information Document Date
Alessandro Gennari	-	-	-
Giuliano Davoli	-	-	-

* * *

The Senior Managers are not in any of the family relationships indicated in Book 1, Title 5 of the Italian Civil Code with the members of the Board of Directors or the Board of Statutory Auditors of Banca Interprovinciale.

To the best of the Banca Interprovinciale’s knowledge, in the last five years, none of the Senior Managers (i) has been sentenced for crimes related to fraud or bankruptcy; (ii) has been declared bankrupt or subject to bankruptcy procedures or involved in bankruptcy, receivership or liquidation procedures; (iii) has been officially sentenced and/or sanctioned by public or regulatory authorities (including relevant professional organisations) in the performance of his tasks or banned from holding the office of administrator, manager or supervisor of Banca Interprovinciale or from the office of director or manager of other companies.

For the sake of completeness, as at the Information Document Date, the General Manager Alessandro Gennari is under investigation concerning alleged bank usury, fraud and extortion, in which regard, in view of the public prosecutor’s request for the case to be dismissed, the preliminary investigations judge (*Giudice per le indagini preliminari*) ordered a supplementary investigation.

<u>3.2.10.5 Founding Partners</u>

Banca Interprovinciale was established on 5 March 2008 in the form of a joint-stock company under the name “Banca Interprovinciale Società per Azioni” abbreviated as “BIP S.p.A.”, with a share capital of EUR 40,000,000 divided into 800 ordinary shares of nominal value of EUR 50,000.00 each, with deed drawn upon by Notary Mr Aldo Barbati, Index No. 35525/9404, by:

– Baroncini Roberto; – Campagna Andrea; – Basciano Pietro; – Cappelli Maurizio; – Melonari Ivo; – Pollini Elio e C. S.n.c.; – Cappi Maria Teresa; – Carta Satta Anna Gloria; – Carta Satta Aggazzotti Giovanni; – Castelfranco Augusto; – Manicardi Maria Livia; – Campari Carlo; – Cavani Donata;	– Stefanini Giancarlo; – Stefanini Mario; – Tarozzi Regina; – Rossi Sergio; – Rossi Franco; – ABA Società per Azioni; – Aurea S.r.l.; – Baschieri S.r.l.; – Bertuccia S.r.l.; – B&T S.r.l.; – Banca Carim – Cassa di risparmio di Rimini S.p.A.; – Fata Finanziaria di Tarozzi Fausto & C. S.a.s.

– Cosentino Giuseppe; – Masi Silvano; – Crivellaro Renato; – Masi Gabriele; – Ma.Cri S.r.l.; – Edoardo S.r.l.; – Fabbroni Carlo Alberto; – Gandolfo Claudio; – Giordani Cristina; – Giovanardi Fabio; – Masetti Emanuela; – Pirazzoli Claudio; – Raguzzoni Giancarlo; – Raguzzoni Stefano; – Raguzzoni Gianluca; – Rossetti Marcello; – Silvestri Francesco;	– Fin Gold S.r.l.; – Fin Part S.r.l.; – Gamma Due S.r.l.; – Gi. Crem. Società a responsabilità limitata; – I Tulipani S.r.l.; – Nova S.r.l.; – Officina Meccanica Elmi S.r.l.; – Pangea S.a.s. di Bottazzi Valerio e C.; – Sada Cavi – Società per azioni; – S.co.A. Holding S.r.l.; – S4C S.p.A.; – Scatolificio Porrettana S.r.l.; – Servizi Globali Generali S.r.l.; – Severi M.G.S. S.p.A.; – Siber S.r.l.; – Silmar S.r.l.

3.2.10.6 Conflicts of Interest of Administrative, Management or Supervisory Bodies and Senior Managers

Board of Directors

Except as indicated in relation to the shareholdings held by the Directors as per Paragraph 3.2.7.2 above, as at the Information Document Date, there are no situations of conflict of interest concerning the members of the Board of Directors of Banca Interprovinciale.

Board of Statutory Auditors

Except as indicated with regard to the shareholding held by Statutory Auditor Claudio Gandolfo as per Paragraph 3.2.7.2 above, as of the Information Document Date, no conflict of interest exists with regard to the members of the Board of Statutory Auditors of Banca Interprovinciale.

Senior Managers

It should be noted that as of the Information Document Date, no conflict of interest exists with regard to the Senior Managers of Banca Interprovinciale.

3.2.11 Banca Interprovinciale's Board of Directors' Procedures

3.2.11.1 Terms of Office of the Members of the Board of Directors and the Members of the Board of Statutory Auditors

The Board of Directors of Banca Interprovinciale in office at the Information Document Date will remain in office until the Shareholders' Meeting that will be convened to approve the financial statements for the financial year ended 31 December 2017.

The Board of Statutory Auditors of Banca Interprovinciale in office at the Information Document Date will remain in office until the Shareholders' Meeting that will be convened to approve the financial statements for the financial year ended 31 December 2017.

3.2.11.2 Employment Contracts Executed by the Members of the Board of Directors and by the Members of the Board of Statutory Auditors with Banca Interprovinciale Providing for Severance Remuneration

As of the Information Document Date, there are no employment contracts that have been executed by the members of the Board of Directors and by the members of the Board of Statutory Auditors with Banca Interprovinciale providing for severance remuneration.

3.2.11.3 Implementation of Corporate Governance Provisions

As of the Information Document Date, Banca Interprovinciale is not expected to implement the provisions on governance applicable to companies with financial instruments admitted to trading on a multilateral trading facility or a regulated market.

It should be noted for the sake of completeness that, as of the Information Document Date, BIP is required to comply with the legislation, including regulatory provisions, applicable to credit institutions and due to this:

- all the members of the Board of Directors, the Board of Statutory Auditors and the Senior Managers meet the statutory requirements of integrity and professionalism contemplated by Article 25 of the TUB,
- Article 17.2 of the BIP Articles of Association provides that until the entry into force of the Regulation of the Ministry of Economy and Finance pursuant to Article 26 of the TUB, "*at least two of the Directors shall meet the independence requirements established for the Statutory Auditors pursuant to Article 2399 of the Italian Civil Code*"; as of the Information Document Date, 4 members of the Board of Directors meet the independence requirements set forth in the BIP Articles of Association;
- in order to facilitate the application and, therefore, renewal of the corporate offices, Article 15 of the BIP Articles of Association provide for a voting list system, providing that for the renewal of the corporate offices, the BIP shareholders representing at least 15% of the share capital may submit a list, in writing, to be filed with the registered office at least 10 days before the date scheduled for the ordinary Shareholders' Meeting, containing the total number of names of candidates at least equal to the persons to be elected, with indication of the position (executive, non-executive, independent director);

Furthermore, as of the Information Document Date, BIP established the following internal Board committees.

Technical Advisory Committee

It performs purely advisory functions with regard to matters within its competence that will be resolved by the bank's Board of Directors, such as:

Credit Matters

- fulfils an advisory role regarding the proposals for the grant/revision of credit lines that, according to the provisions of the Credit Facility Regulation, fall within the competence of the Board of Directors.

Finance Matters

- performs functions of support to the General Manager on the securities portfolio investment choices within the limits of the powers granted by the Board of Directors, preparing proposals for the Board regarding the determination of the risk/return profile of the securities portfolio owned by the Bank.

Initiatives of Extraordinary Nature

- supports the Director in the preliminary/preparatory activities related to non-ordinary and *ad hoc* initiatives that, having a profound impact on company dynamics, require, in the opinion of Chairman, or of General Manager, a thorough analysis aimed at subsequent evaluation by the Board of Directors.
- The opinion is mandatory for the topics concerning: acquisition of company shareholdings, mergers, preparation of the business plan and the budget, identification of the strategic guidelines for the development and management of the bank.

The opinions of the committee, even when they are mandatory, are not binding for the Board of Directors: the Board's right to decide on the basis of its own assessments remains unaffected.

As of the Information Document Date, the committee consists of four members: Chairman Palmieri and Directors Luca Mandrioli, Stefano Pivetti and Gianluca Raguzzoni. Members of the Board of Statutory Auditors may attend the meetings of the Risk and Control Committee.

Risk and Control Committee

Verifies, from a general supervision perspective, the effectiveness and efficiency of the overall internal control system of the Bank in the broader perspective of ensuring prevention and minimisation of the risks inherent to the banking activity, without carrying out management or coordination of corporate control functions. The task of the committee includes preparing observations and proposals.

The committee provides important support to the Board of Directors as it ensures a thorough pre-examination of every report of the control bodies and any regulation on which the Board must decide subsequently.

At the Information Document Date, the committee is composed of Giorgio Antonioni (Chairman) and Vincenzo Florio and Alberto Lotti (attorneys-at-law). Members of the Board of Statutory Auditors may attend the meetings of the Risk and Control Committee.

Finally, at the Information Document Date, the bank has an established system of controls that are mainly performed by the compliance, risk management and internal audit bodies set up by the Bank. For more information, please refer to the BIP Corporate Governance Report, available in the "*Investor Relations/Governance*" section on the website www.bancainterprovinciale.it.

3.2.12 Related Party Transactions

As of 31 December 2017, BIP engages in transactions with Related Parties in the exercise of its ordinary business. At the Information Document Date, there are no significant changes.

