

OFFERING CIRCULAR DATED 10 NOVEMBER 2009

Pursuant to Article 2, paragraph 3 of Italian Law No. 130 of 30 April 1999 and to Art. 8 of the law of July 10, 2005, implementing the Prospectus Directive 2003/71/EC

MONDOMUTUI CARIPARMA S.R.L.

(incorporated with limited liability under the laws of the Republic of Italy)

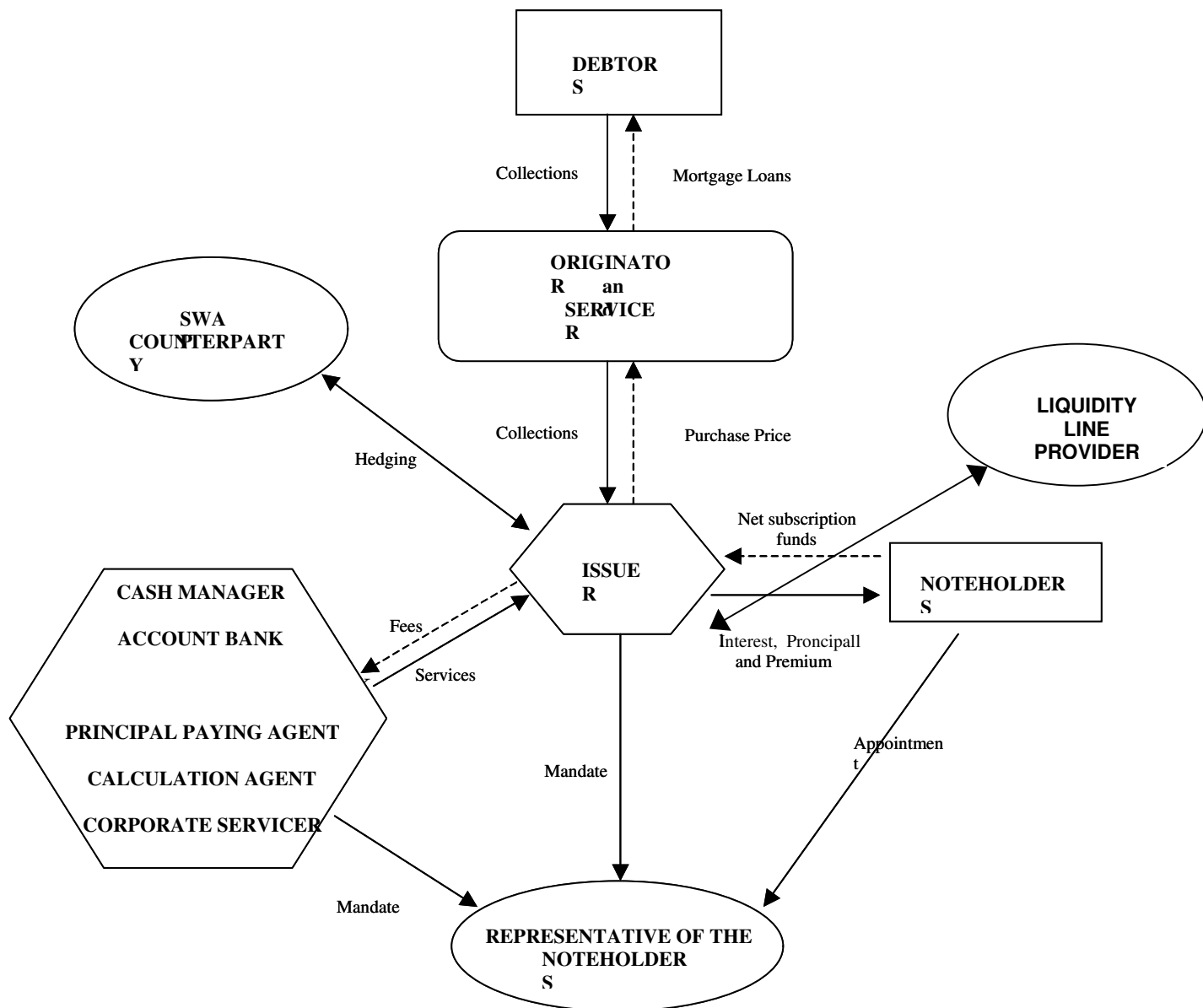
€3,945,400,000.00 Asset Backed Floating Rate Notes due 2058

This Offering Circular constitutes a prospectus under Art. 8 of the law of July 10, 2005, implementing the Prospectus Directive 2003/71/EC. Application has been made to the *Commission de Surveillance de Secteur Financier* (the "CSSF") for approval of this Offering Circular. Application has been made to the Luxembourg Stock Exchange to list the € 3,945,400,000.00 Asset Backed Floating Rate Notes due 2058 (the "Class A Notes" or the "Senior Notes") of MondoMutui Cariparma S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "Issuer") on the official list of the Luxembourg Stock Exchange and to trade the Senior Notes on the regulated market for the purposes of Directive 2004/39/EC (Regulated Market) of the Luxembourg Stock Exchange (the "Regulated Market of the Luxembourg Stock Exchange"). In connection with the issue of the Senior Notes, the Issuer will also issue the € 390,256,126.00 Class J Asset Backed Notes due 2058 (the "Class J Notes" or the "Junior Notes") and, together with the Senior Notes, the "Notes"). No application has been made to list the Class J Notes on any stock exchange. The Class J Notes are not being offered pursuant to this Offering Circular. The Notes will be issued on 11 November 2009 (the "Issue Date"). This document constitutes a *Prospetto Informativo* for all Notes for the purposes of Article 2, sub-section 3 of Law No. 130 of 30 April 1999 (as amended and supplemented from time to time, the "Securitisation Law"). This *Prospetto Informativo* will be published on the website of the Luxembourg Stock Exchange: www.bourse.lu. The principal source of payment of interest and of repayment of principal on the Notes will be collections and recoveries made in respect of a portfolio of monetary claims and related rights (as hereinafter more fully defined, the "Portfolio" or the "Receivables") arising out of land mortgage loan agreements (*mutui fondiari*) entered into between Cassa di Risparmio di Parma e Piacenza S.p.A. ("Cariparma" or the "Originator") and certain obligors. The Portfolio was purchased by the Issuer from the Originator pursuant to the Transfer Agreement (as defined below) on 3 November 2009. By virtue of the operation of Article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Receivables and to any sums collected therefrom will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the securitisation of the Portfolio, in priority to the Issuer's obligations to any other creditor. Interest on the Senior Notes will be payable by reference to successive interest periods (each, as more fully hereinafter described, an "Interest Period"). Interest on the Senior Notes will accrue on a daily basis and will be payable in arrears in Euro on 30 July 2010 and thereafter on 31 January and 31 July in each year or, if such day is not a Business Day, on the immediately following Business Day (each such date, a "Payment Date" unless a Trigger Notice has been served in which case Payment Date shall mean each Day on which any payment is required to be made by the Representative of the Noteholders.) The rate of interest applicable to the Senior Notes for each Interest Period shall be the rate per annum equal to EURIBOR (as determined in accordance with Condition 5 (Interest) for six months deposits (except in respect of the Initial Interest Period (as defined in the Senior Notes Conditions) where an interpolated interest rate based on 8 and 9 months deposits in Euro (rounded at the third decimal point) will be substituted for six month EURIBOR) plus a margin of 0.35 per cent per annum. The Class A Notes are expected, on issue, to be rated Aaa by Moody's Investors Service Inc. ("Moody's" or the "Rating Agency"). It is not expected that the Class J Notes will be assigned a credit rating. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation. As at the date of this Offering Circular, payments in respect of the Notes may be subject to withholding or deduction for or on account of Italian substitute tax, in accordance with Decree No. 239 of 1 April 1996 (a "Decree 239 Deduction"). If a Decree 239 Deduction or any other deduction or withholding for or on account of tax is applicable to payments of interest and/or repayments of principal on the Notes, such payments and/or repayments will be made subject to such withholding or deduction without the Issuer or any other person being obliged to pay any additional amounts as a consequence. If any Notes are redeemed in whole or in part prior to the date which is eighteen months after the Issue Date, the Issuer will be obliged to pay an additional amount in Italy equal to 20 per cent. of the interest accrued on such Notes up to the date of the redemption. For further details see the section entitled "Taxation". The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Cash Manager, the Account Bank, the Principal Paying Agent, the Hedging Counterparty, the Corporate Servicer, the Arranger or the Quotaholders. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes. As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by *Monte Titoli* for the account of the relevant *Monte Titoli* Account Holders. *Monte Titoli* shall act as depositary for Euroclear and Clearstream. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of Legislative Decree No. 213 and the Resolution of 22 February 2008 jointly issued by CONSOB and Bank of Italy (named "*Disciplina dei servizi di gestione accentrata, di liquidazione, dei sistemi di garanzia e delle relative società di gestione*") containing rules on custody, clearing and settlement (as amended and supplemented from time to time).. No physical document of title will be issued in respect of the Notes. Before the relevant maturity date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 6 (*Redemption, Purchase and Cancellation*)). Unless previously redeemed in full or cancelled in accordance with the relevant Terms and Conditions, the Notes will be redeemed on the Payment Date falling in January 2058 (the "Final Maturity Date"). Save as provided in the Terms and Conditions, the Notes will start to amortise on the Reimbursement Payment Date, subject to there being sufficient Issuer Available Funds and in accordance with the Priority of Payments of application of the Issuer Available Funds (as defined in the Terms and Conditions). The Notes, to the extent not redeemed in full by the Cancellation Date, shall be cancelled on such date. No payments of principal in respect of any of the Notes will be made to the Noteholders before the Initial Amortisation Date as provided in the Terms and Conditions.

Capitalised words and expressions in this Offering Circular shall, except so far as the context otherwise requires, have the meanings set out in the section entitled "Glossary" below.

For a discussion of certain risks and other factors that should be considered in connection with an investment in the Notes, see the section entitled "Risk Factors".

STRUCTURE DIAGRAM



The Receivables acquired and transferred under the Transfer Agreement from Cariparma generally have characteristics that demonstrate capacity to produce funds to serve payments due and payable on the Notes. However, Cariparma, the Issuer, the Arranger and any other party to the Transaction Documents do not warrant the solvency (credit standing) of the Debtors.

None of the Issuer, the Arranger or any other party to the Transaction Documents other than Cariparma has undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by Cariparma to the Issuer; nor has any of the Issuer, the Arranger or any other party to the Transaction Documents undertaken, nor will they undertake, any investigations, searches, or other actions to establish the creditworthiness of any Debtor. In the Warranty and Indemnity Agreement the Originator has given certain representations and warranties to the Issuer in relation to, inter alia, the Receivables, the Loan Agreements, the Loans and the Debtors.

The Issuer accepts responsibility for the information contained in this Offering Circular, other than that information for which Cariparma accepts responsibility as described in the following paragraphs. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.

Save as described under the sections entitled "Subscription and Sale" and "Transaction Documents" so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

Cariparma accepts responsibility for the information contained in this Offering Circular in the last sentence of "Italian Usury Law" in the section entitled "Risk Factors" and in the sections entitled "The Portfolio", "Credit and Collection Policies", "The Originator" and "Description of the Servicing Agreement" and any other information contained in this Offering Circular relating to itself, the Receivables, the Loan Agreements, the Loans, the Mortgages and the Collateral Security. To the best of the knowledge and belief of Cariparma (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Arranger, the Representative of the Noteholders, the Issuer, the Quotaholders or Cariparma (in any capacity) or any party to the Transaction Documents. Neither the delivery of this Offering Circular nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has not been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or Cariparma or the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Offering Circular.

The Notes constitute direct limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Receivables will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the holders of the

Notes and to pay any costs, fees and expenses payable to the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Corporate Servicer, the Principal Paying Agent, the Cash Manager, the Account Bank and the Hedging Counterparty and to any third party creditor in respect of any costs, fees or expenses incurred by the Issuer to such third party creditors in relation to the Securitisation. Amounts derived from the Receivables will not be available to any other creditors of the Issuer. The Noteholders will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the relevant priority of payments as outlined in Condition 4 (Priority of Payments).

The distribution of this Offering Circular and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular (or any part of it) comes are required by the Issuer and the Lead Manager to inform themselves about, and to observe, any such restrictions. Neither this Offering Circular nor any part of it constitutes an offer, and may not be used for the purpose of an offer to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any other state securities laws and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or for the benefit of U.S. persons (as defined in Regulation S under the Securities Act).

The Notes may not be offered or sold directly or indirectly, and neither this Offering Circular nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Offering Circular, see the section entitled "Subscription and Sale" below.

The Notes are complex instruments which involve a high degree of risk and are suitable for purchasing only by sophisticated investors which are capable of understanding the risk involved. In particular the Notes should not be purchased by or sold to individuals and other non-expert investors.

Certain monetary amounts and currency translations included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which preceded them.

All references in this Offering Circular to "Euro", "€" and "cents" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended.

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TRANSACTION OVERVIEW

The following information is an overview of certain aspects of the transaction, the parties thereto, the assets underlying the Notes and the related documents and does not purport to be complete. Therefore, it should be read in conjunction with and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Offering Circular and in the Transaction Documents.

