KRUSO KAPITAL

Kruso Kapital S.p.A.
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Tax Code and VAT No. 10753220960 - Share Capital € 24,609,593 fully paid up
Registered in the Register pursuant to Article 106 Consolidated Law on Banking.
ABI Code no. 19493 Subject to Supervision by the Bank of Italy
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GENERAL TERMS AND CONDITIONS GOVERNING PARTICIPATION IN PUBLIC AUCTIONS THROUGH ONLINE BIDS

1. INTRODUCTION

The company Kruso Kapital S.p.A. (hereafter the "Company") provides financing in the form of collateralised loans. Collateralised lending is a form of short-term financing involving a collateral pledge of movable property, and is governed by Italian Law no. 745 of 10 May 1938 and Italian Royal Decree no. 1279 of 25 May 1939, which defines its principal characteristics. Any items pledged that are not redeemed or renewed within thirty days of expiry of the loan may be sold at public auction.

It is possible to participate in public auctions:

- **in person:** by making oral bids in the room, after being identified by Company staff;
- **by submitting written bids at the branch:** compiling the dedicated form, which may only be submitted to branch staff on the days on which items are on display;
- **by submitting online bids:** registering on our app (hereafter also "Platform") and submitting bids via the specific function incorporated into the app or via the Company's website exclusively during the eligible submission period before the start of the public auction.

The submission of bids in writing, at the branch or online shall be without prejudice to the ability to participate in the auction in person and to submit oral bids.

2. REGISTRATION IN THE APP

It is also possible to participate in auctions by submitting online bids after registering in the app, which may be downloaded onto a mobile phone or tablet. After a user profile has been created, bids may also be submitted by accessing the reserved area of the Company's website. Online bids may be submitted by natural persons of legal age who have an Italian tax code as well as legal persons, acting through a duly authorised representative of the business.

The user profile shall be activated after:

- entering an email address and password into the app when creating the account;
- filling in all of the mandatory fields and providing a mobile phone number that, along with the email address, will be used in order to activate the account and for communications with the Company;
- uploading pictures (front and rear sides) of an unexpired identification document and tax code, following the instructions provided in the app;
- uploading a photograph ("selfie") in which your face is clearly recognisable, following the instructions provided in the app;
- reading the privacy notice and consenting to the usage of your data (including the pictures) for the purposes of managing the service requested;
- reading the "Auction Regulations" and this document, in which the customer: i) declares that the information provided, which will also be used by the Company for the purpose of compliance with legal obligations relating to the combatting the laundering of the proceeds of crime and terrorist financing, pursuant to and for the purposes of Italian Legislative Decree no. 231/2007, as amended and supplemented, is true, accurate and complete; ii) undertakes to report any subsequent change to his/her data or to those of any beneficial owners, in the event that purchases are made on behalf of a legal person; iii) if he/she is a natural person, declares that he/she is acting in his/her own right and that the purchase is not being made on behalf of another person;
- confirms that he/she wishes to register in the app by entering the OTP code sent to the email address provided.

The data entered shall be verified by the company and the user profile shall be activated immediately unless any irregularities are identified; otherwise, in the event of any irregularity, the user profile shall be "frozen" and the individual shall be contacted by the Company in order to resolve any anomalies identified. In order to be able to submit any online bids all mandatory data must have been entered into the app and a device-specific PIN must have been set in order to confirm bids submitted.

The PIN, user code and password are strictly personal and may not be transferred to any third party. The user is responsible for their safe storage. If the PIN is lost or in the event of any suspicion of third party usage, it is possible to reset it and to create a new PIN directly in the app.

The data provided when creating the user profile are stored in the customer profile section and may be altered at any time via the app (the user may, inter alia, amend the email address or mobile phone number, update an expired identification document, reset the PIN or password etc.).

3. SUBMISSION OF ONLINE BIDS

After having completed the registration in the app and activated the user profile, the user may:

- visit the "virtual showroom" in the app or on the website in order to view individual lots in detail (an individual lot may contain one or more items put up for auction, and any bids made shall relate to the lot as a whole);
- submit a bid starting from the "reserve price for the auction" in accordance with the incremental raises set out in Art. 6 of the Auction Regulations, after choosing the type of bid from amongst those available for the lot in question: "fixed" bid, "fixed-secret" bid or "ascending" bid (cf. Art. 3 of the Auction Regulations);
- confirm the bid by inserting the device-specific PIN;
- enter credit card information in order to block the amount required as the deposit. Payment information will be checked and approved via the payment platform.