BALANCE SHEET				
	Assets	**Book Value**	**Of Which with Related Parties**	**Incidence of Related Parties**
40	**Financial assets available for sale**	**607,906**	**-**	**0.00%**

60	**Receivables from banks**	**99,044**	**27**	**0.03%**
	From stockholders under Article 19 of the TUB		27	
70	**Loans to customers**	**326,049**	**1,583**	**0.49%**
	To key managers		163	
	To other related parties		1,421	

	Liabilities	Book Value	Of Which with Related Parties	Incidence Related Parties
10	**Due to banks**	**470,623**	**-**	**0.00%**
20	**Due to customers**	**434,543**	**13,630**	**3.14%**
	To key managers		677	
	To other related parties		12,952	
30	**Debt securities in issue**	**94,435**	**637**	**0.67%**
	Key managers		216	
	Other related parties		422	
100	**Other liabilities**	**10,124**	**171**	**1.69%**
	Towards key managers		73	
	Towards other related parties		98	

INCOME STATEMENT

	Items	Book Value	Of Which with Related Parties	Incidence Related Parties
10	**Interest income and similar revenues**	**15,752**	**169**	**1.07%**
	From key managers		4	
	From other related parties		165	
20	**Interest expense and similar charges**	**(4,633)**	**(148)**	**3.20%**
	Due to key managers		(92)	
	Due to other related parties		(56)	
40	**Income from fees**	**4,851**	**82**	**1.69%**
	From key managers		2	
	From other related parties		79	
50	**Fee expenses**	**(515)**	**(10)**	**1.94%**
	Due to stockholders under Article 19 of the TUB		(9)	
	Due to other related parties		(1)	
150 a)	**Employee expenses**	**(5,201)**	**(1,504)**	**28.92%**
	Due to key managers		(1.504)	
150 b)	**Other administrative expenses**	**(5,625)**	**(115)**	**2.04%**

	Due to key managers		(115)		
160)	**Net provisions for risks and charges**	**(160)**		**(152)**	**95.00%**
	Due to key managers		(152)		

OTHER INFORMATION					
	Items	**Book Value**	**Of Which with Related Parties**		**Incidence Related Parties**
1	**Guarantees issued**	**18,817**		**107**	**0.57%**
	To other related parties		107		
2	**Irrevocable commitments to disburse funds**	**281**		**0**	**0.00%**
3	**Custody and administration of securities**	**321,686**		**13,338**	**4.15%**
	3.1 Securities issued by the bank preparing the financial statements (*)	60,457		12,331	**20.40%**
	To stockholders under Article 19 of the TUB		4,000		
	To key managers		240		
	To other related parties		8,091		
	3.2 Other securities	261,229		1,007	**0.39%**
	Issued to key managers		334		
	Issued to other related parties		673		

(*) The item also includes the shares issued by BIP in custody at the institution and expressed in nominal value.
The Other Information table is prepared according to the criteria defined by Chapter 2 Paragraph 7 (Other Information) of the Bank of Italy Memorandum No. 262.

3.2.13 Relevant Agreements

Except as indicated below, at the Information Document Date, Banca Interprovinciale has not stipulated any contracts outside the normal course of the activity falling within the corporate purpose.

In July 2016, BIP concluded the purchase of a 54.5% stake in the share capital of Banca Emilveneta S.p.A. subsequently merged by incorporation into BIP by resolution of 25 May 2017, with effect from 1 October 2017.

For more information on the Framework Agreement, please refer to Chapter 2 above of the Information Document.

3.2.14 Environmental Issues

As of the Information Document Date, also in light of the activity performed by SPAXS, the Company is unaware of any environmental issues that may affect the use of its existing tangible non-current assets.

3.2.15 Financial Information Relating to Banca Interprovinciale

The main economic, financial and equity data of Banca Interprovinciale for the financial year ended 31 December 2017 are summarised below.

The data for the 2017 financial year are extracted from the Management Report as at 31 December 2017 and the financial statements of Banca Interprovinciale for the year ended 31 December 2017 (the **"2017 BIP Financial Statements"**), prepared in accordance with the International Financial Reporting Standards adopted by the European Union as well as the provisions issued in implementation of Article 43 of Legislative Decree No. 136/15. The 2017 BIP Financial Statements have been audited by the independent audit firm, which issued its report on 3 April 2018.

Please refer to the 2017 BIP Financial Statements attached to this Information Document for further information.

The tables below show the balance sheet as of 31 December 2017 and the income statement, comprehensive income, changes in shareholders' equity and the cash flow statement of Banca Interprovinciale for the financial year ended 31 December 2017.

Statement of Assets and Liabilities

The table below shows the Statement of Assets and Liabilities of BIP at 31 December 2017.

Asset Items

(EUR in thousands)		**At 31 December 2017**
10	Cash and cash equivalents	26,926
20	Financial assets held for trading	115
40	Financial assets available for sale	607,906
60	Due from banks	99,044
70	Loans to customers	326,049
110	Tangible assets	1,652
120	Intangible assets	7
130	Tax assets	6,285
	a) current	*2,995*
	b) pre-paid	*3,290*
	- of which those referred to in Law No. 214/2011	*2,054*
150	Other assets	6,429
	Total assets	**1,074,413**

Liability Items

(EUR in thousands)		**Al 31 dicembre2017**
10	Due to banks	470,623
20	Due to customers	434,543
30	Debt securities in issue	94,435
80	Tax liabilities	3,717
	(a) current	*1,607*
	(b) deferred	*2,110*
100	Other liabilities	10,124
110	Provision for employee severance indemnity	586
120	Provisions for risks and charges:	315
	b) other funds	*315*
130	Valuation reserves	2,631
160	Reserves	10,662
180	Capital	43,377

200	Profit (loss) for the year (+/-)	3,399
	Total liabilities and equity	**1,074,413**

Income Statement

The following table shows BIP's income statement for the financial year ended 31 December 2017.

(EUR in thousands)		**2017**
10	Interest income and similar revenues	15,752
20	Interest expense and similar charges	(4,633)
30	**Net Interest margin**	**11,118**
40	Fees and commissions income	4,851
50	Fees and commissions expenses	(515)
60	**Net fees and commissions**	**4,336**
80	Net result on trading activity	963
100	Profit (loss) on disposal or repurchase of:	2,928
	a) loans	(516)
	b) financial assets available for sale	*3,444*
120	**Total revenues**	**19,346**
130	Net value adjustments due to impairment of:	(3,494)
	a) loans	*(2,624)*
	b) financial assets available for sale	*(841)*
	d) other financial assets	*(29)*
140	**Net income from banking activities**	**15,852**
150	Administrative expenses:	(10,826)
	a) personnel costs	*(5,201)*
	b) other administrative expenses	*(5,625)*
160	Net provisions for risks and charges	(160)
170	Net value adjustments/write-backs on tangible assets	(177)
180	Net value adjustments/write-backs on intangible assets	(3)
190	Other operating expenses/income	990
200	**Operating costs**	**(10,177)**
230	Goodwill impairment	(327)
250	**Profit (loss) on continuing operations before tax**	**5,348**
260	Income tax for the year on continuing operations	(1,949)
270	**Profit (loss) on continuing operations after tax**	**3,399**
290	**Profit (loss) for the year**	**3,399**

Statement of Other Comprehensive Income

The table below shows BIP's consolidated statement of other comprehensive income for the financial year ended 31 December 2017.

(EUR in thousands)		**2017**
10	**PROFIT (LOSS) FOR THE FINANCIAL YEAR**	**3,399**
	Other income components net of taxes without reversal in the income statement	
40	Actuarial gains (losses) on defined benefit plans	(48)

100	Financial assets available for sale	492
130	**Other income components after tax**	**444**
140	**OTHER COMPREHENSIVE INCOME (Item 10+130)**	**3,843**

Statement of Changes in Equity

The table below illustrates the changes in the BIP shareholders' equity that occurred during the financial year ended 31 December 2017.

(EUR in thousands)	Balance at 31 December 2016	Opening Balance Change	Balance at 1 January 2017	Allocation of the Result for the Previous Year: Reserves	Allocation of the Result for the Previous Year: Dividends and Other Allocations	Changes for the Period: Changes in Reserves	Net Assets: Issue of New Shares	Net Assets: Purchase of Own Shares	Net Assets: Extra ordinary Distribution of Dividends	Net Assets: Change of Capital Instruments	Net Assets: Derivatives on Treasury Shares	Net Assets: Stock Options	Overall Profitability at 31 December 2017	Net Assets at 31 December 2017
Capital:	**40,000**	**-**	**40,000**	**-**	**-**	**-**	**3,377**	**-**	**-**	**-**	**-**	**-**	**-**	**43,377**
a) ordinary shares	40,000	-	40,000	-	-	-	3,377	-	-	-	-	-	-	43,377
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share premiums	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reserves:	**7,087**	**-**	**7,087**	**1,501**	**-**	**-**	**2,075**	**-**	**-**	**-**	**-**	**-**	**-**	**10,663**
a) profit reserves	7,087	-	7,087	1,501	-	-	(509)	-	-	-	-	-	-	8,079
b) other	-	-	-	-	-	-	2,584	-	-	-	-	-	-	2,584
Valuation reserves	**2,188**	**-**	**2,188**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**443**	**2,631**
Capital instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit (loss) for the period	**1,501**	**-**	**1,501**	**(1,501)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,399**	**3,399**
Equity	**50,775**	**-**	**50,775**	**-**	**-**	**-**	**5,452**	**-**	**-**	**-**	**-**	**-**	**3,843**	**60,070**

Cash Flow Statement

The table below illustrates BIP's cash flow statement (prepared using the indirect method) for the financial year ended 31 December 2017.