1. THE PRINCIPAL PARTIES

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| Issuer | MondoMutui Cariparma S.r.l. The issued quota capital of the Issuer is equal to €12,000.00 and is fully held by the Quotaholders. For further details, see the section entitled " <i>The Issuer</i> ". |
| Originator | Cassa di Risparmio di Parma e Piacenza S.p.A. For further details, see the section entitled " <i>The Originator</i> ". |
| Servicer | Cassa di Risparmio di Parma e Piacenza S.p.A.. The Servicer will act as such pursuant to the Servicing Agreement. |
| Computation Agent | CALYON, Milan Branch. The Computation Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement. |
| Principal Paying Agent | CALYON, Milan Branch. The Principal Paying Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement. |
| Account Bank | Cassa di Risparmio di Parma e Piacenza S.p.A.. The Account Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement. |
| Cash Manager | Cassa di Risparmio di Parma e Piacenza S.p.A. The Cash Manager will act as such pursuant to the Cash Allocation, Management and Payment Agreement. |
| Representative of the Noteholders | CACEIS Bank Luxembourg. The Representative of the Noteholders will act as such pursuant to the Subscription Agreements. |
| Corporate Servicer | Zenith Services S.p.A.. The Corporate Servicer acts as such pursuant to the Corporate Services Agreement. |
| Hedging Counterparty | Cassa di Risparmio di Parma e Piacenza S.p.A or any other person acting as hedging counterparty pursuant to the Hedging Agreement from time to time. |

The Hedging Counterparty will act as such pursuant to the Hedging Agreement.

| | |
|---------------------------|--|
| Arranger | Calyon, Milan Branch. |
| Listing Agent | Caceis Bank Luxembourg. |
| Quotaholders | Cassa di Risparmio di Parma e Piacenza S.p.A., Structured Finance Management – Italy S.r.l. and Stichting Pavia (please refer to section entitled “the Issuer” for further details). |
| Liquidity Provider | Cassa di Risparmio di Parma e Piacenza S.p.A. or any other person acting from time to time as liquidity provider pursuant to the Liquidity Agreement. |

2. GENERAL DESCRIPTION OF THE NOTES

The Notes The Notes will be issued by the Issuer on the Issue Date in the following classes:

The Senior Notes € 3,945,400,000.00 Class A Residential Mortgage Backed Floating Rate Notes due 2058

The Junior Notes € 390,256,126.00 Class J Residential Mortgage Backed Floating Rate Notes due 2058.

Issue price The Notes will be issued at the following percentages of their principal amount:

| <i>Class</i> | <i>Issue Price</i> |
|--------------|--------------------|
| Class A | 100% |
| Class J | 100% |

Interest on the Senior Notes The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the following margins above the EURIBOR for six months Euro deposits (except that for the Initial Interest Period where EURIBOR for six months deposits will be substituted by an interpolated interest rate based on EURIBOR 8 and 9 months, rounded at the third decimal point): 0.35% per cent per annum;

Interest in respect of the Senior Notes will accrue on a daily basis and will be payable semiannually in arrears in Euro on each Payment Date in accordance with the relevant Priority of Payments. The first

payment of interest in respect of each Class of the Notes will be due on the Payment Date falling in 30 July 2010 in respect of the period from (and including) the Issue Date to (but excluding) such date.

Interest and Premium on the Junior

Notes

The Junior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the following margins above the EURIBOR for six months Euro deposits (except that for the Initial Interest Period where EURIBOR for six months deposits will be substituted by an interpolated interest rate based on EURIBOR 8 and 9 months, rounded at the third decimal point) : 0.60% per cent per annum;

Interest in respect of the Junior Notes will be payable semiannually in arrears in Euro on each Payment Date in accordance with the Priority of Payments.

Save for the rate of interest applicable to the Junior Notes for each Interest Period and the denomination of the Junior Notes, the Junior Notes Conditions are substantially the same as the Senior Notes Conditions.

In respect of the obligation of the Issuer to make payment on the Notes, under the Senior Notes Conditions and the Junior Notes Conditions the payment obligations of the Issuer in respect of the Junior Notes are subordinated to its payment obligations in respect of the Senior Notes, the Other Issuer Creditors and any other creditors of the Issuer, as provided by the Priority of Payments. Therefore, in the event that the Issuer sustains losses and is unable to meet in full its obligations in respect of each of its creditors, the first creditors to bear any shortfall shall be the Junior Noteholders.

In addition, a Premium may or may not be payable on the Junior Notes on each Payment Date subject to the Junior Notes Conditions. The Premium on the Junior Notes will be equal to the Issuer Available Funds still available after making all payments ranking in priority to the Premium and may be equal to 0 (zero).

Form and Denominations

The denomination of the Senior Notes and of the Junior Notes will be respectively of € 50,000 and €

1.00. The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by *Monte Titoli* for the account of the relevant *Monte Titoli* Account Holders. The Notes have been accepted for clearance by *Monte Titoli* with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of Legislative Decree No. 213 and the Resolution of 22 February 2008 jointly issued by CONSOB and Bank of Italy (named “*Disciplina dei servizi di gestione accentrata, di liquidazione, dei sistemi di garanzia e delle relative società di gestione*”) containing rules on custody, clearing and settlement (as amended and supplemented from time to time). No physical document of title will be issued in respect of the Notes.

Status

Payments of interest and principal on the Senior Notes rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Junior Notes. Payments of interest and principal and Premium on the Junior Notes rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but subordinated to payments of interest and principal on the Senior Notes.

Limited recourse obligations and Issuer Available Funds

The obligations of the Issuer to each Noteholder as well as to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. Each Noteholder and Other Issuer Creditor will have a claim against the Issuer only to the extent of the Issuer Available Funds remaining after payment of prior ranking claims pursuant to the Priority of Payments.

Withholding on the Notes

As at the date of this Offering Circular, payments of interest under the Notes may be subject to a Decree 239 Deduction. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes. In the event that any Notes are redeemed in whole or in part prior to the Initial Amortisation Date, the Issuer will be obliged to pay an additional amount in Italy equal to

20 per cent of interest accrued on such Notes up to the date of the early redemption.

Mandatory Redemption

The Notes will be subject to mandatory redemption in full (or in part *pro rata*) on the Initial Amortisation Date and on each Payment Date thereafter, in accordance with the provisions of the Terms and Conditions.

Optional Redemption

Unless previously redeemed in full, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) on any Payment Date falling in or after the Initial Amortisation Date, provided that:

- (a) no more than 60 (sixty) Business Days before the Payment Date on which the Notes shall be redeemed, the Issuer sends a written notice to the Representative of the Noteholders producing evidence of its intention to redeem the Notes;
- (b) no Trigger Event has occurred prior to or upon such date; and
- (c) the Issuer has certified to the Representative of the Noteholders and produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person) to discharge all of its outstanding liabilities in respect of the Senior Notes and any amount required to be paid under the Priority of Payments in priority to or *pari passu* with the Senior Notes.

Redemption for Tax Reasons

If the Issuer at any time satisfies the Representative of the Noteholders, immediately prior to giving the notice referred to below, that on the next Payment Date:

- (a) the Issuer or any other person would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) from any payment of principal or interest on any Class of Notes (the "**Affected Class**"), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Italy or any political or administrative sub-division thereof

or any authority thereof or therein (or that amounts payable to the Issuer in respect of the Portfolio would be subject to withholding or deduction); and

- (b) the Issuer will have the necessary funds (not subject to the interests of any other person) to discharge all of its outstanding liabilities in respect of the Affected Class and any amounts required to be paid, according to the Priority of Payments in priority to or *pari passu* with the Notes of the Affected Class,

(hereinafter the event under (a) above, the "**Tax Event**"), then the Issuer may, on any such Payment Date at its option having given not less than 60 days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with the Terms and Conditions, redeem the Notes of the Affected Class (in whole but not in part or, if the Affected Class is the Junior Notes, in whole or in part) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Payment Date. No redemption for taxation shall occur prior to the Initial Amortisation Date, unless the Representative of the Noteholders determines that it would be prejudicial to the interest of the Noteholders not to proceed with the redemption prior to such Payment Date.

Option on the Portfolio

Under the Intercreditor Agreement, the Issuer has irrevocably granted to the Originator an option, pursuant to Article 1331 of the Civil Code, to repurchase from the Issuer, *pro soluto*, (in whole but not in part) the Portfolio then outstanding on any Payment Date falling in or after the Initial Amortisation Date if (i) on any such Payment Date the aggregate of the Outstanding Principal of the Portfolio is equal to or less than 10% of the Outstanding Principal of the Portfolio as at the Valuation Date, or if this is not the case (ii) a Written Resolution of the Noteholders pursuant to article 23 of the Rules of the Organisation of the Noteholders authorising the disposal has been taken.

The Originator will be entitled to exercise the Option provided that the sum of the purchase price of the Receivables plus any available amount of the Issuer, is at least equal to the amount needed by the Issuer

to discharge in full all amounts owing to the Senior Noteholders and amounts ranking in priority thereto

or *pari passu* therewith pursuant to the Priority of Payments.

In order to exercise the above mentioned option the Originator shall, *inter alia*, deliver to the Issuer evidence of its solvency satisfactory to the Representative of the Noteholder.

Final Maturity Date

Unless previously redeemed in full or cancelled in accordance with the relevant Terms and Conditions, the Notes are due to be repaid in full at their respective Principal Amount Outstanding on January 2058 (the "**Final Maturity Date**").

Cancellation Date

The Notes will be cancelled on the earlier of (i) the date on which the Notes have been redeemed in full, (ii) the Final Maturity Date and (iii) the date on which the Representative of the Noteholders has certified to the Issuer and the Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Portfolio being available to the Issuer (the "**Cancellation Date**") at which date any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled.

Source of Payments of the Notes

The principal source of payment of interest and of repayment of principal on the Notes will be the Collections made in respect of the Receivables arising out of the Loan Agreements.

Segregation of the Portfolio

The Notes have the benefit of the provisions of Article 3 of the Securitisation Law pursuant to which the Issuer's rights, title and interest in and to the Portfolio are segregated by operation of law from the Issuer's other assets. Both before and after a winding-up of the Issuer, amounts deriving from the Portfolio will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders, the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. The Portfolio may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the

Issuer of its payment obligations under the Notes or cancellation of the Notes. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or upon failure by the Issuer to promptly exercise its rights under the Transaction Documents, to exercise all the Issuer's Rights, powers and discretion under the Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio and the Issuer's Rights. Italian law governs the delegation of such power.

In addition, security over certain monetary rights of the Issuer arising out of certain Transaction Documents and over any Eligible Investments has been granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Deed of Pledge for the benefit of the Noteholders and the Other Issuer Creditors. For further details, see the section entitled "*The Security Documents*".

Non Petition

Pursuant to Condition 11.3 no Noteholder shall be entitled to proceed directly against the Issuer unless the Representative of the Noteholders has become bound and fails to do so within a reasonable period and such failure shall be continuing.

Listing and admission to trading

Application has been made to list the Senior Notes on the official list of the Luxembourg Stock Exchange and to trade the Senior Notes on the Regulated Market of the Luxembourg Stock Exchange. No application has been made to list the Junior Notes on any stock exchange. The *Prospetto Informativo* will be published on the website of the Luxembourg Stock Exchange.

Expected Weighted Average Life of the Senior Notes

The following table shows the weighted average life and the expected maturity of the Senior Notes based on certain Modelling Assumption:

- no Trigger Event occurs in respect of the Notes;

- repayment of principal under the Senior Notes occurs from the Payment Date falling on 31 July 2011;
- the right of optional redemption under Condition 6.3 (*Optional redemption*) is not exercised;
- no event under Condition 6.4 (*Redemption for taxation reasons*) occurs;
- the Receivables are prepaid at a constant prepayment rate of 10%;
- EURIBOR is constant during the life of the transaction and is equal to 1%;
- there will be no Defaulted Receivables or Delinquent Receivables;
- the Instalments will not be reduced and the term of the Loans are not extended.

For further details see the Section entitled "*Expected Average Life of the Senior Notes*"

Rating

The Senior Notes are expected to be assigned the ratings of Aaa by Moody's on the Issue Date:

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. The Junior Notes will not be assigned any credit rating.

Governing Law

The Notes will be governed by Italian law.

Purchase of the Notes

The Issuer may not purchase any Notes at any time.

Risk Factors

Certain risks and other factors should be considered in connection with an possible investment in the Notes, including certain risk factors arising out of Italian law matters, although mitigants have been taken in the Transaction Documents.

For further details please see the section entitled "*Risk Factors*".

3. ACCOUNTS

Collection Account

Pursuant to the terms and conditions of the Servicing Agreement, the Servicer shall transfer on a daily basis the Collections and the recoveries from the Debtors to the Collection Account established in the name of the Issuer with the Account Bank.

The Collection Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Payments Account

All amounts due to the Issuer other than amounts deriving from the Receivables will be paid into the Payments Account established in the name of the Issuer with the Account Bank. The Payments Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Securities Accounts

All securities constituting Eligible Investments purchased with the monies from time to time standing to the credit of the Eligible Accounts will be deposited in the Securities Accounts opened in the name of the Issuer with the Account Bank. The Securities Accounts will be maintained with the Account Bank for as long as the Account Bank is deemed to be an eligible institution pursuant to the Cash Allocation, Management and Payment Agreement.