Upon completion of the procedure described above, a unique code shall be generated for the bid and a confirmation email shall be sent to the user at the address provided at the time of registration.

It is not possible for other users to view the amount of any bids previously submitted. Upon expiry of the time limit for submitting online bids, the IT system will process all of the bids received for each individual lot in order to identify the best possible bid in the auction for each type of available bid (fixed, fixed-secret or ascending).

4. PAYMENT OF THE DEPOSIT

The Company reserves the right to charge a deposit amounting to 20% of the reserve price for the auction. The Company will not charge the deposit to the credit card but will only block the amount temporarily (pre-authorisation), resulting in the amounts for which authorisation is provided by the user's reference bank or by the operator of the payment circuit being temporarily unavailable.

In the event that an item is not awarded at auction, the amount of the deposit shall be released within three working days of the conclusion of the auction. In the event that the item is awarded to the customer, the deposit shall be released after the full amount of the award price has been paid, which shall occur in the manner and in accordance with the timescale set forth below. If the price for the item awarded is not paid, Company shall be entitled to definitively withhold the amount of the deposit.

5. AWARD PROCESS

The best online bids shall compete in the auction on the same basis as oral and written bids. The auctioneer shall participate in the auction on behalf of the various written or online bids, including both fixed and ascending bids. All persons participating in the auction via online bids shall be informed by email and/or mobile phone notification concerning the outcome of the auction and whether the item has been awarded. For further details concerning the award process, please refer to the Auction Regulations.

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6. OPERATIONS FOLLOWING THE AWARD OF THE ITEM

In the event that one or more lots is awarded, after receiving the email/notice of award the user muser:

- select the bid for which he/she has been successful and choose the manner of delivery for the lot. The customer may decide to collect the lot from one of the Company's ProntoPegno branches or ask for the lots awarded to be delivered to his/her home address or to any other shipping address indicated in the app. In both cases, the system will calculate the cost of shipping (for details concerning costs please refer to the document "Shipping Costs" in the "Transparency" section);
- pay the amount due as consideration for the item awarded, exclusively by bank transfer from a current account held (or jointly held) by the user at a banking and financial intermediary based in Italy or in a Member State of the European Union. The transfer must state as the payment reference the payment code indicated in the app.

After the payment has been checked the Company shall send an email/notification to the customer confirming receipt of the payment and that the item is available for collection at the branch chosen, or that shipping is being arranged (cf. Art. 14 of the Auction Regulations).

7. SUMMARY OF STATEMENTS AND AUTHORISATIONS

By entering the OTP code the customer:

- accepts the terms set forth in the document "General Terms and Conditions Governing Participation in Public Auctions through Online Bids";
- acknowledges that he/she has read the "Auctions Regulations", updated versions of which, as applicable from time to time, will be available on the Company's website.

The customer further **declares**:

- that the information provided to the Company when activating the user profile has been provided, under his/her own responsibility, in order to enable the Company to comply with its due diligence obligations as provided for under anti-money-laundering legislation, pursuant to and for the purposes of Italian Legislative Decree 231/2007, as amended and supplemented;
- if the user is a natural person, that he/she is acting in his/her own right and that the purchase at auction is not being made on behalf of another person;
- that the information provided is true, accurate and complete, and that he/she undertakes to report any subsequent change to his/her data or those of any beneficial owners, in the event that purchases are made on behalf of a legal person;
- that the purpose and nature of the purchase at auction consists in personal and/or professional requirements in the event that the purchase is being made on behalf of a company.

Finally, the customer **authorises** the Company:

- to temporarily block the deposit, thereby reducing the credit card limit by that amount, and to release it within three working days of the conclusion of the auction, in the event that the item is not awarded, or of the payment in full of the award price in the event that the item is awarded;
- to appropriate the deposit in the event that the price for the item awarded is not paid within the time limits and according to the procedures set forth in Art. 11 and 12 of the "Auction Regulations".