(EUR in thousands)	**2017**
OPERATING ACTIVITIES	
Management	5,290
- result for the financial year (+/-)	3,399
- capital gains/losses on financial assets held for trading and on assets / liabilities valued at fair value (+/-)	(40)
- capital gains/losses on hedging activities (+/-)	0
- net value adjustments/write-backs due to impairment (+/-)	3,408
- net adjustments/write-backs on tangible and intangible assets (+/-)	180
- net provisions for risks and charges and other costs/revenues (+/-)	292
- taxes, charges and unpaid tax credits (+/-)	(1,950)
- net adjustments/write-backs of groups of assets being disposed of, net of the tax effect (+/-)	0
- other adjustments (+/-)	0

2. Cash generated/used by financial assets	(122,347)
- Financial assets held for trading	(75)
- Financial assets measured at fair value	0
- Financial assets available for sale	(53,148)
- Due from banks: on sight	(19,252)
- Due from banks: other receivables	(312)
- Loans to customers	(55,553)
- other assets	5,992
3. Cash generated/used by financial liabilities	118,011
- Due to banks: on sight	4,002
- Due to banks: other payables	44,750
- Due to customers	72,135
- Debt securities in issue	(12,945)
- Financial liabilities held for trading	0
- Financial liabilities measured at fair value	0
- Other liabilities	10,069
Net liquidity generated/used by operating activity	953
B. INVESTMENT ACTIVITY	
1. Liquidity generated by	(1)
- Sale of equity investments	0
- Dividends received on equity investments	0
- Sale of financial assets held to maturity	0
- Sale of tangible assets	1
- Sale of intangible assets	(1)
- Disposal of subsidiaries and business branches	0
2. Liquidity used by	(1,839)
- Purchase of equity investments	0
- Purchase of financial assets held to maturity	0
- Purchase of tangible assets	(1,510)
- Purchase of intangible assets	(329)
- Purchase of subsidiaries and business branches	0
Net liquidity generated/used by investment activity	(1,839)
C. FUNDING ACTIVITIES	
- Issue/purchase of treasury shares	0
- Issue/purchase of capital instruments	0
- Distribution of dividends and other allocations	0
Net liquidity generated/absorbed by funding activity	**0**
NET LIQUIDITY GENERATED/USED IN THE PERIOD	**(886)**
RECONCILIATION	
Cash and cash equivalents at the beginning of the financial year	27,812
Total net liquidity generated/used during the financial year	(886)
Cash and cash equivalents: effect of changes in exchange rates	0
Cash and cash equivalents at the end of the financial year	26,926

Main Balance Sheet and Financial Data at 31 December 2017

The tables below illustrate the details of the financial resources, other than own resources, used by BIP to perform its business, subdivided between direct deposits, indirect deposits and net interbank position as of 31

December 2017.

Direct Deposits

(EUR in thousands)	Payable On sight	Within 1 Year	Beyond 1 Year	**Total at 31 December 2017**	**Percentage**
Current accounts	398,688	-	-	398,688	75.4%
Savings deposits	1,558	-	-	1,558	0.3%
Time deposits	25,932	-	-	25,932	4.9%
Other	1,804	-	-	1,804	0.3%
Deposits payable on sight	**427,982**	**-**	**-**	**427,982**	**80.9%**
Certificates of deposit	428	29,251	38,394	68,073	12.9%
Debt securities	-	3,868	22,494	26,362	5.0%
Financing	-	-	6,561	6,561	1.2%
Fixed term deposits	**428**	**33,119**	**67,449**	**100,996**	**19.1%**
Total direct deposits	**428,410**	**33,119**	**67,449**	**528,978**	**100.0%**

At 31 December 2017, direct funding from customers amounted to EUR 529,000,000. More specifically, current accounts represent the main source of direct funding for EUR 398,7000,000 (75,4% of total); however, confronted to demand deposits amounting to EUR 428,000,000, term deposits for EUR 101,000,000 constitute 19,1% of the total. The time deposits, despite having a payment deadline that guarantees a certain stability, are actually included in the deposits repayable on demand since the advance withdrawal is subject only to the loss of interest accrued up to the extinction.

Indirect Deposits

(EUR in thousands)	**At 31 December 2017**
Mutual investment funds	35,097
Insurance products	18
Shares	46,314
Other securities	71,216
Assets under administration	**152,645**
Total indirect deposits	**152,645**

Indirect funding, expressed at the latest market values available at the end of the financial year, include all the investments in equity and bond securities and in general all other instruments equivalent to securities , which customers keep with the bank for safekeeping and administration. There is no indirect funding represented by Banca Interprovinciale's own assets under management. Offering to the public of mutual investment funds and insurance policies is to be noted.

Net Interbank Position

(EUR in thousands)	**At 31 December 2017**
Amounts receivable from central banks	26,294
- on sight	*26,294*
- fixed-term	-
Amounts receivable from banks	99,044
- on sight	*49,928*
- fixed-term	*49,116*
Total receivables from banks	**125,338**
Payables to central banks	399,257

- on sight	*-*
- fixed-term	*399,257*
Payables to banks	71,366
- payable on demand	*4,002*
- on sight	*67,364*
Total payables to banks	**470,623**
Net interbank position	**(345,285)**

The quarterly trend in thousands of euros shows a negative average interbank funding balance. During the reference period, recourse to interbank and wholesale funding secured by collateral in securities intensified (+11%). The Bank participated in various tranches of the ECB's TLTRO lending transaction, and as at 31 December 2017 the amount was approximately EUR 305,000,000 after certain repayments carried out; as to the TLTRO I series, the amount is approximately EUR 234,000,000 maturing in September 2018 (with an average cost close to 0.05%), while under the second series of TLTRO II it is approximately EUR 71,000,000 with maturities spread between 2020 and 2021. The refinancing transactions, as envisaged by the strategic plan, allow a decisive improvement of funding conditions, i.e., reduction of cost and improvement of mismatching of maturities with benefits in terms of the liquidity risk and the interest rate risk. Approximately EUR 94,000,000 due to central banks relate to payables with different maturities, mainly quarterly. The payables to banks in the amount of EUR 71,000,000 are mainly represented by transactions involving sale repurchase agreement payables with leading Italian banks. Interbank funding is equal to 44% of total equity and liabilities.

Lending

(EUR in thousands)	**At 31 December 2017**
Customers' current accounts	108,270
Mortgages/Loans	206,704
Personal loans	1,385
Other transactions	9,690
Total loans to customers	**326,049**
Debt securities	607,795
- issued by governments	*565,273*
- issued by banks	*39,544*
- other	*2,978*
Equities	12
Shares in collective investment undertakings	214
Total securities	**608,021**
Total loans	**934,070**

At 31 December 2017, the total of securities and customers' loans amounted to EUR 934,000,000. The lending activity to customers is mainly aimed at households, small / medium-sized enterprises and professionals operating mainly in the areas of the provinces of Modena, Bologna and Reggio Emilia.

Asset quality

The table below shows the breakdown of BIP non-performing exposures as follows: (i) bad loans, (ii) unlikely to pay, and (iii) past-due and/or overdraft exposures.

(EUR in thousands)	At 31 December 2017						
	Gross Exposure		Value Adjustments	Net Exposure		Coverage Ratio
Non-performing exposures	**18,377**	**5.44%**	**(8,204)**	**10,173**	**3.12%**	**44.64%**
of which forborne	*7,848*	*2.32%*	*(3,096)*	*4,752*	*1.46%*	*39.45%*
Bad loans	10,527	3.12%	(5,614)	4,913	1.51%	53.33%
Unlikely to pay	7,729	2.29%	(2,585)	5,144	1.58%	33.45%
Past-due loans	121	0.04%	(5)	116	0.04%	4.13%
Performing loans	**319,314**	**94.56%**	**(3,438)**	**315,876**	**96.88%**	**1.08%**
of which forborne	*2,520*	*0.75%*	*(70)*	*2,450*	*0.75%*	*2.78%*
Total	**337,691**	**100%**	**(11,642)**	**326,049**	**100%**	**3.45%**

Gross impaired loans to customers amounted to EUR 18,377,000 (5.44% of total gross loans to customers), of which EUR 10,527,000 were bad loans (equal to 3.12% of loans issued to customers), "unlikely to pay" loans amounted to EUR 7,729,000 (2.29% of loans to customers) and past due loans amounted to EUR 121,000 (0.04% of gross total loans to customers). The level of coverage of impaired loans remains at high levels, equal to 44.64% at the end of the financial year. The coverage relating to bad loans is 53.33%. Impaired loans net of write-downs amounted to EUR 10,173,000 (equal to 3.45% of total net loans to customers).

Gross performing loans to customers amounted to EUR 319,000,000 (equal to 94.56% of the total) and are adjusted for EUR 3,438,000, corresponding to a percentage coverage of 1.08% of the total portfolio. The collective loans reserves is equal to the product between the Proxy-PD (*probability of default*, which approximates the average probability of default of various portfolios homogeneous in terms of assets with similar risk characteristics and derives from the "Personalized Flow of the Decay Rates of Cash Loans" of the Central Risks Database (*Centrale dei Rischi*), comparing the flow of adjusted bad debts to the stock of outstanding loans in the last three financial years), LGD (*loss given default*, equal to the average historical loss rate determined on the exposure at the moment of default) and the performing loan portfolio broken down into individual segments depending on the type (economic sector) of counterparty assigned and the geographical areas of customers' residence. Loans subject to concession/forbearance ("forborne") classified among performing loans constitute a specific category adjusted at a flat rate of 3%.