Expense Account

The Issuer will establish the Expense Account with the Account Bank into which, on the Issue Date, the Retention Amount will be credited.

During each Semiannual Collection Period, the Retention Amount will be used by the Issuer to pay the Expenses.

To the extent that the amount standing to the credit of the Expense Account on any Payment Date is lower than the Retention Amount, the Issuer shall credit available amounts to the Expense Account in accordance with the relevant Priority of Payments.

Principal Accumulation Account

The Issuer has established with the Account Bank the Principal Accumulation Account for the deposit of the Target Amortisation Amount in respect of the Notes up to the Initial Amortisation Date.

The Principal Accumulation Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Cash Collateral Account

The Issuer has established with the Account Bank a Cash Collateral Account to which, (a) the Hedging Counterparty will transfer any cash to be posted by it pursuant to the Hedging Agreement and (b) any late payment made by the Hedging Counterparty in respect of which any Collateral Transfer Amount has been transferred to the Payments Account will be transferred; and out of which (c) on any Collateral Transfer Date, the Collateral Transfer Amount will be transferred into the Payments Account and (d) the Return Amounts, as defined in the Hedging Agreement, may be transferred to the Hedging Counterparty in accordance with the Hedging Agreement.

Liquidity Reserve Account

The Issuer has established with the Account Bank a Liquidity Reserve Account for the deposit of the Liquidity Reserve Amount pursuant to the Liquidity Agreement.

4. CREDIT STRUCTURE**Issuer Available Funds**

Issuer Available Funds means, in respect of any Payment Date, the aggregate of:

- (i) all Collections received in respect of the Receivables during the immediately preceding Semiannual Collection Period;
- (ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement and the Warranty and Indemnity Agreement and credited to the Payments Account during Semiannual Collection Period immediately preceding the relevant Payment Date;
- (iii) all the proceeds deriving from the sale, if any, of the Portfolio and enforcement of the Issuer's Rights during Semiannual Collection Period immediately preceding the relevant Payment Date;
- (iv) all amounts of interest accrued and paid on the Collection Account, the Payments Account and the Principal Accumulation Account during the Semiannual Collection Period immediately preceding the relevant Payment Date;

(v) all amounts deriving from the Eligible Investments made under the terms of the Cash Allocation, Management and Payment Agreement due to be paid on the Eligible Investments Maturity Date immediately prior to the relevant Payment Date;

(vi) all amounts due and paid to the Issuer under the terms of the Hedging Agreement on such Payment Date and any funds paid to the Issuer by the Hedging Counterparty;

(vii) any Advances drawn by the Issuer pursuant to the Liquidity Agreement on such Payment Date;

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Semiannual Collection Period;

(ix) any and all other amounts standing to the credit of the Collection Account, the Payments Account and the Principal Accumulation Account following the payments required to be made from such accounts on the immediately preceding Payment Date.

Trigger Events

If any of the following events (each a "**Trigger Event**") occurs:

- (i) *Non-payment*: The Issuer defaults in the payment of the amount of interest due and payable and/or principal due and payable on the Most Senior Notes then outstanding and such default is not remedied within a period of five Business Days from the due date thereof; or
- (ii) *Breach of other obligations*: The Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in (i) above) which is in the Representative of the Noteholders' opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 days after the Representative of the Noteholders having

given written notice thereof to the Issuer requiring the same to be remedied (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 days will be given); or

- (iii) *Insolvency of the Issuer*: An Insolvency Event occurs in respect of the Issuer; or
- (iv) *Unlawfulness*: It is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party;

then the Representative of the Noteholders:

- (1) in the case of a Trigger Event under (i) above, shall; and/or
- (2) in the case of a Trigger Event under (ii) above, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, shall; and/or
- (3) in the case of a Trigger Event under (iii) or (iv) above, may at its sole discretion or, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, shall,

give written notice (a "**Trigger Notice**") to the Issuer, following which all payments of principal, interest and other amounts due in respect of the Notes shall be made according to the order of priority set out in the Terms and Conditions and described under "*Priority of Payments following the delivery of a Trigger Notice*" below.

Priority of Payments prior to the delivery of a Trigger Notice

Prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full or credited in full to the Principal Accumulation Account, as the case may be):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the

extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period);

Second, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

Third, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

Fourth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities and proper costs and expenses incurred by the relevant agent on such Payment Date to the Account Bank, the Cash Manager, the Computation Agent, the Principal Paying Agent, the Corporate Servicer and the Servicer;

Fifth, to pay to the Hedging Counterparty any amount due and payable under the Hedging Agreement, including any hedging termination payments upon early termination of the Hedging Agreement, except where the Hedging Counterparty is the Defaulting Party or the Sole Affected Party;

Sixth to pay the commitment fee and any other amount due and payable on such Payment Date under the Liquidity Agreement to the Liquidity Provider;

Seventh, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes on such Payment Date;

Eighth, (a) prior to the Initial Amortisation Date, to credit to the Principal Accumulation Account an amount up to the Target Amortisation Amount and (b) on the Initial Amortisation Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, the Class A Notes Principal Payment Amount;

Ninth, to pay any hedging termination payment due and payable to the Hedging Counterparty under the Hedging Agreement, other than any amount paid under item *Fifth* above;

Tenth, to pay to the Originator any Adjustment Purchase Price pursuant to clause 6 of the Trasfer Agreement;

Eleventh, to pay to the Originator any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Twelfth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class J Notes on such Payment Date;

Thirteenth, on the Initial Amortisation Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, the Class J Notes Principal Payment Amount, provided in either case that the Class A Notes have been redeemed in full;

Fourteenth, to pay, *pari passu* and *pro rata*, the Premium on the Class J Notes.

Priority of Payments following the

delivery of a Trigger Notice

On each Payment Date following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full or credited in full to the Principal Accumulation Account):

First, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period);

Second, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (a) the remuneration due to the Representative of the Noteholders and to pay any indemnity amount properly due under and any proper costs and expenses incurred by the

Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents; and (b) the remuneration due to any Receiver and any proper costs and expenses incurred by it;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities and proper costs and expenses incurred by the relevant agent on such Payment Date to the Account Bank, the Cash Manager, the Computation Agent, the Principal Paying Agent, the Corporate Servicer and the Servicer;

Fourth, to pay to the Hedging Counterparty any amount due and payable under the Hedging Agreement, including any hedging termination payments upon early termination of the Hedging Agreement, except where the Hedging Counterparty is the Defaulting Party or the Sole Affected Party;

Fifth, to pay the commitment fee and any other amount due and payable on such Payment Date under the Liquidity Agreement to the Liquidity Provider;

Sixth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes on such Payment Date;

Seventh, (a) prior to the Initial Amortisation Date to credit to the Principal Accumulation Account and (b) on the Initial Amortisation Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, all amounts in respect of principal outstanding on the Class A Notes on such Payment Date;

Eighth to pay any hedging termination payments due and payable to the Hedging Counterparty under the Hedging Agreement other than any amount paid under item *Fourth* above;

Ninth, to pay to the Originator any Adjustment Purchase Price pursuant to clause 6 of the Transfer Agreement;

Tenth, to pay to the Originator any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Eleventh, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class J Notes on such Payment Date;

Twelfth, on the Initial Amortisation Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, all amounts in respect of principal outstanding on the Class J Notes on such Payment Date;

Thirteenth, to pay, *pari passu* and *pro rata*, the Premium on the Class J Notes

Principal Payment Amounts

On each Payment Date falling on or after the Initial Amortisation Date, the Class A Notes Principal Payment Amount due and payable on the Class A Notes in accordance with the Pre-Trigger Notice Priority of Payments will be, with respect to the relevant Calculation Date, the lesser of (a) the Target Amortisation Amount (or, if less, the amount available after the application of the Issuer Available Funds, to all items ranking prior to the payment of principal on the Class A Notes in the applicable Priority of Payment) and (b) the Principal Amount Outstanding of the Class A Notes on such Calculation Date.

On each Payment Date falling on or after the Initial Amortisation Date, the Class J Notes Principal Payment Amount due and payable on the Class J Notes, in accordance with the Pre-Trigger Notice Priority of Payments will be, with respect to the relevant Calculation Date, the lesser of (a) the Target Amortisation Amount minus the Class A Notes Principal Payment Amount (or, if less, the amount available after the application of the Issuer Available Funds to all items ranking prior to the payment of principal on the Class J Notes in the applicable Priority of Payments) and (b) the Principal Amount Outstanding of the Class J Notes on such Calculation Date.

5. TRANSFER AND ADMINISTRATION OF THE PORTFOLIO

Transfer of the Portfolio

On 3 November 2009, the Originator and the Issuer entered into a transfer agreement (the "**Transfer Agreement**"), pursuant to which the Originator assigned and transferred to the Issuer the Portfolio. The Portfolio has been assigned and transferred to the Issuer without recourse (*pro soluto*) in accordance

with the Securitisation Law and subject to the terms and conditions thereof.

The Purchase Price in respect of the Portfolio will be payable by the Issuer on the Issue Date using the net proceeds from the issue of the Notes.

For further details, see the sections entitled "*The Portfolio*" and "*Description of the Transfer Agreement*".

Warranties in relation to the Portfolio

Pursuant to a warranty and indemnity agreement, entered into on 3 November 2009 (the "**Warranty and Indemnity Agreement**"), the Originator has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, the Receivables, the Portfolio, the Loan Agreements and the Collateral Securities and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Portfolio.

For further details, see the section entitled "*Description of the Warranty and Indemnity Agreement*".

Servicing Agreement

Pursuant to the terms of the Servicing Agreement entered into on 3 November 2009 and amended as of the Signing Date, the Servicer has agreed to administer and service the Receivables on behalf of the Issuer and, in particular: (i) to collect amounts due in respect thereof; (ii) to administer relationships with the Debtors; and (iii) to carry out, on behalf of the Issuer, certain activities in relation to the Receivables in accordance with the Servicing Agreement and the Collection Policies.

In particular, the Servicer will be the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" pursuant to Article 2, paragraph 3(c) of the Securitisation Law and, therefore, it has undertaken to verify that the operations comply with the law and this Offering Circular.

In addition, the Servicer has undertaken to prepare and submit to the Issuer (i) on a quarterly basis the Quarterly Servicer's Report and (ii) on a semiannual basis the Semiannual Servicer's Report in the form set out in the Servicing Agreement.

For further details see the section entitled "*Description of the Servicing Agreement*".

6. OTHER TRANSACTION DOCUMENTS

Intercreditor Agreement

Pursuant to the Intercreditor Agreement, the Issuer and the Other Issuer Creditors have agreed, *inter alia*, to apply the Issuer Available Funds in accordance with the Priority of Payments and the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

For further details, see the section entitled "*Description of the Intercreditor Agreement*".

Cash Allocation, Management and Payment Agreement

Pursuant to the Cash Allocation, Management and Payment Agreement, the Servicer, the Computation Agent, the Account Bank, the Principal Paying Agent and the Cash Manager have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling services in relation to monies and securities from time to time standing to the credit of the Accounts.

For further details, see the section entitled "*Description of the Cash Allocation, Management and Payment Agreement*".

Mandate Agreement

Pursuant to the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served or following failure by the Issuer to exercise its rights under the Transaction Documents, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

For further details, see the section entitled "*Description of the Mandate Agreement*".

Quotaholders' Agreement

Pursuant to the Quotaholders' Agreement, the Quotaholders have set forth certain rules regarding the corporate governance and the management of the Issuer.

For further details, see the section entitled "*Description of the Quotaholders' Agreement*".

Hedging Agreement

In order to hedge its interest rate exposure in relation to the Notes, the Issuer has entered into the Hedging Agreement with the Hedging Counterparty in the form of an ISDA 1992 Master Agreement (Multicurrency – Cross Border).

For further details see the section entitled "*Description of the Hedging Agreement*".

Corporate Services Agreement

Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide the Issuer with certain corporate administrative services.

For further details see the section entitled "*Description of the Corporate Services Agreement*".

Deed of Pledge

In order to ensure the segregation of and create a pledge over the rights of the Issuer arising out of certain Transaction Documents, on the Signing Date the Issuer, the Representative of the Noteholders (acting on behalf of the Noteholders and the Other Issuer Creditors) and the Account Bank entered into an Italian law Deed of Pledge.

For further details see the section entitled "*Description of the Security Documents*".

Deed of Charge

Pursuant to an English law deed of charge dated as of the Signing Date the Issuer has charged, in favour of the Noteholders and the Other Issuer Creditors, all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is or will be entitled to from time to time pursuant to the Hedging Agreement.

For further details see the section entitled "*Description of the Security Documents*".