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NOTICE CONCERNING OBLIGATIONS PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 231 OF 21 NOVEMBER 2007, AS AMENDED AND SUPPLEMENTED

OBLIGATIONS OF THE CUSTOMER

Art. 22 of Legislative Decree no. 231/2007, as amended and supplemented

1. Customers shall provide in writing, under their own responsibility, all necessary and up-to-date information to enable the obliged parties to fulfil their due diligence obligations.
2. For the purposes of this Decree, undertakings with legal personality and private legal persons shall obtain and conserve for a period not shorter than five years adequate, accurate and up-to-date information concerning beneficial ownership, which they shall submit to the necessary entities, when acting in accordance with their due diligence obligations.
3. The information referred to in paragraph 2 relating to undertakings with legal personality that are obliged to enrol with the Companies' Register pursuant to Article 2188 of the Italian Civil Code shall be obtained by directors by requesting it from the beneficial owner identified pursuant to Article 20, inter alia on the basis of the entries made in the accounting records and financial statements, the register of shareholders, as well as communications relating to the ownership structure of or control over the entity that the undertaking is obliged to furnish in accordance with the applicable provisions as well as any communications received from shareholders and any other information available to them. Should any doubts remain regarding the beneficial owner, information shall be obtained by the directors following an express request to those shareholders concerning whose interest in the entity more detailed information is required. Any failure or unjustified refusal by a shareholder to provide the directors with any information requested by them that is considered necessary in order to identify the beneficial owner or the provision of information that is clearly fraudulent shall preclude the ability to exercise the respective voting rights and shall render any resolutions adopted for which the shareholder's vote was decisive liable to challenge pursuant to Article 2377 of the Italian Civil Code. Insofar as compatible, the provisions of Art. 120 and 122 of the Italian Consolidated Law on Finance, Art. 74 and 77 of the Italian Private Insurance Code and Art. 2341-ter of the Italian Civil Code shall be applicable.
4. The information provided for under paragraph 2 concerning private legal persons that are obliged to enrol with the Register of Private Legal Persons pursuant to Italian Decree of the President of the Republic no. 361 of 10 February 2000, as amended, shall be obtained by the founder, if still alive, or by the persons charged with the representation and management of the entity, by requesting it from the beneficial owner identified pursuant to Article 20, having regard also to the provisions of the Articles of Association, the Memorandum of Association, the accounting records and any other communication or information available to them. […]

DUTY NOT TO PROCEED

Art. 42 (1), (2) and (4) of Italian Legislative Decree no. 231/2007, as amended and supplemented

1. Any obliged entities that are objectively unable to conduct due diligence concerning customers under the terms of Art. 19(1)(a), (b) and (c) shall refrain from establishing, setting up or continuing the relationship, the provision of professional services and any operations and shall assess whether to make a suspicious transaction report to the Financial Information Unit pursuant to Art. 35.
2. Obliged entities shall refrain from establishing ongoing relations, from executing transactions or providing professional services and shall end any ongoing relationship or professional services already being provided that involves, either directly or indirectly, any fiduciary company, trust, company limited by shares or company with bearer shares that has its registered office in a high-risk third country. These measures shall also apply to any other legal entity, irrespective of its designation, the registered office of which is situated in any such country for which it is not possible to identify the beneficial owner or to verify his/her identity.
3. The foregoing shall under all circumstances be without prejudice to Article 35 (2) under circumstances in which the transaction must be executed on the grounds that there is a legal obligation to execute the instrument concerned.

CRIMINAL SANCTIONS

Art. 55 (3) of Italian Legislative Decree no. 231/2007, as amended and supplemented

3. Unless the respective conduct constitutes a more serious offence, any person who, notwithstanding the obligation under this Decree to provide the data and information necessary for the purpose of due diligence concerning customers, furnishes false data or inaccurate information shall be punished by a term of imprisonment of between six months and three years and a fine of between € 10,000 and € 30,000.