The following is a summary table of the shareholders' equity items broken down by origin and with an indication of the possibilities of use and distribution, in accordance with the provisions of the Italian Civil Code.

(EUR in thousands)	At 31 December 2017		
	Amount	Possibility of Use	Share Available
Share capital	**43,377**	**X**	**-**
Share premiums	**-**	**ABC (1)**	**-**
Valuation reserves	**2,632**	**X**	**-**
Financial assets available for sale	2,677	(3)	-
Actuarial gains (losses) relating to pension plans and defined benefits	(45)	X	-
Reserves	**10,662**	**X**	**10,028**
Statutory reserve	634	ABC (2)	-
Reserve for purchase of treasury shares	-	ABC	-
Profit (loss) carried forward	(21)	ABC	(21)

Other reserves	10,049	ABC	10,049
Profit (loss) for the year	**3,399**	**X**	**-**
Total equity	**60,070**		**10,028**

Key

A: for capital increase.

B: to cover losses.

C: for distribution to shareholders.

(1) Pursuant to Article 2431 of the Italian Civil Code, the share premium reserve is entirely usable if the legal reserve has reached the limit of one fifth of the share capital, as contemplated by Article 2430 of the Italian Civil Code.

(2) The statutory reserve is available for capital increase and distribution only in the part exceeding one fifth of the share capital pursuant to Article 430(I) of the Italian Civil Code.

(3) The valuation reserve is unavailable pursuant to Article 6 of Legislative Decree No. 38/2005.

Main Economic Data for the Financial Year Ended 31 December 2017

Net Interest Margin

	2017		
(in thousands of Euro)	**Debt Securities**	**Loans**	**Total**
Financial assets available for sale	6,117	-	**6,117**
Due from banks	-	364	364
Loans to customers	-	9,271	9,271
Total interest income	**6,117**	**9,635**	**15,752**
Due to Central Banks	X	(235)	(235)
Due to banks	X	(87)	(87)
Due to customers	X	(1,928)	(1,927)
Debt securities in issue	(2,384)	X	(2,384)
Total interest expenses	**(2,384)**	**(2,250)**	**(4,633)**
Net Interest Margin	**3,733**	**7,385**	**11,118**

The net interest margin amounted to EUR 11,118,000, mainly deriving from interest income from loans to customers and AFS securities.

Net Fees

(EUR in thousands)	**2017**
guarantees issued	340
management, brokerage and consultancy services	404
collection and payment services	901
management of current accounts	3,061
other services	145
Total fee income	**4,851**
guarantees received	(73)

management and brokerage services	(50)
collection and payment services	(217)
other services	(175)
Total fee expense	**(515)**
Net fees	**4,336**

Net fees amount to EUR 4,366,000. The fees received include, more specifically, those relating to traditional banking activities amounting to EUR 3,745,000, mostly arising from the provision of funds related to the higher volumes of loans to customers. The management, brokerage and consultancy services contributed altogether in aggregate amount of EUR 353,000.

<u>*Net Result on Trading Activity*</u>

	2017		
(EUR in thousands)	**From Sale**	**From Evaluation**	**Total**
Financial assets	**3,808**	**40**	**3,848**
Securities	4,324	40	4,364
Loans to customers	(516)	-	(516)
Financial liabilities	**-**	**-**	**-**
Currency difference	**X**	**X**	**44**
Net result of trading activity	**3,808**	**40**	**3,892**

The table includes item 80 "Net result on trading activity" and item 100 "Profit (loss) on disposal or repurchase" of the income statement above. Net income from trading activities for the year 2017 amounts to EUR 3,892,000 and mainly refers to gains and losses deriving from the sale of AFS securities during the financial year and the sale of shares held in the fund *Fondo Soprarno Reddito e Crescita* originally classified as assets held for trading. The loss from the transfer of receivables refers to the sale of non-performing loans for a total of EUR 2,900,000.

3.2.16 Relevant Litigation

At the Information Document Date, BIP appears to be involved in 1 pending lawsuit as a respondent, i.e., a summons to court based on a claim for EUR 156,000 filed by the receiver of Aesse S.r.l. aimed at obtaining the declaration of ineffectiveness of the compensation pursuant to Article 56 of the Bankruptcy Law carried out by BIP using lease payments for the property located in Formigine (Province of Modena), leased by BIP at the time for an annual fee of EUR 45,000.00 (forty five thousand Euro/00 Eurocents) – as revalued each year. Furthermore, a notice of objection to the discontinuance of criminal proceedings was received; the said proceedings were initiated in the past by a current account holder of BIP against the latter, in the person of its former Chief Executive Officer, former Chairman of the Board of Directors, General Manager and two Branch Managers, in connection with the usury and extortion offences.

It should also be noted that BIP's Board of Directors resolved to initiate a corporate liability action against the former directors of Banca Emilveneta S.p.A. (merged by incorporation into BIP) for damages they allegedly caused to the Target Company by maladministration, which, as of the Information Document Date, is in the preparatory stage and has not yet been brought before a court.

For the purposes of complete disclosure, it should be mentioned that as of the Information Document Date, BIP is a plaintiff in 58 lawsuits it initiated for the recovery of debts deriving almost entirely from granting of mortgages and/or loans. The total exposure is equal to EUR 13,431,446.57. At 31 December 2017, a significant part of the receivables for which a recovery action was proposed was written down and obtained a coverage equal to 47%.

4. SPAXS AND BIP FOLLOWING THE BUSINESS COMBINATION

4.1 SPAXS' Governance

At the Information Document Date, no change is contemplated in the governance structure of SPAXS as a result of the Business Combination.

For information on SPAXS' governance, reference should be made to Paragraph 3.1.10 of Chapter 3 above of the Information Document.

4.2 BIP's Governance

As at the Information Document Date, neither the Issuer nor BIP have undertaken any binding commitment regarding a change in the governance of the Bank as a result of the Business Combination.

4.3 Shareholders' Agreements

It should be noted that as at the Information Document Date, a shareholders' agreement exists between the BIP shareholders that represent 76.19% of the entire share capital. The shareholders' agreement was signed between the parties on 1 July 2013 and, unless renewed, will cease to be effective on 1 July 2018. The purpose of the shareholders' agreement is to ensure the stability of the bank's shareholding and, consequently, the related governance, including through the establishment of limitations on the transferability of the syndicated shares to third parties.

4.4 Lock-Up Agreements

The Promoting Companies undertook a lock-up commitment to the Joint Global Coordinators, as defined in the Trading Admission Document, regarding SPAXS' Ordinary Shares arising from the conversion of SPAXS' Special Shares, which shall be assigned to Promoting Companies and/or other companies directly and/or indirectly controlled by Promoting Companies (the "**Share Lock-up Period**"). The Share Lock-up Period shall have a term of 12 months from the date each of the tranches of Special Shares is converted into Ordinary Shares.

As an exception to the above, there shall be no limitations on transfers of financial instruments: (a) occurred in the context of universal succession (*"successione universal"*); and/or (b) as a consequence of extraordinary transactions of the entity resulting from the Material Transaction, such as mergers or demergers; and/or (c) executed in favour of companies directly or indirectly controlled by the Promoting Companies or of natural or legal persons controlling, directly or indirectly, the Promoting Companies, it being understood that, for the purposes of this sub-paragraph (c) "control" means the relation set forth by Article 2359, paragraphs 1, points 1 and 2, of the Italian Civil Code; and/or (d) executed in favour of the shareholders of the Promoting Companies and/or of any heir of such shareholders; and/or (e) executed between the Promoting Companies and/or other companies directly or indirectly controlled by the Promoting Companies and/or by the Promoters.

4.5 Future Plans and Strategies

Following the completion of the Business Combination, SPAXS' strategic plan envisages the development of a new bank focused on three synergic and integrated business activities: SME division, NPL division and digital retail bank.

These activities are summarised below, as set out in the SPAXS' strategic plan.

The **SME division** intends to target mid-corporate customers consisting of companies with a turnover of between EUR 30,000,000 and EUR 250,000,000, which represent the backbone of the Italian business system with a total stock of credits of hundreds of billions of euros. Within this segment, SPAXS will focus its offer on three synergic segments with untapped financing needs, poorly met by the current offer of the traditional Italian banking and financial system: (i) invoice lending (factoring), (ii) cross-over lending (loans to companies with low credit ratings/unrated) and (iii) restructuring (turnaround) services concerning loans to companies already classified as non-performing (*Unlikely to Pay*).

Invoice lending is a technical form of short-term loans characterised by good growth rates, low cyclicality and an interesting risk-reward profile. The factoring market in Italy involves various players of the banking and financial sector; in this context, SPAXS intends to position itself as an innovative player, distributing through both a direct digital platform of simple and intuitive use and through partnerships with other selected players, a complete and functional offer and rapid time of response.

In the **cross-over lending** segment, SPAXS intends to focus on medium-sized Italian companies with good industrial perspective and a medium/low credit rating or without a rating, with the offer of short-or medium-long term financing solutions. Such companies often have difficul access to the traditional banking financing and constitute a large untapped potential market.

SPAXS intends to enter this market through a direct distribution centred on the distinctive figure of a "Tutor", a professional with industrial, corporate finance and credit expertise, who will be responsible for establishing relationships with customers in its dedicated geographic area. The experience of the Tutor network will be supported by the application of the best technologies available in the field of big data and artificial intelligence to be used in the process of both the underwriting and the origination of the loan and in the subsequent monitoring phase to provide SPAXS with efficient early warning systems.

