

**INFORMATION SHEET
LETTER OF COMFORT
Updated on 04/12/2020**

BANK INFORMATION**Banca Ifis S.p.A.**

Registered Office: Via Terraglio, 63 – 30174 Venice-Mestre

General Headquarters: Via Gatta, 11 – 30174 Venice-Mestre

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Enrolled in the Register of Banks held by the Bank of Italy at no. 5508 – Italian Banking Association code: 03205

Entry number in the Venice Business Register and Tax. Ref. no. 02505630109

VAT no. 04570150278 Fully paid-up share capital EUR 53,811,095.00

Parent Company of the Banca Ifis S.p.A. Banking Group, enrolled in the Register of Banking Groups

Member of the Interbank Deposit Protection Fund, of the Italian National Guarantee Fund, of the Italian Banking Association, of the Italian Factoring Association, of Factors Chain International

INFORMATION and STATUS of the REPRESENTATIVE ISSUING THIS FORM, WHERE IT HAS NOT BEEN PROVIDED IN-BRANCH	
Name and surname of the individual issuing the form to the customer	
Status of the individual issuing the form to the customer (Banca Ifis S.p.A. employee or other)	
If this is a third-party individual enrolled in a register or list, please include the enrolment details here	

WHAT IS A LETTER OF COMFORT?

A letter of comfort is a commitment with which the signatory (“Parent Company”), if agreed conditions occur, agrees to guarantee with all its assets to repay what is owed in capital, interest and fees, taxes and any other accessory amount in relation to a transaction granted to another entity (“principal debtor”) and identified in the same letter (strong letter of comfort) or to support another entity (“principal debtor”) financially so that it can fulfil the obligations it has assumed (weak letter of comfort).

A letter of comfort is issued by a company in relation to credit transactions granted by the Bank to companies in which it has a direct or indirect shareholding. In practice, there are two types of letter of comfort: “strong” or “weak”.

A company signing a “strong” letter of comfort commits to:

- not make available for sale its direct or indirect shareholding in a company to which the Bank has granted credit without prior written communication from the Bank;
- repay the Bank what is owed by the company to which credit is granted both in the event that its shareholding is transferred, and in the event that the company to which credit is granted is put into liquidation or is subject to bankruptcy proceedings.

A company signing a “weak” letter of comfort commits to:

- not make available for sale its direct or indirect shareholding in a company to which the Bank has granted credit without prior written communication from the Bank;
- act in a way that ensures that the company to which credit is granted meets its obligations in relation to the Bank for the purposes of repaying the debt deriving from the credit transaction identified in the letter of comfort.

PRINCIPAL RISKS

The principal risks of a strong letter of comfort are that if the principal debtor does not make payment, the signatory of the letter of comfort may have to repay the Bank, if certain conditions occur, what is owed by the company to which credit is granted in relation to the credit transaction identified in the letter of comfort, to the limits of the guaranteed amount.

PRINCIPAL ECONOMIC TERMS AND CONDITIONS

Issuing a guarantee does not mean that specific economic terms and conditions will be applied to the signatory. However, the signatory is obliged to fulfil the guarantee in the timescales and under the terms and conditions set out in the guarantee contract. Particularly, in the event of a delay in payment, the guarantor is obliged to pay the Bank all default interest to the same extent and under the same terms and conditions that apply to the principal debtor.

WITHDRAWAL, MAXIMUM TIME LIMIT FOR CLOSING, COMPLAINTS AND OUT-OF-COURT PROTECTION

Withdrawal from the contract

For the lifetime of the credit transaction indicated in the letter of comfort, the signatory cannot withdraw from its commitment which will remain effective so long as the guaranteed obligation to the Bank is not settled, i.e. so long as the commitments guaranteed by assets are replaced by another form of guarantee accepted by the Bank.

Maximum time limit for closing the contractual relationship

The guarantee is extinguished once the debtor has fully and unquestionably fulfilled the guaranteed obligations, without prejudice to the Bank's right to take action against the debtor and other co-guarantors.

Complaints and out-of-court protection

The Customer must send any complaints to the Bank's Complaint Department (Ufficio Reclami):

- by ordinary mail to the address Banca Ifis S.p.A. - Ufficio Reclami, Via Terraglio 63, 30174 Venezia – Mestre;
- by email to the address reclami@bancaifis.it;
- by certified email to the address reclami.pec@bancaifis.legalmail.it.

The Complaints Department replies to complaints received within 60 days from the date of receipt.

If the Customer is not satisfied with the response provided by the Bank or has not received a reply within the terms indicated above from the date on which the complaint is received by the Bank, they may, before contacting the Judicial Authority, submit a report to the Bank of Italy as well as an appeal to the Banking and Financial Ombudsman (ABF) managed by the Bank of Italy.

For more information on how to contact the ABF and on its sphere of competence, visit the website www.arbitrobancariofinanziario.it or the specific practical Guide to Financial Banking Arbitration available from Bank's branches in paper and on the www.bancaifis.it website and it can be transmitted in electronic format at the Customer's request. The relevant forms and instructions are also available at the offices of Banca Ifis and the Bank of Italy.

Alternatively, any dissatisfied Customer who does not wish to file a complaint, but wishes to reach an out-of-court settlement with the Bank may also submit a mediation appeal to the banking conciliation Body, constituted by the Italian Financial Banking Conciliator entered in the register of the Ministry of Justice in accordance with Italian Legislative Decree no. 28 of 4 March 2010, whose competence the Customer declares it accepts by signing this Contract. To find out how to contact the Financial Banking Conciliator, visit the website www.conciliatorebancario.it.

Customer and Bank may however agree, even after the Contract has been signed, to approach another mediation body also registered in the aforementioned register held by the Ministry for Justice.

Use of the procedures mentioned above does not preclude the Customer the right to refer the matter, at any time, to the Judicial Authority.

PRACTICAL REFERENCE GUIDES

The practical Guide to Financial Banking Arbitration is available in hard copy at the Bank's branches as well as on the website www.bancaifis.it and can be also transmitted electronically upon Customer's request.

The practical reference guide "The Risk Management Center Simply Explained" can be consulted on the website www.bancaifis.it.

KEY

Direct company shareholding: a company which holds shares or quotas in another company.

Guarantor/Parent Company: the natural/legal person who issues a letter of comfort in favour of the Bank.

Indirect company shareholding: a company which holds shares or quotas in another company which, in turn, holds shares or quotas in the company for which it intends to act by signing a letter of comfort.

Maximum guaranteed amount: the total sum (for capital, interest and fees) which the Parent Company commits to pay the Bank in the event that the principal debtor fails to fulfil its obligations.

Principal debtor: the natural/legal person who must fulfil their obligations to the Bank.

Venice – Mestre, 04/12/2020