Liquidity Agreement

Under the Liquidity Agreement executed on the Signing Date between the Issuer, the Liquidity Provider and the Representative of the Noteholders, the Liquidity Provider has agreed to make available to the Issuer (i) a 364 day renewable revolving facility in a maximum aggregate amount of 3.2 % of the Principal Amount Outstanding of the Senior Notes and (ii) should the Liquidity Provider cease to be an eligible liquidity provider within the definition of the

Liquidity Agreement, or fail to renew the liquidity facility, and fail to find an eligible substitute liquidity provider, a cash deposit in an amount equal to the maximum amount available under the Liquidity Agreement. The advances drawn down under the Liquidity Agreement will provide liquidity support in the event of a shortfall of the Issuer's Available Funds for application in or towards payment of any Interest Payment Amount due to be paid by the Issuer on a Payment Date falling provided that no Trigger Event has occurred.

For further details see the section entitled "*Description of the Liquidity Agreement*".

RISK FACTORS

The following is a summary of certain aspects of the issue of the Notes of which prospective noteholders should be aware. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this Offering Circular.

Securitisation Law

The Securitisation Law was enacted in Italy in May 1999. As at the date of this Offering Circular, no interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority, except for (i) regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions for special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction and (ii) the Decree of the Italian Ministry of Economics and Finance no. 29 dated 17 February 2009 on the terms for the registration of financial intermediaries in the register held by the Bank of Italy pursuant to Article 106 of the Consolidated Banking Act. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Offering Circular.

Suitability

Structured securities, such as the Notes, are sophisticated instruments, which can involve a significant degree of risk. Prospective investors in the Senior Notes should ensure that they understand the nature of the Senior Notes and the extent of their exposure to the relevant risk. Such prospective investors should also ensure that they have sufficient knowledge, experience and access to professional advice to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Senior Notes and that they consider the suitability of the Senior Notes as an investment in light of their own circumstances and financial condition.

Source of Payments to Noteholders

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of or guaranteed by any of the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Cash Manager, the Account Bank, the Principal Paying Agent, the Hedging Counterparty, the Corporate Servicer, the Arranger or the Quotaholders. None of any such parties, other than the Issuer, will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

The Issuer will not as at the Issue Date have any significant assets other than the Portfolio and its rights under the Transaction Documents to which it is a party. Consequently, following the occurrence of a Trigger Event or at the Final Maturity Date or otherwise, the funds available to the Issuer may be insufficient to pay interest on the Notes or to repay the Notes in full.

Issuer's ability to meet its obligations under the Notes

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on (i) the receipt by the Issuer of collections and recoveries made on its behalf by the Servicer from the

Portfolio, (ii) any payments made by the Hedging Counterparty under the Hedging Agreement and (iii) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

There is no assurance that, over the life of the Notes or at the redemption date of any Classes of Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes, or to repay the Notes in full.

The Notes will be limited recourse obligations of the Issuer. If there are not sufficient funds available to the Issuer to pay in full all principal and interest and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of the Noteholders of the Issuer's Rights.

No independent investigation in relation to the Receivables

None of the Issuer, the Arranger nor any other party to the Transaction Documents (other than the Originator) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtors.

Commingling Risk

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections held by the Servicer are lost or frozen. Such risk is mitigated through the transfer of any Collections held by the Servicer to the Collection Account within 2 Business Days of receipt of such Receivables pursuant to the Servicing Agreement.

Liquidity and Credit Risk

The Issuer is subject to the risk of delay arising between the receipt of payments due from the Debtors and the Scheduled Instalment Dates. This risk is addressed in respect of the Notes through the Hedging Agreement.

The Issuer is subject to the risk of failure by the Servicer to collect or to recover sufficient funds in respect of the Portfolio in order to enable the Issuer to discharge all amounts payable under the Notes when due.

The Issuer is also subject to the risk of default in payment by the Debtors and the failure to realise or to recover sufficient funds in respect of the relevant Loans in order to discharge all amounts due from those Debtors under the Loans. This risk is mitigated entering into the Liquidity Agreement. Moreover, with respect to the Class A Notes, such risk is mitigated by the credit support provided by the Class J Notes.

However, in each case, there can be no assurance that the levels of collections and the recoveries received from the Portfolio will be adequate to ensure timely and full receipt of amounts due under the Notes.

Interest rate risk

The Receivables have interest payment calculated on a fixed rate basis or a floating rate basis (which may be different from the EURIBOR applicable to payment of Interest under the Senior Notes and may have different dates of fixing), whilst the Notes will bear interest at a rate based on the EURIBOR as determined on the each Interest Determination Date, subject to and in accordance with the relevant Terms and Conditions. As a result, there could be a rate mismatch between the Notes and the Portfolio. As a consequence of such mismatch, an increase of the level of the EURIBOR could adversely impact the ability of the Issuer to make payments on the Notes. To reduce the impact of the interest rate mismatch, the Issuer entered into the Hedging Agreements. The benefits of the Hedging Agreements may not be achieved in the event of early termination of the Hedging Agreements, including termination upon the failure of the Hedging Counterparty to perform the its obligations thereunder. In the event of insolvency of the Hedging Counterparty, the Issuer will be treated as a general and unsecured creditor of the Hedging Counterparty. Therefore, the Issuer will be subject to the credit risk of the Hedging Counterparty in addition to the credit risk of the debtors of the Receivables of the Portfolio. Nonetheless, the Hedging Agreement contains specific provisions pursuant to which the Hedging Counterparty will be required within a specified timeframe, in the event that it is downgraded, to post collateral, provide a suitable guarantor or transfer its rights and obligations under the Hedging Agreement to another suitably rated entity. See for further details "*Description of the Transaction Documents - The Hedging Agreement*".

Expected maturity dates of the Senior Notes

In accordance with the mandatory redemption provisions applicable to the Notes, if there are sufficient Issuer Available Funds, full redemption of the Senior Notes is expected to be achieved on the Payment Date falling in January 2033. There can be no assurance, however, that redemption in full, or at all, will be achieved on such Payment Date. See for further details "*Expected average life of the Senior Notes*".

Risk of losses associated with declining property values

The security for the Notes consists of, *inter alia*, the Issuer's interest in the Loans. The value of this security may be affected by, among other things, a decline in property values. No assurance can be given that the values of the Real Estate Assets have remained or will remain at the level at which they were on the origination dates of the related Loans. Should the Italian residential property market experience an overall decline in property values, such a decline could, in certain circumstances, result in a significantly reduced security value and ultimately, may result in losses to the Noteholders if the security is required to be enforced.

Yield and Prepayment Considerations

The yield to maturity of the Notes of each Class will depend on, *inter alia*, the amount and timing of repayment of principal on the Loans (including prepayments and sale proceeds arising on enforcement of a Loan) and on the actual date of exercise of the Optional Redemption pursuant

to Condition 6.3 (*Redemption, Purchase and Cancellation - Optional Redemption*). Such yield may be adversely affected by a higher than anticipated rate of prepayment of the Loans.

Prepayments may result in connection with refinancing or sales of properties by Debtors voluntarily. The receipt of proceeds from Insurance Policies may also impact on the way in which the Loans are repaid.

The rate of prepayment of the Receivables cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates and margin offered by the banking system, changes in the applicable laws, the availability of alternative financing, local and regional economic conditions and homeowner mobility. Therefore, no assurance can be given as to the level of prepayments that the Receivables will experience.

Under the Loan Agreements each Debtor is entitled to prepay at any time, (in whole or in part) the relevant Loan.

Legislative Decree of 31 January 2007 No. 7 (i.e. Decreto Bersani)

General

Italian Decree No. 7 of 31 January 2007 ("Decree 7"), converted into law No. 40 of 2 April 2007, has introduced certain provisions aimed at protecting consumers. Decree 7 sets out also provisions in favour of borrowers under loans granted by banks or financial intermediaries. Such provisions affect also existing loans, and deal with (i) prepayment fees due by borrowers upon early repayment of loans granted for the purpose of purchasing or refurbishing real estate assets dedicated to residential use or to the carrying out of economic or professional activities by natural persons; (ii) repayment of loans by way of voluntary subrogation of the debtor (*surrogazione per volontà del debitore*) and (iii) cancellation of mortgages securing loan agreements. The key features of these provisions, with reference to the securitised Loans, are set out in the following paragraphs.

Prepayment fee

Under the Loan Agreements each Debtor is entitled to prepay at any time, (in whole or in part) the relevant Mortgage Loan, subject to, in certain cases, the payment of a prepayment fee, in addition to any outstanding principal and any other amounts due under the relevant Loan Agreement. The amount of such prepayment fee varies depending on the relevant Loan Agreement.

Article 7 of Decree 7, headed "Early termination of real estate loans no termination fee" (*Estinzione anticipata dei mutui immobiliari divieto di clausole penali*), provides for the invalidity (*nullità*) of any provision which requires the borrower to pay any amounts (including, but not limited to, amounts due as prepayment penalties (*penali*)) to the lender in case of prepayment, in whole or in part, of loans (*mutui*) granted for the purpose of purchasing or refurbishing real estate assets dedicated to residential use or to the carrying out of economic or professional activities by natural persons; the invalidity of the relevant provision does not entail the invalidity of the entire agreement. In accordance with paragraph 5 of Article 7, on 2 May 2007 the Italian Banking Association and the national Consumers' Associations determined pursuant to Article 137 of Legislative Decree, 6 September 2005, No. 206 (i.e. the Italian consumer code) have agreed the general rules for rendering the terms and conditions of the existing loans (such as the Loans) fair (*riconduzione ad equità*) by determining, in particular, the maximum amount of the prepayment fee payable upon the early or partial repayment of the loan. Such maximum amount has been

determined as follows: (a) for mortgage loan agreements providing floating rate of interest: (i) 0.50 point per cent; (ii) 0.20 point per cent during the last but two amortisation year of the mortgage loan; (iii) 0.00 point per cent during the last two amortisation years of the mortgage loan; (b) for mortgage loan agreements providing fixed rate of interest executed before 1 January 2001: (i) 0.50 point per cent; (ii) 0.20 point per cent during the last but two amortisation year of the mortgage loan; and (iii) 0.00 point per cent during the last two amortisation years of the mortgage loan; and (c) for mortgage loan agreements providing fixed rate of interest executed after 31 December 2000: (i) 1.90 points per cent during the first half of the amortisation period of the mortgage loan; (ii) 1.50 points per cent during the second half of the amortisation period of the mortgage loan; (ii) 0.20 point per cent during the last but two year of the amortisation period of the mortgage loan; and (iii) 0.00 point per cent during the last two amortisation years of the mortgage loan. The agreement between the Italian Banking Association and the national Consumers' Associations contemplates also some protection provisions (clausola di salvaguardia) for mortgage loans providing a prepayment fee equal or lower than those established by the above agreement. The Italian Banking Association and the national Consumers' Associations undertook to set up a committee which shall meet every three months with the purposes of verifying the agreement's enforcement.

Pursuant to Decree 7, lenders cannot refuse the renegotiation of a loan agreement executed prior to the date when Decree 7 entered into force (such as the Loan Agreements) if the relevant borrower proposes that the amount of the prepayment fee be reduced within the limits established by either the Italian Banking Association and the national Consumers' Associations or the Bank of Italy, as the case may be.

Prospective investors should note that any prepayment fee provided for by the Loan Agreements which is greater than the maximum amount to be determined by Decree 7, could be reduced to such maximum amount, in accordance with such Decree 7.

Prospective Noteholders should note that no prepayment fee was taken into account for the purpose of determining the cash flows of the Securitisation or to make any estimate related therewith and with the Notes.

Prepayment of loans by voluntary subrogation of the debtor (surrogazione per volontà del debitore)

Article 8 of Decree 7, headed "Portability of the loan; subrogation" (Portabilità del mutuo; surrogazione) provides that the borrower of a loan or facility (mutuo bancario, apertura di credito od altri contratti di finanziamento) granted to it by a bank or a financial intermediary is entitled, in accordance with article 1202 of the civil code, to subrogate (surrogare) a new lender in all the rights and obligations of the original lender even before the expiration of the final term provided in favor of the original lender. Article 8, paragraph 3 further provides for the invalidity of any agreement which prevents, or provides for the payment of a consideration by the borrower for, the exercise of the aforementioned subrogation right; the invalidity of the relevant provision does not entail the invalidity of the entire agreement.

Cancellation of Mortgage

Article 13 of Decree 7, has simplified the procedure for the cancellation of mortgages. Pursuant to Article 8 sexies of Decree 7, the mortgage securing a loan granted by a creditor which exercises banking or financing activities is automatically discharged on the same date on which the relevant

secured obligation has been discharged. Pursuant to Article 13 of Decree 7, within 30 days from the date of discharge of the secured obligation the relevant creditor shall be under the duty to (i) give the quittance to the relevant debtor evidencing the above date of discharge and (ii) communicate such discharge to the relevant land registry. Pursuant to Article 13 of Decree 7, the discharge of the mortgage does not take place in case, on the basis of grounded reasons, the relevant creditor communicates to the Agenzia del Territorio that the mortgage must be maintained.

Pursuant to Article 13 of Decree 7, in the absence of the above creditor's communication requesting the maintenance of the mortgage, upon expiration of 30 days from the date of discharge of the secured obligation, within the following day, the land registry shall cancel the relevant mortgage and make available to third parties the communication of discharge of the secured obligation provided by the relevant creditor.