SPAXS also intends to be active in **turnaround** services acquiring and managing corporate loans already classified as non-performing (*Unlikely To Pay*) but with a perspective of a return to a performing status, combining debt solutions with industrial consulting and – very selectively – with equity solutions (through partnerships with specialised investors).

The **NPL division** will purchase and collect Non-Performing Loans – in the Bad Loans and Unlikely to Pay categories – and mainly focus on corporate portfolios, both secured and unsecured, leveraging on a highly competitive funding cost compared to most competitors and the distinctive competences and track record developed by SPAXS' management in the NPL sector.

It is believed that, based on the strategies adopted by the main Italian banking players, potentially accelerated by the recent regulatory changes, the Italian market of non-performing loan transactions will continue to be one of the largest and most dynamic in Europe in the next years.

Alongside the purchase and management of non-performing loans, the NPL division will provide senior loans to selected players, which in turn are themselves involved in the acquisition of non-performing loans, leveraging on the skills acquired in the management of deteriorated loans to underwrite such type of financing.

The NPL division will initially outsource the servicing of the loan portfolios for the time necessary to invest in the implementation of an internal platform that should be highly scalable and with distinctive characteristics in terms of talent, resources employed and the use of technology. It is planned that over time the servicing platform of the NPL division will offer credit management services to third parties, with the aim of maximizing the use of production capacity and streamlining efficiency.

The **retail division** intends to offer current account, deposit account and payment services to households and businesses through a digital platform supported by innovative technologies. As has already been the case in other foreign markets, the demand for high digitisation banking services is also growing significantly in the Italian financial system. The retail offer's ultimate goal is the creation of a stable deposits base to be used for financing the lending activity. The retail products will be developed in-house and will be simple, transparent and focussed on the customer experience. The range of services offered will be completed by investment and financing services made available to customers through partnerships with the main market players.

An IT infrastructure will be developed at the core of the three divisions; it will be highly innovative and with an open banking platform to facilitate distribution of third parties products.

4.6 Dilutive Effects and Shareholding Structure of the Company following the Business Combination

As a result of the Business Combination, following: (i) the conversion of the first tranche of SPAXS' Special Shares (equal to 360,000 SPAXS' Special Shares that will be converted into 2,160,000 ordinary shares), as well as (ii) the execution of the BIP Reserved Capital Increase, the following two dilutive cases may occur to the stake of SPAXS' ordinary shareholders: a dilution of 5.0% in the absence of withdrawal and of 7.0% in the event of a maximum withdrawal (equal to 30% of ordinary share capital minus 1 SPAXS' Ordinary Share).

Furthermore: (i) where the conditions are fulfilled for the conversion of the remaining SPAXS Special Shares (equal to 1,440,000 SPAXS Special Shares that will be converted into 11,520,000 ordinary shares), and (ii) following the assignment of the Conversion Shares deriving from the Conditional Share Rights, the following two dilutive case may occur to the stake of the ordinary shareholders of SPAXS:

- in the case of exercise of the right of withdrawal by SPAXS' shareholders equal to 0% of the ordinary share capital with voting rights of SPAXS, the Issuer's ordinary shareholders will suffer a dilution of 18.2%; or
- in the case of exercise of the right of withdrawal by SPAXS' shareholders equal to 30% of the ordinary share capital less an ordinary share of the Issuer, the Issuer's ordinary shareholders will suffer a dilution of 24.0%.

Finally, as a result of the Business Combination and, therefore, of the full subscription of the BIP Reserved Capital Increase to service the Contribution, the Contributing Shareholders will hold a total shareholding in the ordinary share capital of the Issuer equal to (i) 1.6% in case of absence of withdrawal and 2.2% in the event of a maximum withdrawal (equal to 30% of ordinary share capital minus 1 SPAXS' Ordinary Share), and (ii) where the conditions are fulfilled for the conversion of the remaining SPAXS' Special Shares (equal to 1,440,000 SPAXS' Special Shares which will be converted into 11,520,000 ordinary shares), and following the assignment of the Conversion Shares arising from the Conditional Share Rights, 1.2% of the ordinary capital of SPAXS, in the event of absence of withdrawals and 1.6% of the ordinary capital of SPAXS in the event of a maximum withdrawal (equal to 30% of the ordinary share capital minus 1 SPAXS' Ordinary Share).

5. PRO FORMA FINANCIAL INFORMATION

5.1 Foreword

This chapter provides SPAXS' pro forma consolidated statement of assets and liabilities and the income statement at 31 December 2017 and for the year then ended ("**SPAXS' Pro Forma Consolidated Statements**") which give retroactive effect to the Business Combination.

For a description of the Business Combination, including the Framework Agreement, and the related preliminary and precedent conditions, as well as all indications, information and data necessary for understanding the description of pro forma adjustments, reference should be made to the contents of the Foreword of the Information Document.

SPAXS' Pro Forma Consolidated Statements have been prepared based on historical data contained in the following documents:

- SPAXS' trial balance as at 31 December 2017 and for the period from 20 December 2017, the date of its establishment, to 31 December 2017 ("**SPAXS' Trial Balance**") prepared in accordance with the applicable accounting principles (OIC). SPAXS' Trial Balance was approved by the Board of Directors on 12 April 2018;
- BIP's financial statements as at 31 December 2017 and for the year then ended ("**BIP's 2017 Financial Statements**") prepared in accordance with the International Financial Reporting Standards adopted by the European Union as well as the provisions issued in implementation of Article 43 of Legislative Decree No. 136/15. BIP's 2017 Financial Statements approved by the Board of Directors on 29 March 2018 have been audited by Deloitte & Touche S.p.A., whose report without qualifications is attached to this Information Document.

SPAXS' trial balance at 31 December 2017 used as the basis for the preparation of pro forma data and prepared in accordance with the accounting principles issued by the Italian Accounting Standard Setter (OIC) was reclassified according to the presentation scheme used by BIP. The data present in this statement were then adjusted by making the appropriate IFRS adjustments in order to ensure consistency of the accounting principles used in the SPAXS' Pro Forma Consolidated Statements.

SPAXS' Pro Forma Consolidated Statements were prepared solely for the purpose of illustration and obtained by making appropriate pro forma adjustments to the above historical data to reflect retroactively the significant effects of the Business Combination and the transactions executed by SPAXS prior to the Business Combination: the placement of the Ordinary Shares and the Conditional Share Rights of SPAXS and the Promoting Companies Capital Increase (together referred to as the "Transactions"). In particular, these effects, based on Consob Communication No. DEM/1052803 of 5 July 2001, were retroactively reflected as if such Transactions had been implemented on 31 December 2017 for the purpose of preparing the pro forma consolidated balance sheet as of 31 December 2017 and on 1 January 2017 for the purposes of the preparation of the pro forma consolidated income statement for the year ended 31 December 2017.

With regard to the accounting standards adopted for the preparation of BIP's Consolidated Financial Statements, reference should be made to the corresponding notes to the financial statements attached to this Information Document.

Presentation of the Pro Forma Consolidated Statements

The presentation of SPAXS' Pro Forma Consolidated Statements is carried out on a multi-column table format to present the Transactions subjected to pro forma adjustments.

Furthermore, SPAXS' Pro Forma Consolidated Statements have been prepared based on two different scenarios, in consideration of certain aspects of the Business Combination and, in particular, with reference to the exercise of the withdrawal right (the "**Right of Withdrawal**") by SPAXS' shareholders opposing the Business Combination. At the date of preparation of SPAXS' Pro Forma Consolidated Statements, it was not possible to assess one probable scenario of such exercise of the Right of Withdrawal. Therefore, two different scenarios were developed: a minimum and a maximum one.

Finally, for correct interpretation of the information provided by the pro forma data, the following aspects should be considered:

(i) since the representations in question are based on hypothesised cases, if the Transactions had actually been carried out on the dates taken as reference for the preparation of pro forma data rather than the effective dates, the historical data would not necessarily have been equal to pro forma ones;

(ii) the pro forma data do not reflect forecast data as they are prepared in such a way as to represent only those effects deriving from the Transactions that are significant, may be isolated and objectively measured, without considering the potential effects due to changes in management policies and operational decisions resulting from the Business Combination.

Moreover, in consideration of the different purposes of the pro forma data as compared to the data of the historical financial statements and the different methods for calculating the effects of the Transactions with reference to the statement of assets and liabilities and the income statement, SPAXS' Pro Forma Consolidated Statements are to be read and interpreted separately, without searching for accounting links between the two documents.