BENEFICIAL OWNER

Art. 1 (2) (pp) of Italian Legislative Decree no. 231/2007, as amended and supplemented

pp) beneficial owner: the natural person or persons other than the customer in the interest of whom the relationship has ultimately been established, the professional service has ultimately been provided or the transaction has ultimately been executed;

Art. 20 of Legislative Decree no. 231/2007, as amended and supplemented

1. The beneficial owner of customers other than natural persons coincides with the natural person or natural persons to whom, ultimately, the direct or indirect ownership of the entity or the control thereof is attributable.
2. If the customer is a joint-stock company: a) the ownership of a stake of more than 25 percent of the customer's capital, held by a natural person, is an indication of direct ownership; b) the ownership of a stake of over 25 percent of the customer's capital, which is held through subsidiaries, trust companies or intermediaries, is an indication of indirect ownership.
3. If the review of the ownership structure does not make it possible to unequivocally identify the natural person or the natural persons to whom the direct or indirect ownership of the entity is attributable, the beneficial owner coincides with the natural person or the natural persons to whom, ultimately, the control thereof is attributable by virtue of: a) control of the majority of votes that can be exercised in ordinary shareholders' meetings; b) control of a sufficient number of votes as to exercise a dominant influence in ordinary shareholders' meetings; c) the existence of specific contractual obligations that allow the exercise of a dominant influence.
4. In the event that the customer is a private legal person, pursuant to Decree of the President of the Italian Republic no. 361 of 10 February 2000, the following are cumulatively identified as beneficial owners: a) the founders, if alive; b) the beneficiaries, when identified or easily identifiable; c) the holders of legal representation, management and administration powers.
5. If the application of the criteria referred to in the preceding paragraphs does not permit the unequivocal identification of one or more beneficial owners, the beneficial owner coincides with the natural person or natural persons holding legal representation, administrative or management powers of the company or of the customer other than the natural person, in line with the respective organisational or by-law-based structures.
6. Obliged entities shall keep a record of the checks carried out for the purpose of identifying the beneficial owner and, with specific reference to a beneficial owner identified in accordance with paragraph 5, of the reasons that prevented them bring being able to identify the beneficial owner in accordance with paragraphs 1, 2, 3 and 4 of this Article.

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POLITICALLY EXPOSED PERSON

Art. 1 (2) (dd) of Legislative Decree no. 231/2007, as amended and supplemented

dd) politically exposed persons: natural persons who hold or who have ceased to hold important public offices less than one year ago, and their family members and those individuals who have notoriously close ties with the aforementioned persons, as listed below:

1. Natural persons who hold or have ceased to hold important public offices shall be understood to mean those who hold or who have held the offices of: 1.1 President of the Republic, Prime Minister, Minister, Deputy-Minister and Undersecretary, President of the Region, regional council member, Mayor of a provincial capital, metropolitan city or municipality with a population of not less than 15,000 inhabitants and similar offices in foreign countries; 1.2 member of Parliament, senator, MEP, regional councillor as well as similar offices in foreign countries; 1.3 member of the central governing bodies of political parties; 1.4 judge of the Constitutional Court, judge of the Court of Cassation or of the Court of Auditors, member of the Council of State and other members of the Administrative Justice Council for the Sicilian Region and similar offices in foreign countries; 1.5 member of the governing bodies of central banks and independent authorities; ambassador, chargé d'affaires or equivalent offices in foreign countries, senior officer of the armed forces or similar offices in foreign countries; 1.7 member of the administrative, management or control bodies of companies controlled, even indirectly, by the Italian State or by a foreign country or owned, to a prevailing or total extent, by the Regions, by provincial capitals and metropolitan cities and by municipalities with a total population of not less than 15,000 inhabitants; 1.8 general manager of an ASL (local health unit) and hospital company, university hospital company and other national health service bodies; 1.9 director, deputy director and member of the management body or person holding equivalent offices within international organisations;
2. Family members of politically exposed persons shall be understood to mean: parents, spouse or person tied in a civil union or de facto cohabitation or similar institutions to the politically exposed person, children and their spouses as well as persons tied to their children in a civil union or de facto cohabitation or similar institutions;
3. Individuals who have notoriously close ties with politically exposed persons shall be understood to mean: 3.1 natural persons tied to the politically exposed person due to the joint beneficial ownership of legal entities or other close business relationship; 3.2 natural persons who only formally hold the total control of an entity that is known to have been set up in the interest and for the benefit of a politically exposed person;

Art. 24 (6) of Italian Legislative Decree no. 231/2007, as amended and supplemented

6. Where there is a high risk of money laundering of the financing of terrorism, obliged entities shall take action to ensure enhanced due diligence for customers originally identified as politically exposed persons who have ceased to hold the respective public offices for more than one year. The same shall also apply in the event that the beneficiary under insurance or the beneficial owner of the beneficiary is a politically exposed person.

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