Pursuant to the Servicing Agreement, the Servicer shall, in the name and on behalf of the Issuer, carry out the above referred activities relating to the cancellation of the Mortgages pursuant to the provisions of Article 13 of Decree 7.

Italian Financial Budget Law for 2008

The Italian Financial Budget Law for 2008 (*Legge Finanziaria 2008*) introduced certain provisions to support debtors of residential mortgage loans who are not capable of fulfilling their payment obligations. Pursuant to such provisions debtors could be entitled to suspend payments of instalments under the residential mortgage loans for not more than twice and for an aggregate period not exceeding eighteen months. An implementing regulation of the aforesaid provisions to be issued by the Ministry of Finance shall set forth the conditions subject to which debtors would be entitled to benefit of such provisions. As at the date hereof, such provisions have not been enacted by any law or regulation.

At the time of filing of this Offering Circular, the proposal for the conversion into law of Decree 185, submitted to the Italian Parliament provides a 60 days term for the implementation of a fund supporting loans granted for the acquisition of residential real estate assets to be qualified as primary domicile ("*Fondo di Solidarietà per i mutui per l'acquisto della prima casa*").

Law Decree No. 93 of 27 May 2008

Italian Law Decree No. 93 of 27 May 2008, converted into law No.126 of 24 July 2008 ("**Decree 93**") has introduced certain provisions aimed at increasing the purchasing power of the consumers and enhancing the economic development in Italy. In particular, Article 3 of Decree 93 sets out certain provisions in favour of borrowers under loans granted by banks or financial intermediaries. Such provisions, which affect floating rate loan agreements, executed no later than 29 May 2008, whose purpose is the acquisition of title to, or the restructuring of, residential real estate assets qualifying as primary domicile (*abitazione principale*), other than luxury real estate properties (A1, A8 and A9 properties), allow the borrowers to renegotiate their loan agreements at certain terms and conditions, specified in Article 3 of Decree 93 and in the agreement between the Ministry of the Economics and Finance and the ABI (*Associazione Bancaria Italiana*) executed on 19 June 2008 (the "**Convention**"), to which banks and financial intermediaries may accede. The re-negotiation of these loan agreements entails (i) a reduction of

the amount of the outstanding instalments of the loan agreements; (ii) the creation of a new ancillary facility in favour of the borrower on which the difference between the original amount of the instalments and the reduced amount is credited. The Originator has acceded to the Convention on 22 August 2008. However, it is worth to be noted that Decree 93 and the Convention expired and, as specified in Schedule A, paragraph (p) of the Transfer Agreement, all loan agreements renegotiated under the Convention will not be part of the Portfolio.

Law Decree No. 185 of 29 November 2008

Italian Law Decree of 29 November 2008 No. 185, converted into law No 2 of 29 January 2009 ("**Decree 185**") has introduced certain provisions aimed at aiding the Italian families and enterprises in the frame of the overall financial crisis. In particular Article 2 of Decree 185 sets out certain provisions in favour of the borrowers under loans granted by banks or financial intermediaries if executed not later than 31 October 2008, even if already renegotiated pursuant to Decree 93, whose purpose was the acquisition of title to, or the restructuring of, residential real estate assets qualifying as primary domicile (*abitazione principale*), other than luxury real estate properties (which are identified for the purposes of cadastral land registration as belonging to the following categories: A1, A8 and A9 properties). With respect to the above loan agreements, pursuant to Article 2, for the instalments due and payable in the year 2009, the amount of the instalments due by the borrowers shall be a maximum amount equal to the higher of (A) 4% and (B) the interest rate applicable at the time of the execution of the relevant loan agreements. The difference between (i) the maximum amount applicable pursuant to the aforesaid calculation and (ii) the amounts due in accordance with the terms and conditions of the relevant loan agreement shall be borne by the Italian State. A decree to be issued by the head of the Italian Tax Authority (*Direttore delle Agenzie delle Entrate*) will detail the conditions to ensure the application of the above subsidy. According to a certain interpretation (not confirmed or stated in any official document released by any authority or association) the above threshold of 4% should be interpreted as referring to interest rate applicable including any spread over the base interest rate. Article 2 of Decree 185 provides that the portion of the instalments to be borne by the State shall be recovered by the relevant lender through a tax credit which shall be used only by way of set off pursuant to Article 17 of the Legislative Decree 241 of 9 July 1997.

It should be noted that the impact of such provisions on the obligations of borrowers whose loans were securitised or assigned to third parties was addressed solely by the Ministry of Economics resolutions No. 117852 of 29 December 2008 and No. 11434 of 13 January 2009, as to article 2 of Decree 185, which pointed out that whether a loan falling under the scope of article 2 of Decree 185 is the object of a securitisation transaction pursuant to the Securitisation Law, the subsidised portion of such loan shall be paid to the securitisation vehicle by the originator or the servicer of such securitisation transaction. Therefore, any such portion shall be paid by the Servicer pursuant to the Servicing Agreement.

Prepayments under Loan Agreements

Pursuant to Article 65 of the Italian Bankruptcy Law ("**Article 65**"), payments made by a debtor with respect to debts that fall due on or after the date on which the relevant debtor is declared bankrupt are ineffective against the creditors of the relevant debtor, if such payments are made within the two years prior to the declaration of bankruptcy. Any such ineffective payment may

therefore be clawed-back by the bankruptcy receiver of the debtor regardless of whether the debtor was insolvent at the time when the payment was made.

According to the prevailing opinion of Italian legal scholars and Decision No. 1153 of 10 April 1969 of the Italian Supreme Court, the provisions of Article 65 would not apply to prepayments made by a debtor under a loan agreement, if the debtor exercises the right to prepay amounts due under the loan agreement in accordance with the terms of such agreement, as such payments which have been prepaid pursuant to a contractual right of the relevant debtor have to be considered as payments of a debt which falls due upon the exercise of such right and not as payments of a debt which is not yet due.

Pursuant to Decision No. 4842 of 5 April 2002 of the Italian Supreme Court, however, it has been held that the provisions of Article 65 apply to payments of debts made on or before the date on which the relevant debts fall due, as such date has been fixed originally, irrespective of whether the loan agreement entitled the debtor to prepay the amounts due.

Moreover, pursuant to Decision No. 19978 of 18 July 2008 of the Italian Supreme Court, the Court held that the provisions of Article 65 are not applicable in the event that the right of the borrower to prepay the relevant loan, and consequently obtain the cancellation of the relevant mortgage, as in the case of "*mutui fondiari*" is set forth by a specific provision of law and not by virtue of contractual provisions.

While pursuant to Article 4, paragraph 3, of the Securitisation Law payments made by the Debtors to the Issuer may not be clawed-back pursuant to Article 67 of the Italian Bankruptcy Law in the event of insolvency of the relevant Debtor, it is doubtful whether the protection given by such provision against the claw-back actions taken pursuant to Article 67 of the Italian Bankruptcy Law may be extended in order to provide protection against the claw-back actions taken pursuant to Article 65 of such law. In addition, it should be noted that the decisions of the Italian Supreme Court are not binding on other Italian courts.

Loans' Performance

The Portfolio is exclusively comprised of mortgage backed Receivables which were performing as at the relevant Valuation Date (for further details, see the section entitled "*The Portfolio*"). There can be no guarantee that the Debtors will not default under such Receivables and that they will therefore continue to perform. The recovery of amounts due in relation to Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable time depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the Loans and Mortgages may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and whether or not the relevant Debtor raises a defence or counterclaim to the proceedings; and it takes an average of eight to ten years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Real Estate Asset.

Law No. 302 of 3 August 1998 as amended by Law No.80 of 14 May 2005, allowed a public notary (*notaio*), a lawyer (*avvocato*), an accountant (*commercialista*), or an expert accountant (*esperto contabile*) to conduct certain stages of the foreclosure procedures in place of the courts

and is expected to reduce the length of foreclosure proceedings by between two and three years, although at the date of this Offering Circular the impact which the law will have on the Receivables comprised in the Portfolio cannot be assessed.

Credit Risk on the Originator and the other parties to the Transaction Documents

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the Originator and the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are a party. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of the Servicer to service the Portfolio and to recover the amounts relating to Defaulted Receivables (if any), and the continued availability of hedging under the Hedging Agreement. Prospective Noteholders should note that the Hedging Agreement shall be terminated by the Hedging Counterparty, if a Trigger Event occurs. In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by the Originator of its obligations under the Warranty and Indemnity Agreement in respect of the Portfolio. The performance of such parties of their respective obligations under the relevant Transaction Documents may be influenced on the solvency of each relevant party.

It is not certain that a suitable alternative Servicer could be found to service the Portfolio in the event that the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative Servicer was to be found it is not certain whether it would service the Portfolio on the same terms as those provided for in the Servicing Agreement.

The Originator faces significant competition from a large number of banks throughout Italy and abroad. The deregulation of the banking industry in Italy and throughout the European Union has intensified competition in both deposit-taking and lending activities, contributing to a progressive narrowing of spreads between deposit and loan rates. In addition, as with all European banks, the introduction of European Economic and Monetary Union ("**EMU**") pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union, may eliminate markets in which the Originator has a comparative advantage and provide significantly more competition in other areas, such as electronic banking.

Italian Usury Law

Italian law No. 108 of 7 March 1996 (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a Decree issued by the Italian Treasury (the last such Decree having been issued on 17 December 2004).

In some judgements issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law. Moreover, according to a certain interpretation of the Usury Law (which was generally considered, in the Italian legal community, to have been accepted in the above mentioned rulings of the *Corte di Cassazione*), if at any point in time the rate of interest payable on a loan (including a loan entered into before the entry into force of the Usury Law or a loan which, when entered into, was in compliance with the Usury Law) exceeded the then applicable Usury Rate, the contractual provision providing for the borrower's obligation to pay interest on the relevant loan became null and void in its entirety.

The Italian Government has intervened in this situation with Law Decree No. 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law No. 24 by the Italian Parliament on 28 February 2001, which provides, *inter alia*, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached. The Usury Law Decree has also provided that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be substituted with a lower interest rate fixed in accordance with parameters fixed by the Usury Law Decree.

The validity of the Usury Law Decree has been challenged before the Italian Constitutional Court by certain consumers' associations claiming that the Usury Law Decree does not comply with the principles set out in the Italian Constitution. By Decision No. 29 of 14 February 2002, the Italian Constitutional Court has stated, *inter alia*, that the Usury Law Decree complies with the principles set out in the Italian Constitution except for such provisions of the Usury Law Decree providing that the interest rates due on instalments payable after 2 January 2001 on loans are to be substituted with lower interest rates fixed in accordance with the Usury Law Decree. By such decision the Italian Constitutional Court has established that the lower interest rates fixed in accordance with the Usury Law Decree are to be substituted on instalments payable from the date on which such Decree came into force (31 December 2000) and not on instalments payable after 2 January 2001.

Prospective Noteholders should note that whilst the Originator has undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any damages, losses, claims, costs and expenses that may be incurred by the Issuer in connection with any loss or reduction in any interest accrued on the Loans as a result of the application of the Usury Law or of the Usury Law Decree, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected as a result of a Loan being found to be in contravention with the Usury Law, thus allowing the relevant borrower to claim relief on any interest previously paid and obliging the Issuer in the future to accept a reduced rate of interest, or potentially no interest, payable on such Loan.

Pursuant to the Warranty and Indemnity Agreement the Originator has represented that the interest rates applicable to the Loans are in compliance with the then applicable Usury Rate.

Compound Interest (*Anatocismo*)

Pursuant to Article 1283 of the Italian Civil Code, accrued interest in respect of a monetary claim or a receivable can be capitalized after at least six months and provided that the capitalisation was agreed after the date on which such interest became due and payable or from the date when the relevant legal proceedings are commenced in respect of that monetary claim or receivable.

According to a recent judgement from a local court (*Tribunale di Bari*, 29 October 2008), the mortgage amortisation plans generally set forth in the so called "*mutui con ammortamento alla francese*" (i.e. French style amortising loans), such as the Loan Agreements, leads to an unlawful capitalisation of accrued interest.

The Originator has represented in the Warranty and Indemnity Agreement that the Loan Agreements were entered into in compliance with, inter alia, the applicable provisions relating to compound interest (anatocismo) and the applicable transparency regulations as article 116 of the Banking Law and the CICR resolution of 4 marzo 2003 as to the effective rate (ISC indicatore sintetico di costo).

Rights of Set-off and Other Rights of the Borrowers

Under general principles of Italian law, the borrowers are entitled to exercise rights of set-off in respect of amounts due under any mortgage loan against any amounts payable by the originator to the relevant borrower.

The assignment of receivables under the Securitisation Law is governed by Article 58 paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice in the Official Gazette and (ii) the date of its registration in the competent companies' register. Consequently, Debtors may exercise a right of set off against the Issuer grounded on claims against the Originator and/or the Issuer which have arisen before both the publication of the notice in the Official Gazette and the registration in the competent Companies Register have been completed.

Under the terms of the Warranty and Indemnity Agreement, the Originator has agreed to indemnify the Issuer in respect of any reduction in amounts received by the Issuer in respect of the Portfolio as a result of the exercise by any Debtor of a right of set-off.