The pro forma adjustments were made by adopting the general rule that the Transactions reflected in the statement of assets and liabilities are assumed to have taken place on the closing date of the reference period, while for the income statement purposes, the Transactions are assumed to have taken place at the beginning of the said period. With reference to SPAXS, for the purposes of the pro-forma consolidated income statement, it was also assumed that the company was established at the beginning of the financial year. The following specific hypotheses have also been adopted:

- for the purposes of preparing the Pro-Forma Consolidated Statements, 91.37% of BIP shares were acquired;
- the remaining portion of Target's shareholders, assumed to be 8.63%, was represented as non-controlling interests and profit/(loss) of third parties within the pro-forma consolidated shareholders' equity and the consolidated pro forma income statement;
- the difference between the purchase price of BIP shares, considering both the component paid in cash and the component settled through SPAXS' shares, and the corresponding portion of the book net equity of BIP as of 31 December 2017 is recognised as profit deriving from a bargain purchase in the consolidated income statement based on the provisions of IFRS 3;
- a valuation of the totality of the BIP shares was assumed in the amount of EUR 56,000,000 based on the provisions of the Framework Agreement. The Framework Agreement provides for the acquisition of a controlling stake of no less than 91.37% of BIP shares, whereby the settlement will be carried out by means of a cash payment for a share equal to 71.98% and by means of newly issued SPAXS shares for the remaining 19.39% stake to be released through the allocation of BIP shares;
- certain non-recurring costs related to the process of placement of the Ordinary Shares were recognised for a total estimated amount of EUR 10,573,000 (EUR 8,036,000 net of the tax effect); whereby it was assumed that the amounts relating to bank fees equal to EUR 10,100,000 are settled in cash at the time

of the Transaction, while the remaining part has been recorded under other liabilities;

- the statement of assets and liabilities includes the payables linked to the estimate of the costs expected to be incurred in the context of the Business Combination for a total amount of approximately EUR 2,700,000; this estimate of costs was also reflected, net of the related tax effect, in the pro-forma consolidated income statement;
- certain recurring costs related to the day-to-day management of a listed company were taken into consideration, such as costs relating to accounting, tax, legal and administrative consultancy services, fees to be paid to Borsa Italiana, costs for the audit of the financial statements and costs relating to communication and investor relations activities, for a total estimated amount of EUR 828,000;
- application of the tax consolidation between SPAXS and BIP was assumed, with consequent recognition (i) of a one-off tax benefit deriving from the Aid to Economic Growth (*ACE*) calculated based on the 1.6% rate in force in the 2017 financial year. Furthermore, the application of 24% IRES (Corporate Income Tax) rate has been assumed for SPAXS;
- non-deductibility for SPAXS of VAT and consequently the VAT related to the costs incurred by SPAXS was recognised as a cost in the income statement or recognised under other liabilities; in this regard, it should be noted that to the extent that the company carries out VAT taxable activity in the future, it may be possible to deduct VAT related to the costs incurred.

For the purposes of preparation of the Pro-Forma Consolidated Statements, the following has not been recognised:

- certain structural costs relating to the operation of SPAXS, including mainly the adjustment of the costs relating to the remuneration to be paid to the corporate bodies following the Business Combination;

- financial income deriving from the use of cash and cash equivalents obtained through the placement of the Ordinary Shares and the Conditional Share Rights of SPAXS and the Initial Availability;

- the effects that may derive from the process of allocation of the price paid pursuant to IFRS 3. Therefore, the differential indicated in the attached Pro-Forma Consolidated Financial Statements could differ significantly from the actual resulting values, in relation to the fair value of the assets acquired and the identifiable liabilities assumed, including contingent liabilities. The future income statements will also reflect the effects of these allocations, not included in the attached pro forma income statement.

Furthermore, for the purposes of preparation of the Pro-Forma Consolidated Statements, in line with the provisions of the Framework Agreement, it was assumed that the Acquisition involves the transfer from the Selling Shareholders of shares representing 91.37% of BIP's share capital, whereby a share equal to 71.98% of BIP's share capital is represented by the shares for sale. However, no commitments arising from the potential manifestation of the wish on the part of other BIP shareholders to sell their BIP Shares within the ten-day period following the signing of the Framework Agreement were considered.

Presentation of Pro Forma Adjustments

SPAXS' Pro Forma Consolidated Statements contain:

i. SPAXS' Trial Balance in the first column (i) under the heading "SPAXS";
ii. the IFRS adjustments made to the SPAXS' Trial Balance in order to present, with the consistency of accounting principles, the Pro Forma Consolidated Statements – in the second column (ii) under the heading "SPAXS' IFRS Adjustments" – for the recognition of company's formation costs equal to EUR 57,800 as a reduction in net equity and not as fixed costs, taking into account the related tax effect;

this column also includes the recognition of non-deductible VAT;

iii. 2017 BIP's 2017 Financial Statements in the third column (iii) under the heading "BIP";

iv. values deriving from the sum of the preceding columns (i) to (iii) in the fourth column (iv) named "Aggregate";

v. in the fifth column (v) called "SPAXS' Adjustments", the pro forma adjustments relating to: (1) the placement of the Ordinary Shares and the Conditional Share Rights and the Promoting Companies Capital Increase of SPAXS between January and February 2018, net of the costs of placement of the related tax effects, (2) ordinary management costs of a listed company net of the related tax effect and (3) the recognition of the one-off ACE tax benefit;

vi. pro forma adjustments relating to the effects of the exercise of the Right of Withdrawal by the holders of Spaxs' Ordinary Shares in the sixth column (vi) named "Withdrawal";

vii. pro forma adjustments relating to the effects resulting from the purchase by Spaxs of 91.37% of the BIP shares and the recognition of ancillary costs net of the related tax effects in the seventh column (vii) named "Acquisition";

viii. pro forma adjustments relating to the effects of the consolidation of BIP in SPAXS in the eighth column (viii) named "Consolidation";

ix. SPAXS' pro forma consolidated data deriving from the sum of the previous columns (iv) to (viii) in the ninth column (ix) named "Pro Forma".

<u>Alternative Scenarios – Right of Withdrawal</u>

The Right of Withdrawal, whose effects are presented in the fifth column, provides that following the approval of the Business Combination by Spaxs' Shareholders' Meeting, the shareholders who did not vote in favour of the Business Combination may exercise the said right against the payment of a liquidation value determined according to the criteria established by the Articles of Association in line with Article 2437-ter(3) of the Italian Civil Code. It should be noted that the Right of Withdrawal only applies to Ordinary Shares and therefore a shareholder who decides to exercise the Right of Withdrawal will continue to hold the Conditional Share Rights associated with the Ordinary Shares involved in the Withdrawal issued at the Trading Start Date.

As described above, since the number of shareholders who will exercise the Right of Withdrawal may not be estimated at the date of preparation of the Pro Forma Consolidated Statements, two different scenarios have been proposed for the purpose of preparing the pro forma adjustments:

– Scenario 1 - minimum: none of the shareholders holding Spaxs' Ordinary Shares exercises the Right of Withdrawal; and
– scenario 2 - maximum: the Right of Withdrawal is exercised by shareholders holding Spaxs' Ordinary Shares in the amount of 30% minus one share of the Ordinary Shares representing the capital of the Company.

The liquidation value of ordinary shares in the event of exercising the Right of Withdrawal, pursuant to the Articles of Association and in compliance with the provisions of Article 2437-ter(2) and Article 2437-ter(4) of the Italian Civil Code, is determined through the criterion of the total assets of the Company and taking into account, specifically, the Restricted Amounts. For the purpose of preparation of SPAXS' Pro Forma Consolidated Statements, it was assumed that the liquidation value of the ordinary shares subject to withdrawal, which will be determined by the Board of Directors of the company is equal to EUR 10 per share. Since the maximum number of shares for which the Right of Withdrawal may effectively be exercised is equal to 17,999,999 (30% less one share of the Ordinary Shares representing the ordinary share capital of the Company equal to EUR 18,000,000), the maximum total disbursement which the Company may be liable to pay for the exercise of the Right of Withdrawal is EUR 180,000,000.

5.2 Spaxs' Pro Forma Consolidated Statements

Pro Forma Consolidated Statement of Assets and Liabilities at 31 December 2017

						PRO FORMA ADJUSTMENTS SCENARIO 1 – MINIMUM WITHDRAWAL				
	(EUR in thousands)	*SPAXS*	*SPAXS' IFRS Adjustments*	*BIP*	*Aggregate*	*SPAXS' Adjustments*	*Withdrawal*	*Acquisition*	*Consolidation*	*PRO-FORMA*
		(i)	*(ii)*	*(iii)*	*(iv)*	*(v)*	*(vi)*	*(vii)*	*(viii)*	*(ix)*
10	Cash and cash equivalents	13		26,926	26,939					26,939
20	Financial assets held for trading			115	115					115
40	Financial assets available for sale			607,906	607,906					607,906
60	Due from banks			99,044	99,044	607,887		(40,308)		666,623
70	Loans to customers			326,049	326,049					326,049
100	Equity investments			-	-			51,167	(51,167)	-
120	Tangible assets			1,652	1,652					1,652
130	Intangible assets	46	(58)	7	(5)					(5)
	of which goodwill			-	-					-
140	Tax assets			6,285	6,285	4,911		651		11,847
	a) current			*2,995*	2,995					*2,995*
	b) pre-paid		*14*	*3,290*	3,304	*4,911*		*651*		*8,865*
150	Other assets	37		6,429	6,466	(37)				6,429
	Total assets	**96**	**(44)**	**1,074,413**	**1,074,466**	**612,761**	**-**	**11,510**	**(51,167)**	**1,647,569**
10	Due to banks			470,623	470,623					470,623
20	Due to customers			434,543	434,543					434,543
30	Debt securities in issue			94,435	94,435					94,435
80	Tax liabilities			3,717	3,717					3,717
	(a) current			*1,607*	1,607					*1,607*
	(b) deferred			*2,110*	2,110					*2,110*
100	Other liabilities	46		10,124	10,170	473		2,712		13,356

110	Provision for employee severance indemnity			586	586					586
120	Provisions for risks and charges:			315	315					315
	b) other funds			*315*	315					*315*
	Group NP	50	(44)	60,070	60,076	612,287	-	8,798	(56,351)	624,810
	Third-party NP	-	-	-	-	-	-	-	5,184	5,184
	Total liabilities and equity	**96**	**(44)**	**1,074,413**	**1,074,466**	**612,761**	**-**	**11,510**	**(51,167)**	**1,647,569**

						PRO FORMA ADJUSTMENTS SCENARIO 2 – MAXIMUM WITHDRAWAL				
	(EUR in thousands)	*SPAXS*	*SPAXS' IFRS Adjustments*	*BIP*	*Aggregate*	*SPAXS' Adjustments*	*Withdrawal*	*Acquisition*	*Consolidation*	*PRO-FORMA*
		(i)	*(ii)*	*(iii)*	*(iv)*	*(v)*	*(vi)*	*(vii)*	*(viii)*	*(ix)*
10	Cash and cash equivalents	13		26,926	26,939		(180,000)	-	-	(153,061)
20	Financial assets held for trading			115	115			-	-	115
40	Financial assets available for sale			607,906	607,906			-	-	607,906
60	Due from banks			99,044	99,044	607,887		(40,308)	-	666,623
70	Loans to customers			326,049	326,049			-	-	326,049
100	Equity investments			-	-			51,167	(51,167)	-
120	Tangible assets	-	-	1,652	1,652			-	-	1,652
130	Intangible assets	46	(58)	7	(5)			-	-	(5)
	of which goodwill			-	-			-	-	-
140	Tax assets			6,285	6,285	4,911	(691)	651	-	11,156
	a) current			*2,995*	*2,995*			-	-	*2,995*
	b) deferred		*14*	*3,290*	*3,304*	*4,911*	*(691)*	*651*	-	*8,174*
150	Other assets	37	-	6,429	6,466	(37)		-	-	6,429
	Total assets	**96**	**(44)**	**1,074,413**	**1,074,466**	**612,761**	**(180,691)**	**11,510**	**(51,167)**	**1,466,878**
10	Due to banks			470,623	470,623			-	-	470,623
20	Due to customers			434,543	434,543			-	-	434,543
30	Debt securities in issue			94,435	94,435			-	-	94,435
80	Tax liabilities			3,717	3,717			-	-	3,717
	(a) current			*1,607*	*1,607*			-	-	*1,607*

	(b) deferred			*2,110*	*2,110*			-	-	*2,110*
100	Other liabilities	46		10,124	10,170	473		2,712	-	13,356
110	Provision for employee severance indemnity			586	586			-	-	586
120	Provisions for risks and charges:			315	315			-	-	315
	b) other funds			*315*	*315*			-	-	*315*
	Group NP	50	(44)	60,070	60,076	612,287	(180,691)	8,798	(56,351)	444,119
	Non-controlling interests	-	-	-	-	-	-	-	5,184	5,184
	Total liabilities and equity	**96**	**(44)**	**1,074,413**	**1,074,466**	**612,761**	**(180,691)**	**11,510**	**(51,167)**	**1,466,878**

<u>Pro Forma Consolidated Income Statement at 31 December 2017</u>

						PRO FORMA ADJUSTMENTS SCENARIO 1 – MINIMUM WITHDRAWAL				
	(EUR in thousands)	*SPAXS*	*SPAXS' IFRS Adjustments*	*BIP*	*Aggregate*	*SPAXS' Adjustments*	*Withdrawal*	*Acquisition*	*Consolidation*	*PRO FORMA*
10	Interest income and similar revenues			15,752	15,752					15,752
20	Interest expense and similar charges			(4,633)	(4,633)					(4,633)
30	**Net Interest margin**	**-**		**11,118**	**11,118**	**-**	**-**	**-**	**-**	**11,118**
40	Fees and commissions income			4,851	4,851					4,851
50	Fees and commissions expenses			(515)	(515)					(515)
60	**Net fees and commissions**	**-**		**4,336**	**4,336**	**-**	**-**	**-**	**-**	**4,336**
80	Net result on trading activity			963	963					963
100	Profit (loss) on disposal or repurchase of:	-		2,928	2,928	-	-	-	-	2,928
	a) loans			(516)	(516)					(516)
	b) financial assets available for sale			*3,444*	*3,444*					*3,444*
	d) financial liabilities			*0*	*0*					*0*
120	**Total revenues**	**-**		**19,346**	**19,346**	**-**	**-**	**-**	**-**	**19,346**
130	Net value adjustments due to impairment of:	-		(3,494)	(3,494)	-	-	-	-	(3,494)
	a) loans			*(2,624)*	*(2,624)*					*(2,624)*
	b) financial assets available for sale			*(841)*	*(841)*					*(841)*
	d) other financial assets			*(29)*	*(29)*					*(29)*
140	**Net income from banking activities**	**-**		**15,852**	**15,852**	**-**	**-**	**-**	**-**	**15,852**
150	Administrative expenses:	-		(10,826)	(10,826)	(828)	-	-	-	(11,654)
	a) personnel costs			*(5,201)*	*(5,201)*					*(5,201)*
	b) other administrative expenses			*(5,625)*	*(5,625)*	*(828)*				*(6,453)*
160	Net provisions for risks and charges			(160)	(160)					(160)
170	Net value adjustments/write-backs on tangible assets			(177)	(177)					(177)
180	Net value adjustments/write-backs on intangible assets			(3)	(3)					(3)
190	Other operating expenses/income			990	990	-		(2,711)	3,719	1,998

	Of which non-recurring					-		*(2,711)*		(2,711)
	Of which gains on a bargain purchase								*3,719*	3,719
200	**Operating costs**	**-**		**(10,177)**	**(10,177)**	**(828)**	**-**	**(2,711)**	**3,719**	**(9,997)**
230	Goodwill impairment			(327)	(327)					(327)
240	Profit (loss) on disposal of investments			-	-					-
250	**Profit (loss) on continuing operations before tax**	**-**		**5,348**	**5,348**	**(828)**	**-**	**(2,711)**	**3,719**	**5,528**
260	Income tax for the year on continuing operations		14	(1,949)	(1,935)	2,572		651		1,288
270	**Profit (loss) on continuing operations after tax**	**-**	**14**	**3,399**	**3,413**	**1,744**	**-**	**(2,060)**	**3,719**	**6,816**
290	**Profit (loss) for the financial year**	**-**	**14**	**3,399**	**3,413**	**1,744**	**-**	**(2,060)**	**3,719**	**6,816**
	Profit (loss) for the financial year attributable to non-controlling interests					**-**	**0**	**-**	**293**	**293**
	Profit (loss) for the financial year attributable to the parent company		**14**	**3,399**	**3,413**	**1,744**	**-**	**(2,060)**	**3,426**	**6,523**

						PRO FORMA ADJUSTMENTS SCENARIO 2 – MAXIMUM WITHDRAWAL				
	(EUR in thousands)	*SPAXS*	*SPAXS' IFRS Adjustments*	*BIP*	*Aggregate*	*SPAXS' Adjustments*	*Withdrawal*	*Acquisition*	*Consolidation*	*PRO FORMA*
10	Interest income and similar revenues	-		15,752	15,752					15,752
20	Interest expense and similar charges	-		(4,633)	(4,633)					(4,633)
30	**Net Interest margin**	**-**		**11,118**	**11,118**	**-**	**-**	**-**	**-**	**11,118**
40	Fees and commissions income	-		4,851	4,851					4,851
50	Fees and commissions expenses	-		(515)	(515)					(515)
60	**Net fees and commissions**	**-**		**4,336**	**4,336**	**-**	**-**	**-**	**-**	**4,336**
80	Net result on trading activity	-		963	963					963
100	Profit (loss) on disposal or repurchase of:	-		2,928	2,928	-	-	-	-	2,928
	a) loans	-		(516)	(516)					(516)

	b) financial assets available for sale	-		*3,444*	*3,444*					*3,444*
	d) financial liabilities	-		*0*	*0*					*0*
120	**Total revenues**	**-**		**19,346**	**19,346**	**-**	**-**	**-**	**-**	**19,346**
130	Net value adjustments due to impairment of:	-		(3,494)	(3,494)	-	-	-	-	(3,494)
	a) loans	-		*(2,624)*	*(2,624)*					*(2,624)*
	b) financial assets available for sale	-		*(841)*	*(841)*					*(841)*
	d) other financial transactions	-		*(29)*	*(29)*					*(29)*
140	**Net result of financial management**	**-**		**15,852**	**15,852**	**-**	**-**	**-**	**-**	**15,852**
150	Administrative expenses:	-		(10,826)	(10,826)	(828)	-	-	-	(11,654)
	a) personnel costs	-		*(5,201)*	*(5,201)*					*(5,201)*
	b) other administrative expenses	-		*(5,625)*	*(5,625)*	*(828)*				*(6,453)*
160	Net provisions for risks and charges	-		(160)	(160)					(160)
170	Net value adjustments/write-backs on tangible assets	-		(177)	(177)					(177)
180	Net value adjustments/write-backs on intangible assets	-		(3)	(3)					(3)
190	Other operating expenses/income	-		990	990	-		(2,711)	3,719	1,998
	Of which non-recurrent					-		*(2,711)*		(2,711)
	Of which gains on a bargain purchase								*3,719*	3,719
200	**Operating costs**	**-**		**(10,177)**	**(10,177)**	**(828)**	**-**	**(2,711)**	**3,719**	**(9,997)**
230	Goodwill impairments	-		(327)	(327)					(327)
240	Profit (loss) on disposal of investments	-		-	-					-
250	**Profit (loss) on continuing operations before tax**	**-**		**5,348**	**5,348**	**(828)**	**-**	**(2,711)**	**3,719**	**5,528**
260	Income tax for the year on continuing operations	-	14	(1,949)	(1,935)	2,572	(691)	651		596
270	**Profit (loss) on continuing operations after tax**	**-**	**14**	**3,399**	**3,413**	**1,744**	**(691)**	**(2,060)**	**3,719**	**6,125**
290	**Profit (loss) for the financial year**	**-**	**14**	**3,399**	**3,413**	**1,744**	**(691)**	**(2,060)**	**3,719**	**6,125**
	Profit (loss) for the financial year attributable to non-controlling interests					0	0	0	293	**293**
	Profit (loss) for the financial year attributable to the parent company		14	3,399	3,413	1,744	(691)	(2,060)	3,426	**5,831**