Servicing of the Portfolio

The Portfolio has been serviced by the Servicer starting from the Transfer Date pursuant to the Servicing Agreement. Previously, the Portfolio was always serviced by Cariparma as owner of the Portfolio. The net cash flows from the Portfolio may be affected by decisions made, actions taken and the collection procedures adopted by Cariparma or otherwise resulting pursuant to the provisions of the Servicing Agreement.

The Servicer has undertaken to prepare and submit to the Issuer semiannually and monthly reports in the form set out in the Servicing Agreement not later than the Semiannual Servicer's Report Date and the Monthly Servicer's Report Date, containing information as to the Collections made in respect of the Portfolio during the preceding Semiannual Collection Period and Monthly Collection Period, respectively. The Servicer will appoint a firm of internationally recognised acceptable to the Representative of the Noteholders to prepare a report in respect of the data provided by the Servicer in the Semiannual Servicer's Report of June of each calendar year.

Subordination

Save as provided in the Terms and Conditions, the Class A Notes rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Class J Notes.

As long as the Class A Notes are outstanding, the Class A Noteholders shall be entitled to determine the remedies to be exercised in connection with the Notes.

Limited Rights

The protection and exercise of the Noteholders' rights against the Issuer and the security under the Notes is one of the duties of the Representative of the Noteholders. The Terms and Conditions limit the ability of each individual Noteholder to commence proceedings against the Issuer unless it has the prior approval of an Extraordinary Resolution of the Most Senior Class of Noteholders.

Claims of Unsecured Creditors of the Issuer

By operation of Italian law, the right, title and interest of the Issuer in and to the Portfolio will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to the Securitisation Law) and amounts deriving therefrom will be available on a winding up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. Amounts derived from the Portfolio will not be available to any other creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt. Under the Terms and Conditions, the Issuer has undertaken to the Noteholders, *inter alia*, not to engage in any activity whatsoever which is not incidental to or necessary in connection with any further securitisation or with any of the activities in which the Transaction Documents provide and envisage that the Issuer will engage.

Preferred Claims

According to a ruling of the Tribunal of Genoa, issued with reference to Italian law decree No. 669 of 31 December 1996 and converted into law No. 30 of 28 February 1997, claims of any person having concluded preliminary agreements (*contratti preliminari*) with the relevant Mortgagor for the purchase of the Real Estate Assets which were registered in the relevant real estate registries (*Conservatorie dei Registri Immobiliari*) prior to the registration of the relevant Mortgage or even after such registration, would be preferred to the claims of the creditors of the relevant Mortgage.

The Representative of the Noteholders

The Terms and Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to have regard to the interests of the holders of each Class of Notes as regards all powers, authorities, duties and discretion of the Representative of the Noteholders as if they formed a single class (except where expressly provided otherwise) but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of different Classes of Notes, to have regard only to the interests of the holders of the Class of Notes ranking highest in the order of priority then outstanding.

Further Securitisations

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Portfolio, on the condition that the receivables comprised in such further portfolios are originated by Cariparma or other entities of its Group and the new securitisation is executed after the cancellation of the Notes of the Securitisation, or before such time, provided that the Rating Agency confirms in writing that the then current ratings of the Senior Notes will not be adversely affected by such securitisation and with the prior written consent of the Representative of the Noteholders.

Under the terms of Article 3 of the Securitisation Law, the assets relating to each securitisation transaction will by operation of law be segregated for all purposes from all other assets of the company that purchases the receivables. On a winding up of such a company such assets will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other

Tax Treatment of the Issuer

Taxable income of the Issuer is determined without any special rights in accordance with Italian Presidential Decree No. 917 of 22 December 1986, as subsequently amended by Italian Legislative Decree No. 344 of 12 December 2003. Pursuant to the regulations issued by the Bank of Italy on 29 March 2000 (*schemi di bilancio delle società per la cartolarizzazione dei crediti*), the assets and liabilities and the costs and revenues of the Issuer in relation to the securitisation of the Receivables will be treated as off-balance sheet assets and liabilities, costs and revenues (except for overhead and general expenses and any amount that the Issuer may apply out of the Issuer Available Funds for the payment of such overhead and general expenses). Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, i.e. on-balance sheet earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the Securitisation.

In this respect, on 24 October 2002, the Revenue Agency – Regional Direction of Lombardy (the "**Agency**"), released a private ruling with reference to some aspects concerning the Italian taxation of a securitisation vehicle. According to the private ruling, the Agency has claimed that the net result of a securitisation transaction is taxable as Issuer's taxable income "to the extent that the relevant securitisation transaction is structured in such a way that a net income is available to the vehicle after having discharged all its obligations". Moreover, the Agency, with Circular No. 8/E of 6 February 2003, has taken the position that only amounts, if any, available to securitisation vehicles after fully discharging their obligations towards the Noteholders and any other creditors of the securitisation vehicles in respect of any costs, fees and expenses in relation to securitisation transactions should be imputed for tax purposes to the securitisation vehicles. Consequently, according to the quoted position of the Agency, the Issuer should not have any taxable income if no amounts are available to the Issuer after discharging all its obligations deriving from and connected to the Securitisation.

It is however possible that the Italian Ministry of Economy and Finance or another competent authority may issue regulations, circular letters or generally binding rules relating to the Securitisation Law which might alter or affect, or that any competent authority or court may take a different view with respect to, the tax position of the Issuer, as described above.

As confirmed by the tax authority (Ruling No. 222 issued by Agenzia delle Entrate on 5 December 2003), the interest accrued on the accounts opened by the Issuer in the Republic of Italy with any Italian resident bank (including the Collection Account, the Payments Account, the Initial Accumulation Account and the Expense Account) or any Italian branch of a non-Italian bank (including the) will be subject to withholding tax on account of Italian tax which, as at the date of this Offering Circular, is levied at the rate of 27 per cent.

Withholding Tax under the Senior Note

Payments of interest under the Senior Notes may or may not be subject to withholding or deduction for or on account of Italian tax. For example, as at the date of this Offering Circular, according to Law Decree No. 350 of 25 September 2001, converted into law with amendments by Law No. 409 of 23 November 2001 ("**Decree No. 350**"), any non-Italian resident who is the beneficial owner of a payment of interest or other proceeds relating to the Senior Notes who (i) is either not resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, or (ii) even if resident in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, does not timely comply with the requirements set forth in Decree No. 239 and the relevant application rules in order to benefit from the exemption from substitute tax, will receive amounts payable on the Senior Notes net of Italian substitute tax. See also the section entitled "*Taxation*" below.

At the date of this Offering Circular such substitute tax is levied at the rate of 12.5 per cent, or such lower rate as may be applicable under the relevant double taxation treaty.

In the event that substitute tax is imposed in respect of payments to Senior Noteholders of amounts due pursuant to the Senior Notes, neither the Issuer nor any other person will be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of substitute tax.

In the event that any Senior Notes are redeemed in whole or in part prior to the date which is eighteen months after the Issue Date, the Issuer will be obliged to pay an additional amount in Italy equal to 20 per cent of all interest and other proceeds accrued on such principal amount repaid early up to the relevant repayment date. See also the section entitled "*Taxation*" below.

European Withholding Tax Directive.

EU Directive No. 2003/48/EEC regarding the taxation of savings income (the "**Directive No. 48**") entered into force from July 1, 2005. The Directive No. 48 concerns a reporting procedure shall allow the tracking of certain payments of interest made by a paying agent established in a UE Member State to beneficial owners who are individuals resident in different UE Member State. In principle, the application of the Directive No. 48 requires that qualifying paying agents are required to identify the beneficial owner of certain interest payments, collect the relevant data to be transferred to the competent tax authorities of the State of establishment of such paying agent. An exchange of information of the competent authorities between the EU Member State of residence of the paying agent and that one of the beneficial owner will allow the latter to be effectively taxed on its savings income.

Savings Directive provides that Austria, Belgium and Luxembourg shall apply a withholding tax for a transitional period unless during such period they elect otherwise. The withholding tax shall be levied at the rate of 15 per cent during the first three years of the transitional period, 20 per cent for the subsequent three years and 35 per thereafter. Savings Directive provides for exemption from withholding tax to the extent that the beneficial owner of the relevant interest provides the paying agent with minimum data requirements. The mechanism of application of such withholding tax would, however, be governed by the implementing legislation of the relevant country to which the investors of the Notes shall refer to.

The Italian Government has implemented the Directive No. 48 with the Legislative Decree No. 84 of 18 April 2005 (the “**Decree No. 84**”). Decree No. 84 will apply to payments of interest made by paying agents established in Italy to beneficial owners who are individuals resident in a different EU Member State as well as in other jurisdictions that have adopted similar legislations (Jersey, Guernsey, Isle of Man, Dutch Antilles, British Virgin Islands, Turks and Caicos, Cayman, Montserrat, Anguilla and Aruba). According to Article 1(1) of the Decree No. 84, the definition of paying agents includes, *inter alia*, banks, SGRs, fiduciary companies, financial intermediaries, and any economic operator that may be involved, commercially or professionally, in a payment of interest.

For further details, see section headed “*Taxation*”.

Change of Law

The structure of the transaction and, *inter alia*, the issue of the Senior Notes and the ratings assigned to the Senior Notes are based on Italian law, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Italian law, tax or administrative practice will not change after the Issue Date or that such change will not adversely impact the structure of the transaction and the treatment of the Senior Notes.

Termination of the Hedging Agreement

Should the Hedging Agreement be terminated, the Issuer may be obliged to pay a termination payment to the Hedging Counterparty. Except where the Hedging Counterparty has caused the Hedging Agreement to terminate by its own default, any termination payment due by the Issuer may rank in priority to payments due on the Senior Notes. Any additional amounts required to be paid by the Issuer following termination of the Hedging Agreement (including any extra costs incurred if the Issuer cannot immediately enter into a replacement Hedging agreement), may also rank in priority to payments due on the Senior Notes in the case of the payments due by the Issuer. Therefore, if the Issuer is obliged to make a termination payment to the Hedging Counterparty or to pay any other additional amount as a result of the termination of the Hedging Agreement, this may affect the funds which the Issuer has available to make payments on the Notes.

Limited Secondary Market

There is not at present an active and liquid secondary market for the Senior Notes. The Senior Notes will not be registered under the Securities Act and will be subject to significant restrictions on resale in the United States. Application has been made to list and to trade the Senior Notes on the official list of the Luxembourg Stock Exchange

There can be no assurance that a secondary market for any of the Senior Notes will develop, or, if a secondary market does develop in respect of any of the Senior Notes, that it will provide the holders of such Senior Notes with liquidity of investments or that it will continue until the final redemption or cancellation of such Senior Notes. Consequently, any purchaser of Senior Notes could not be able to sell to any third party such Notes and it should hold them until the final redemption or cancellation thereof.

Projections, forecasts and estimates

Forward-looking statements, including estimates, any other projections, forecasts and estimates in this Offering Circular, are necessarily speculative and subjective in nature and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results.

Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Offering Circular and are based on assumptions that may prove to be inaccurate. No one undertakes any obligation to update or revise any forward-looking statements contained in this Offering Circular to reflect events or circumstances occurring after the date of this Offering Circular.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for holders of the Senior Notes but the inability of the Issuer to pay interest or repay principal on the Senior Notes of any Class may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding the Senior Notes are exhaustive. While the various structural elements described in this Offering Circular are intended to lessen some of these risks for holders of the Senior Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Senior Notes of any Class of interest or principal on such Senior Notes on a timely basis or at all.

THE PORTFOLIO

The Portfolio comprises debt obligations governed by Italian law and arising out of land mortgage loans (*mutui fondiari*) classified as performing by Cariparma. The information relating to the Portfolio contained in this Offering Circular is, unless otherwise specified, a description of the Portfolio as at 31 October 2009 (the "**Valuation Date**").

The Loans

As at the Valuation Date, the Portfolio comprised debt obligations owed by 46,632 Debtors under 47,504 Loans.

The Receivables have been transferred to the Issuer pursuant to the terms of the Transfer Agreement, together with any ancillary rights of Cariparma to guarantees or security interests and any related rights, which have been granted to Cariparma to secure or ensure the payment and/or the recovery of any of the Receivables (the "**Collateral Securities**"). The Outstanding Principal of the Portfolio, as at the Valuation Date was equal to € 4,329,771,634.02.