Description of Pro Forma Adjustments at 31 December 2017

Scenario 1 - minimum withdrawal and Scenario 2 - maximum withdrawal

With reference to both these hypotheses the following pro forma adjustments have been recorded:

- in the pro forma consolidated statement of assets and liabilities:

SPAXS's Adjustments

- an increase in due from banks of EUR 607,900,000 relating to the proceeds from the placement of the Ordinary Shares and the Conditional Share Rights of SPAXS, and the Promoting Companies Capital Increase, net of commissions paid to the placing banks, by EUR 10,100,000;
- increase in deferred tax assets of EUR 4,900,000 relating to the recognition of taxes on commissions paid to placing banks in the amount of EUR 2,400,000, the recognition of the one-off ACE tax benefit in the amount of EUR 2,400,000 and the recognition of taxes on consultancy services costs referring to the process of placement of the Ordinary Shares in the amount of EUR 100,000;
- decrease in the "other assets" item by EUR 37,000 due to the settlement of the receivable from shareholders for unpaid share capital to be collected on the share capital of SPAXS upon incorporation;
- an increase in other liabilities of EUR 500,000 relating to consultancy costs relating to the process of placement of the Ordinary Shares undertaken and resulting unpaid as of 31 December 2017;
- increase in consolidated shareholders' equity of EUR 612,300,000 due to the effects on the assets and liabilities described above;

Acquisition

- increase in equity investments of EUR 51,200,000 relating to the purchase by SPAXS of 91.37% of the shareholding in BIP assuming the settlement partly in cash and partly through a capital increase reserved for BIP's selling shareholders;
- a decrease of EUR 40,300,000 in due from banks following the acquisition referred to in the previous sub-paragraph for the portion of the price settled in cash;
- an increase of EUR 700,000 in deferred tax assets relating to the tax effects of costs associated with the Business Combination process;
- an increase of EUR 2,700,000 in other liabilities with reference to costs associated with the Business Combination process;
- increase in consolidated shareholders' equity of EUR 8,800,000 related to the effect of the capital increase reserved for BIP's selling shareholders in order to acquire a portion of the Target equal to EUR 10,900,000 settled in shares, whose effect was partially offset by the costs associated with the Business Combination in the amount of EUR 2,100,000, net of the related tax effect;

Consolidation

- a decrease of EUR 51,200,000 in equity investments following the write-off of BIP shareholders' equity in the amount of EUR 60,100,000, recognition of a bargain purchase in the amount of EUR 3,700,000 and minority interests of EUR 5,200,000, as described below:

Description		**Amount (in Million Euro)**
Book equity of BIP (100%)	A	60.1
Payment for BIP shares in cash (71.98%)	B	(40.3)
Payment for BIP shares with SPAXS' shares (19.39)	C	(10.9)
Non-controlling interests (20%)	D	(5.2)
Bargain purchase	E=A+B+C+D	3.7

– in the pro forma consolidated income statement:

SPAXS' Adjustments

- a decrease of EUR 800,000 in other administrative expenses to reflect recurring costs related to the ordinary management of a listed company, such as costs relating to accounting, tax, legal and administrative consultancy services, fees to be paid to Borsa Italiana, costs for the audit of the financial statements, and costs relating to communication and investor relations activities;
- tax reduction of EUR 2,600,000 related to the net impact of the tax effects of the adjustments referred to in the previous sub-paragraph in the amount of EUR 200,000 and to the recognition of the one-off ACE tax benefit in the amount of EUR 2,400,000;

Acquisition

- recognition of other non-recurring costs management expense/income associated with the Business Combination process, such as costs related to target research, due diligence and various assistance services in the amount of EUR 2,700,000;
- tax reduction of EUR 700,000 related to the net impact of the tax effects of the adjustments referred to in the previous sub-paragraph;

Consolidation

- recognition of a bargain purchase of EUR 3,700,000 due to the consolidation of the investment held in BIP;
- recognition of the profit attributable to minority interests in the amount of EUR 300,000.

Withdrawal (sixth column)

Scenario 1 – minimum withdrawal

- there are no pro-forma economic or financial effects.

Scenario 2 – maximum withdrawal

- in the pro-forma consolidated statement of assets and liabilities:

    - reduction of cash and cash equivalents by an amount of EUR 180,000,000, equal to the pro forma cash payment resulting from the exercise of the right of withdrawal linked to a number of shares equal to 17,999,999 and a settlement amount of EUR 10;
    - reduction of tax assets by an amount of EUR 700,000, equal to the recognition of the lower ACE tax benefit, due to the reduction in the company's shareholders' equity following the exercise of the Withdrawal;
    - reduction of the share capital by EUR 18,000,000 and reserves by EUR 162,700,000, to reflect the purchase by the company of its own shares above for a total of EUR 180,000,000 and the reduction of the ACE tax benefit by EUR 700,000;

- in the pro-forma consolidated income statement:
    - increase in income taxes by an amount of EUR 700,000, equal to the recognition of the lower ACE tax benefit, as a result of the reduction in the Company's shareholders' equity following the exercise of the Withdrawal rights.

5.3 Audit Firm's Report on Pro Forma Financial Information

SPAXS' Pro Forma Consolidated Statements were analysed by the audit firm KPMG, which issued its report on 12 April 2018, with reference to the reasonableness of the basic assumptions adopted, correctness of the methodology used and correctness of the evaluation criteria and accounting principles used. The said report is attached as an appendix to this Information Document.

6. SPAXS'S PROSPECTS AS A RESULT OF THE BUSINESS COMBINATION WITH BIP

6.1 General Indications on the Progress of SPAXS' Business

In consideration of the activities carried out by SPAXS, as at the Information Document Date, SPAXS carried out mainly preparatory activities for the Material Transaction described in this Information Document.

As of the Information Document Date, SPAXS has not approved any financial information relating thereto, except for the accounting statement prepared for the preparation of the pro-forma financial information, whereby reference should be made to Chapter 5 above of the Information Document.

6.2 Developments in the Management in the Current Year

During the current year, SPAXS will continue to operate as a SPAC and perform mainly preparatory activities for the Business Combination described in this Information Document up to the effective date of the Business Combination. Upon completion of the latter, SPAXS will cease its SPAC activity and will control BIP.

Starting from the effective date of the Business Combination, BIP will continue to carry out the activities envisaged in its Articles of Association, which provide for the collection of savings and provision of credit in its various forms, in Italy and abroad. Furthermore, in compliance with the provisions in force on the matter, BIP may perform all the permitted banking and financial transactions, including the performance of investment services and related ancillary services, as well as any other transaction instrumental to or otherwise connected with the achievement of the corporate purpose and, finally, may acquire shareholdings in other companies and enterprises, both Italian and foreign.

For information on future plans and strategies following the Business Combination, please refer to Paragraph 4.5 of Chapter 4 above of the Information Document.

6.3 Working Capital Statement

At the Information Document Date, SPAXS believes that, as a result of the Business Combination with Banca Interprovinciale, it will have sufficient financial resources to meet its needs, such means the ones relating to at least 12 months starting from the effective date of the Business Combination.

7. PERSONS RESPONSIBLE

7.1 Persons Responsible for the Information Document

SPAXS S.p.A., with its registered office at 3, Via Mercato, Milan, assumes responsibility for the completeness and truthfulness of the information contained in the Information Document.

7.2 Declaration of Responsibility

SPAXS declares that, having applied all the reasonable due diligence for this purpose, the information contained in the Information Document is, to the best of its knowledge, compliant with the facts and does not present any omissions that would alter its meaning.

With reference to the information contained in the Information Document relating to Banca Interprovinciale, it should be noted that this information is taken from public data, i.e. it was provided by Banca Interprovinciale to SPAXS as part of the Business Combination process.

8. DOCUMENTS AVAILABLE TO THE PUBLIC

This Information Document is available to the public for consultation at the offices of SPAXS (3, Via Mercato, Milan) and in the "*Investor Relations / Relevant Operations*" section on the Company's website www.spaxs.it, together with the following documents:

- SPAXS' press release relating to the Business Combination and the signing of the Framework Agreement;
- BIP's financial statements for the financial year ended 31 December 2017;
- BIP's financial statements for the financial year ended 31 December 2016.

The following documents are further on the Company's website (www.spaxs.it):

- SPAXS' Trading Admission Document;
- "*Regulation of Conditional Share Rights of SPAXS S.p.A.*";
- SPAXS' Procedure on Related Party Transactions;
- SPAXS' Insider Information Management Procedure;
- SPAXS' Internal Dealing Procedure;
- SPAXS' Procedure for the Execution of the Business Combination;
- SPAXS' Investment Policy.

APPENDIX