Eligibility Criteria for the Portfolio

Pursuant to the Transfer Agreement Cariparma has sold to the Issuer, and the Issuer has purchased from Cariparma, the Receivables which as at the Valuation Date met the following criteria (the "**Criteria**"):

- a) they arise from loan agreements in relation to which Cariparma is the sole lender;
- b) they arise from land mortgage loan agreements pursuant to article 38 of the Consolidated Banking Act (*mutui fondiari*);
- c) they are secured by a mortgage of first economic ranking over real estate assets located in the Republic of Italy;
- d) the hardening period (periodo di consolidamento) applicable to the relevant mortgage is expired;
- e) no instalment of the relating loan agreements has remained due but unpaid;
- f) they arise from loan agreements which provide for the total repayment on a date which falls not earlier than 1 November 2010 (included) and not later than 31 August 2049 (included);
- g) they arise from loan agreements whose amortising program provides for monthly, quarterly, six-monthly or yearly instalments at a "permanent rate" (French plan);
- h) the principal amount outstanding as at the Valuation Date does not exceed Euro 2,000,000.00;
- i) they arise from loan agreements which have been fully drawn down and in respect of which Cariparma is under no obligation to make any further disbursements;
- j) the pre-amortising period, if any, provided under the relevant loan agreement is fully expired;

- k) as at the time of the drawdown, the Receivables were denominated in Euro and/or Italian Lira, and they arise from loan agreements which do not permit any exchange in a currency other than Euro;
- l) the debtor is an individual resident in Italy who falls under the definition of SAE 600, 614 or 615 (respectively “*Famiglie Consumatrici*”, “*Artigiani*” and “*Famiglie Produttrici*”) of the Banca d’Italia Circular no. 140 dated 11 February 1991 as amended on 7 August 1998.

With express exclusion of the receivables:

- m) deriving from loan agreements comprised in the “working progress report (*stato avanzamento lavori*) type”, not assumed following parcelisation (*frazionamento*) and not drawdown in full;
- n) deriving from loan agreements, single or co-owned, granted to current directors and/or employees of Cariparma;
- o) deriving from loan agreements drawn down which have been executed and renegotiated pursuant to any law or regulation which provides for financial inducements (soft loans), public contributions of any nature, law reductions, maximum contractual limits for the interest rate and/or other provisions which grant financial aid or reductions to debtors, mortgagors or guarantors with regard to the principal and/or the interest;
- p) deriving from loan agreements which have been re-negotiated pursuant to article 3, paragraph 7 of law decree No. 93 of 2008, as stated in the agreement entered into on 19 June 2008 between the Ministry of Economics and Finance and ABI – Associazione Bancaria Italiana;
- q) which have been qualified as “*in sofferenza*” pursuant to the *Istruzioni di Vigilanza of Banca d’Italia* and such circumstance has been notified to the relevant debtor;
- r) deriving from loan agreements originally entered into by the relevant debtors with Banca Intesa S.p.A. (now Intesa Sanpaolo S.p.A.) and subsequently transferred to Cariparma by a deed of assignment executed on 20 September 2004, as per the publication in the Official Gazette no. 252 of 26 October 2004;
- s) deriving from loan agreements originally entered into by the relevant debtors with Intesa Sanpaolo S.p.A. and subsequently transferred to Cariparma by a deed of assignment executed on 26 June 2007, as per the publication in the Official Gazette no. 87 of 28 July 2007;
- t) deriving from loan agreements originally entered into by the relevant debtors with Cassa di Risparmio della Spezia S.p.A. and subsequently transferred to Cariparma by a deed of assignment executed on 4 August 2005, as per the publication in the Official Gazette no. 229 of 1 October 2005;
- u) in relation to which the relevant debtors have debts outstanding vis-à-vis Cariparma (different from those arising from the loan agreements) and classified as “*scaduti o sconfinanti*” for a period exceeding 30 days pursuant to the Circolare of Banca d’Italia no. 272 of 30 July 2008.

Description of the Portfolio

The Portfolio had the following global characteristics as at the Valuation Date:

- (a) the aggregate Outstanding Principal of the Receivables owed by the same Debtor is equal or lower than 0.04 per cent of the aggregate Outstanding Principal of all the Receivables; and
- (b) the aggregate Outstanding Principal of the Receivables owed by the first ten Debtors (by Outstanding Principal) is equal to or lower than 0.34 per cent of the aggregate Outstanding Principal of all the Receivables; and
- (c) the Weighted Average Current Loan to Value of the Portfolio is equal to 56.78 per cent. The following tables set out details of the Portfolio derived from information provided by Cariparma as Originator and Servicer on behalf of the Issuer of the Receivables comprised in the Portfolio. The information in the following tables reflects the position as at the Valuation Date, unless otherwise specified.

PORTFOLIO SUMMARY

| | |
|--|---------------------|
| Number of Loans | 47,504 |
| Number of Debtors | 46,632 |
| Total Outstanding Principal (Euro) ⁽¹⁾ | 4,329,771,634.02. |
| Average Current Outstanding Principal (Euro) | 91,145.41 |
| Largest Outstanding Principal (Euro) | 1,926,917.31 |
| First Economic Lien (Percentage) | 100% |
| Fixed Rate Outstanding Principal (Euro) | 34.93% |
| Floating Rate Outstanding Principal (Euro) | 65.07% |
| Weighted Average Rate for Fixed Rate Mortgage Loans | 5.16% |
| Weighted Average Spread for Floating Rate Mortgage Loans | 1.18% |
| Weighted Average Current LTV (%) ⁽²⁾ | 56.78% |
| Weighted Average Original LTV (%) ⁽³⁾ | 76.47% |
| Weighted Average Seasoning (years) ⁽⁴⁾ | 2.85 |
| Weighted Average Residual Term (years) ⁽⁵⁾ | 19.58 |
| Geographical Concentration (North-Centre-South) | 82.04%-14.75%-3.21% |
| Longest Maturity Date | 31/08/2049 |

(1) The Outstanding Principal of each Receivable means the sum of all Principal Instalments due on any subsequent Scheduled Instalment as at the Valuation Date.

(2) Weighted Average Current LTV is the ratio between a) the Outstanding Principal and b) the Property Value weighted by the Outstanding Principal.

(3) Weighted Average Original LTV is the ratio between a) the Original Loan Amount and b) the Property Value weighted by the Outstanding Principal.

(4) Weighted Average Seasoning is expressed in years and weighted by the Outstanding Principal.

(5) Weighted Average Residual Term is expressed in years and weighted by the Outstanding Principal.

Table 1 - Breakdown of the Portfolio by Interest Type

| Mortgage Interest Product | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|---------------------------|-----------------------|----------------------------|----------------------|---------------------------|
| Fixed Rate | 1,512,354,264 | 34.93% | 14,595 | 30.72% |
| Floating Rate | 2,817,417,370 | 65.07% | 32,909 | 69.28% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 2 - Breakdown of the Portfolio by Payment Frequency

| Payment Frequency | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|-------------------|-----------------------|----------------------------|----------------------|---------------------------|
| Monthly | 4,130,562,582 | 95.40% | 44,937 | 94.60% |
| Quarterly | 155,077,985 | 3.58% | 2,068 | 4.35% |
| Semi-annually | 43,756,833 | 1.01% | 497 | 1.05% |
| Annually | 374,234 | 0.01% | 2 | 0.00% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 3 - Breakdown of the Portfolio by Original Outstanding Principal

| Range Outstanding Principal | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|--|-----------------------|----------------------------|----------------------|---------------------------|
| Outstanding Principal < 50,000 | 102,549,077 | 2.37% | 4,945 | 10.41% |
| 50,000 <= Outstanding Principal < 100,000 | 954,820,492 | 22.05% | 18,192 | 38.30% |
| 100,000 <= Outstanding Principal < 150,000 | 1,521,155,596 | 35.13% | 14,810 | 31.18% |
| 150,000 <= Outstanding Principal < 200,000 | 897,175,453 | 20.72% | 6,030 | 12.69% |
| 200,000 <= Outstanding Principal < 300,000 | 526,411,944 | 12.16% | 2,642 | 5.56% |
| 300,000 <= Outstanding Principal < 400,000 | 147,618,054 | 3.41% | 517 | 1.09% |
| 400,000 <= Outstanding Principal < 600,000 | 100,864,461 | 2.33% | 256 | 0.54% |
| 600,000 <= Outstanding Principal < 800,000 | 36,883,066 | 0.85% | 67 | 0.14% |
| 800,000 <= Outstanding Principal < 1,000,000 | 17,111,954 | 0.40% | 23 | 0.05% |
| 1,000,000 <= Outstanding Principal < 1,200,000 | 7,898,320 | 0.18% | 8 | 0.02% |
| Outstanding Principal >= 1,200,000 | 17,283,217 | 0.40% | 14 | 0.03% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 4 - Breakdown of the Portfolio by Current Outstanding Principal

| Range Outstanding Principal | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|--|-----------------------|----------------------------|----------------------|---------------------------|
| Outstanding Principal < 50,000 | 411,308,299 | 9.50% | 14,405 | 30.32% |
| 50,000 <= Outstanding Principal < 100,000 | 1,152,620,225 | 26.62% | 15,320 | 32.25% |
| 100,000 <= Outstanding Principal < 150,000 | 1,393,163,824 | 32.18% | 11,293 | 23.77% |
| 150,000 <= Outstanding Principal < 200,000 | 721,067,509 | 16.65% | 4,223 | 8.89% |
| 200,000 <= Outstanding Principal < 300,000 | 396,943,832 | 9.17% | 1,684 | 3.54% |
| 300,000 <= Outstanding Principal < 400,000 | 121,167,197 | 2.80% | 355 | 0.75% |
| 400,000 <= Outstanding Principal < 600,000 | 75,411,745 | 1.74% | 157 | 0.33% |
| 600,000 <= Outstanding Principal < 800,000 | 25,190,627 | 0.58% | 37 | 0.08% |
| 800,000 <= Outstanding Principal < 1,000,000 | 13,102,921 | 0.30% | 15 | 0.03% |
| 1,000,000 <= Outstanding Principal < 1,200,000 | 7,568,650 | 0.17% | 7 | 0.01% |
| Outstanding Principal >= 1,200,000 | 12,226,804 | 0.28% | 8 | 0.02% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 5 - Breakdown of the Portfolio by Current LTV

| Range LTV | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|-----------------|-----------------------|----------------------------|----------------------|---------------------------|
| CLTV < 40 | 951,701,449 | 21.98% | 19,347 | 40.73% |
| 40 <= CLTV < 50 | 498,851,466 | 11.52% | 5,380 | 11.33% |
| 50 <= CLTV < 60 | 604,043,349 | 13.95% | 5,690 | 11.98% |
| 60 <= CLTV < 70 | 793,929,310 | 18.34% | 6,564 | 13.82% |
| 70 <= CLTV < 80 | 1,467,905,988 | 33.90% | 10,422 | 21.94% |
| CLTV >= 80 | 13,340,072 | 0.31% | 101 | 0.21% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 6 - Breakdown of the Portfolio by Original LTV

| Range LTV | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|-----------------|-----------------------|----------------------------|----------------------|---------------------------|
| LTV < 40 | 538,699,748 | 12.44% | 9,447 | 19.89% |
| 40 <= LTV < 50 | 407,807,565 | 9.42% | 5,384 | 11.33% |
| 50 <= LTV < 60 | 546,582,688 | 12.62% | 6,256 | 13.17% |
| 60 <= LTV < 70 | 632,561,265 | 14.61% | 6,567 | 13.82% |
| 70 <= LTV < 80 | 1,862,942,281 | 43.03% | 16,768 | 35.30% |
| 80 <= LTV < 90 | 329,273,373 | 7.60% | 2,987 | 6.29% |
| 90 <= LTV < 100 | 8,359,159 | 0.19% | 65 | 0.14% |
| LTV = 100 | 3,545,555 | 0.08% | 30 | 0.06% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 7 - Breakdown of the Portfolio by Residual Life

| Range Residual Life | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|---------------------|-----------------------|----------------------------|----------------------|---------------------------|
| 1 <= Years < 5 | 162,204,027 | 3.75% | 6,616 | 13.93% |
| 5 <= Years < 10 | 469,177,804 | 10.84% | 9,082 | 19.12% |
| 10 <= Years < 15 | 804,234,124 | 18.57% | 9,465 | 19.92% |
| 15 <= Years < 20 | 872,471,327 | 20.15% | 7,799 | 16.42% |
| 20 <= Years < 25 | 638,658,793 | 14.75% | 5,007 | 10.54% |
| 25 <= Years < 30 | 1,114,993,464 | 25.75% | 7,760 | 16.34% |
| 30 <= Years < 35 | 251,264,537 | 5.80% | 1,673 | 3.52% |
| Years >= 35 | 16,767,558 | 0.39% | 102 | 0.21% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 8 - Breakdown of the Portfolio by Seasoning

| Range Seasoning | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|------------------|-----------------------|----------------------------|----------------------|---------------------------|
| Years < 0.5 | 808,110,105 | 18.66% | 6,511 | 13.71% |
| 0.5 <= Years < 1 | 756,344,612 | 17.47% | 6,384 | 13.44% |
| 1 <= Years < 2 | 574,034,427 | 13.26% | 4,867 | 10.25% |
| 2 <= Years < 3 | 516,542,550 | 11.93% | 4,483 | 9.44% |
| 3 <= Years < 4 | 424,656,447 | 9.81% | 4,078 | 8.58% |
| 4 <= Years < 5 | 387,105,501 | 8.94% | 4,035 | 8.49% |
| 5 <= Years < 6 | 282,666,849 | 6.53% | 3,562 | 7.50% |
| Years >= 6 | 580,311,144 | 13.40% | 13,584 | 28.60% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 9 - Breakdown of the Portfolio by Original Maturity

| Range Original Maturity | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|-------------------------|-----------------------|----------------------------|----------------------|---------------------------|
| 1 <= Years < 5 | 1,131,004 | 0.03% | 43 | 0.09% |
| 5 <= Years < 10 | 55,433,174 | 1.28% | 1,410 | 2.97% |
| 10 <= Years < 15 | 468,058,686 | 10.81% | 9,976 | 21.00% |
| 15 <= Years < 20 | 902,854,215 | 20.85% | 12,882 | 27.12% |
| 20 <= Years < 25 | 974,006,163 | 22.50% | 9,172 | 19.31% |
| 25 <= Years < 30 | 619,937,300 | 14.32% | 4,878 | 10.27% |
| 30 <= Years < 35 | 1,279,358,269 | 29.55% | 8,946 | 18.83% |
| Years >= 35 | 28,992,823 | 0.67% | 197 | 0.41% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 10 - Breakdown of the Portfolio by Geographical Concentration

| North/Centre/South | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|--------------------|-----------------------|----------------------------|----------------------|---------------------------|
| North | 3,551,961,260 | 82.04% | 40,991 | 86.29% |
| Centre | 638,782,717 | 14.75% | 5,399 | 11.37% |
| South | 139,027,657 | 3.21% | 1,114 | 2.35% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 11 - Breakdown of the Portfolio by Property Location

| Region | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|-----------------------|-----------------------|----------------------------|----------------------|---------------------------|
| Lombardia | 1,579,216,995 | 36.47% | 18,673 | 39.31% |
| Emilia Romagna | 1,535,388,805 | 35.46% | 17,746 | 37.36% |
| Lazio | 355,419,597 | 8.21% | 2,826 | 5.95% |
| Piemonte | 323,110,233 | 7.46% | 3,515 | 7.40% |
| Toscana | 280,580,777 | 6.48% | 2,545 | 5.36% |
| Campania | 125,793,487 | 2.91% | 957 | 2.01% |
| Liguria | 80,829,078 | 1.87% | 723 | 1.52% |
| Veneto | 28,547,966 | 0.66% | 276 | 0.58% |
| Sardegna | 7,479,655 | 0.17% | 77 | 0.16% |
| Trentino Alto Adige | 3,014,308 | 0.07% | 34 | 0.07% |
| Abruzzo | 2,583,384 | 0.06% | 30 | 0.06% |
| Valle d'Aosta | 1,610,615 | 0.04% | 19 | 0.04% |
| Umbria | 1,595,405 | 0.04% | 18 | 0.04% |
| Marche | 1,186,938 | 0.03% | 10 | 0.02% |
| Puglia | 1,150,785 | 0.03% | 16 | 0.03% |
| Sicilia | 971,294 | 0.02% | 15 | 0.03% |
| Calabria | 772,581 | 0.02% | 13 | 0.03% |
| Friuli Venezia Giulia | 243,260 | 0.01% | 5 | 0.01% |
| Molise | 172,441 | 0.00% | 3 | 0.01% |
| Basilicata | 104,031 | 0.00% | 3 | 0.01% |
| Total | 4,329,771,634 | 100.00% | 47,504 | 100.00% |

Table 12 - Breakdown of the Portfolio by Margin (only for Floating Rate Mortgage Loans)

| Range Margin (in %) | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|---------------------|-----------------------|----------------------------|----------------------|---------------------------|
| Margin < 0.5 | 3,021,996 | 0.11% | 113 | 0.34% |
| 0.5 <= Margin < 1.0 | 872,608,029 | 30.97% | 7,002 | 21.28% |
| 1.0 <= Margin < 1.5 | 1,357,989,892 | 48.20% | 17,885 | 54.35% |
| 1.5 <= Margin < 2.0 | 513,551,480 | 18.23% | 6,803 | 20.67% |
| 2.0 <= Margin < 2.5 | 53,476,033 | 1.90% | 748 | 2.27% |
| Margin >= 2.5 | 16,769,940 | 0.60% | 358 | 1.09% |
| Total | 2,817,417,370 | 100.00% | 32,909 | 100.00% |

Table 13 - Breakdown of the Portfolio by Interest Rate (only for Fixed Rate Mortgage Loans)

| Range Interest Rate (in%) | Outstanding Principal | Outstanding Principal in % | N° of Mortgage Loans | N° of Mortgage Loans in % |
|---------------------------|-----------------------|----------------------------|----------------------|---------------------------|
| Rate < 4.5 | 182,120,375 | 12.04% | 1,370 | 9.39% |
| 4.5 <= Rate < 5.0 | 516,752,235 | 34.17% | 4,548 | 31.16% |
| 5.0 <= Rate < 5.5 | 292,391,517 | 19.33% | 2,834 | 19.42% |
| 5.5 <= Rate < 6.0 | 431,521,193 | 28.53% | 4,016 | 27.52% |
| 6.0 <= Rate < 6.5 | 55,377,238 | 3.66% | 678 | 4.65% |
| Rate >= 6.5 | 34,191,706 | 2.26% | 1,149 | 7.87% |
| Total | 1,512,354,264 | 100.00% | 14,595 | 100.00% |

THE ORIGINATOR, THE SERVICER, THE ACCOUNT BANK, THE HEDGING COUNTERPARTY, THE LIQUIDITY PROVIDER AND THE CASH MANAGER

General Information - Historical Background

Cassa di Risparmio di Parma e Piacenza S.p.A. (hereinafter “**Cariparma**”), having its registered office and place of business at via Università 1, 43100 - Parma, Italy, is a bank incorporated under the Italian laws as a joint – stock company, registered with: (a) the Bank of Italy under article 13 of the 1993 Italian Consolidated Banking Act (dossier number 5435) and (b) the Register of Enterprises of Parma (dossier number 02113530345) subject to direction and coordination by Crédit Agricole S.A. the holding company of the Crédit Agricole Group.

Cariparma was founded in 1860 as a state owned bank, acting as a regional bank, and changed its status to a public joint – stock company in 1991.

In 1993 Cariparma merged with Cassa di Risparmio di Piacenza e Vigevano S.p.A. and the following year, in 1994, it acquired Credito Commerciale S.p.A., Banca Fratelli Ceriana S.p.A. and Mediocredito Padano S.p.A..

In 2000 Banca Intesa S.p.A. acquired the whole share capital of Cariparma which consequently become part of the Banca Intesa banking Group.

The 2007 was a key year for the bank, whose share capital was sold to Crédit Agricole S.A. (75%), Sacam International S.A.S. (10%) and Fondazione Cassa di Risparmio di Parma e Monte di Credito su Pegno di Busseto (15%), thus leading Cariparma to join the Crédit Agricole Group.

Furthermore, during the same year, Cariparma acquired 180 branches from Intesa Sanpaolo S.p.A. and a majority stake control in Banca Popolare FriulAdria S.p.A., becoming the holding company of the new Cariparma Friuladria banking group (registered with the Bank of Italy under articles 64 of the Italian Consolidated Banking Act (dossier number 6230.7). The wholesale of these operations made Cariparma a national banking player based on a strong regional identity.

Organisational Structure of Cariparma

Historically, the Cariparma branch network established its branches in the Emilia Romagna region. As at 30 June 2009 Cariparma counted 534 branches located in 8 Italian regions.

Cariparma has its registered office and place of business at Via Università 1, 43100 Parma, Italy.

Management

The Board of Directors of Cariparma is currently as follows:

| Name | Position |
|-------------------------|-------------------------|
| Fassati Ariberto | Chairman |
| Forestieri Giancarlo | Vice Chairman |
| Pezzani Fabrizio | Vice Chairman |
| Corradi Guido | Chief Executive Officer |
| Brassac Philippe | Board Member |
| Carlos Marc | Board Member |
| Chupin Arnaud | Board Member |
| Granelli Marco | Board Member |
| Roveyaz Jean-Louis | Board Member |
| Anna Maria Artoni | Board Member |
| Gian Domenico Auricchio | Board Member |
| Federico Falck | Board Member |

| | |
|-------------------|--------------|
| Joel Fradin | Board Member |
| Claude Henry | Board Member |
| Germano Montanari | Board Member |
| Daniele Pezzoni | Board Member |
| Michel Pelosoff | Board Member |
| Rosi Marco | Board Member |

The Board of Directors is vested with the amplest of powers for the company's ordinary and extraordinary administration and management and is empowered to perform every action considered necessary and useful for achieving its business purpose, except for those powers reserved to the shareholders in the general meeting by the law and/or the Bylaws.

Statutory Auditors

The Board of Statutory Auditors (Collegio Sindacale), amongst the other, controls the compliance of transactions and the whole bank activities - with a special focus on the risk control activities - with the Bylaws, the applicable law and regulations and the decisions of the Board of Directors.

The Board of Statutory Auditors is presently as follows:

| Name | Position |
|---------------------|--------------------|
| Ziliotti Marco | Chairman |
| Alinovi Paolo | Standing Auditor |
| Ducceschi Giancarlo | Standing Auditor |
| Gilardi Angelo | Standing Auditor |
| Tosi Umberto | Standing Auditor |
| Bussolati Luigi | Substitute Auditor |

Rating¹

Cariparma is currently rated by Moody's as follows:

Long Term Bank Deposits: Aa3

Short Term Bank Deposits: Prime-1

Bank Financial Strenght: C+

Share Capital

The authorised and paid-in share capital of Cariparma as at 30 June 2009 was Euro 785.065.789,00, divided into 785.065.789,00 ordinary share whose nominal value is Euro one each.

Principal Activities

As at 31 December 2008, Cariparma's net operating income amounted to €1,268.0 millions, whereas as at 31 December 2007 the net operating income amounted to €1,048.42 millionss.

Credit services

¹ Rating as of 27 July 2009.

² Data restated after the allocation of the Board of Statutory Auditors' compensations to Personnel Costs (from other operating expenses).

In the framework of credit services, Cariparma's activity can be split into deposits and lending services provided to retail, corporate and private clients and to banks.

Cariparma has diversified the range of financial products it offers, ensuring that they serve the specific requirements of clients. Cariparma's traditional client base consists of private individuals and families, small and medium-sized enterprises and public bodies, which include schools, health agencies and municipalities.

Cariparma's deep-rooted territorial presence in the main areas of business, combined with the quality of the products and services it offers, have significantly consolidated the customer loyalty it enjoys.

Client deposits

Cariparma collects deposits in the form of current accounts, bonds, repurchase agreements, deposits and certificates of deposit. As far as short term operations are concerned, Cariparma has a prevalence of current accounts, whereas bonds play a more important role in medium to long term operations.

As at 31 December 2008, Cariparma's total deposits, including those of other banks, amounted to €13,910.9 millions, of which €12,388.2 millions (equal to 89.1 per cent.) came from clients and €1,522.7 millions from banks.

The following table illustrates Cariparma's direct deposits as at 31 December 2008 and as at 31 December 2007:

| | 31 2008 (millions of Euro) | December (%) | 31 2007 (millions of Euro) | December (%) |
|--------------------------------------|----------------------------------|-----------------|----------------------------------|-----------------|
| Client Payables | | | | |
| Current accounts and demand deposits | 12,184.5 | 98.4 | 12,163.3 | 95.5 |
| Time deposits | 29.0 | 0.2 | 94.5 | 0.7 |
| Repurchase agreements | 150.5 | 1.2 | 341.1 | 2.7 |
| Other payables | 24.1 | 0.2 | 137.2 | 1.1 |
| Total client payables | 12,388.2 | 100 | 12,736.1 | 100 |
| Circulating Securities | 31 2008 (millions of Euro) | December (%) | 31 2007 (millions of Euro) | December (%) |
| Bonds | 8,864.1 | 91.4 | 6,649.1 | 95.4 |
| Other securities | 839.1 | 8.6 | 319.6 | 4.6 |
| Total circulating securities | 9,703.3 | 100 | 6,968.7 | 100 |

Bank deposits

Cariparma provides brokerage services for both Italian and foreign banks.

The following table illustrates the bank deposits held by Cariparma as at 31 December 2008 and as at 31 December 2007:

| | 31 2008 (millions of Euro) | December (%) | 31 2007 (millions of Euro) | December (%) |
|--------------------------------------|----------------------------------|-----------------|----------------------------------|-----------------|
| Bank Deposits | | | | |
| Current accounts and demand deposits | 8.0 | 0,5 | 157.8 | 47.0 |
| Time deposits | 301.1 | 19,8 | 147.6 | 44.0 |
| Repurchase agreements | 934.9 | 61,4 | 0.0 | 0.0 |
| Other payables | 278.7 | 18,3 | 30.2 | 0.3 |
| Total bank deposits | 1,522.7 | 100 | 335,6 | 100 |
| Lending to clients | | | | |

Cariparma's lending portfolio consists of short term and medium/long term cash credits and endorsement credits. As at 31 December 2008, cash credits amounted to €19,922.1 millions.

The main types of credit dispensed by Cariparma to clients are as follows:

Short term credit (less than 12 months): this category comprises any loans on demand or short-term loans, mainly to corporate and retail "business" clients, including overdrafts, loans with a pre-established repayment schedule, portfolio facilities, advances on commercial documents and personal loans. As at 31 December 2008, these forms of lending amounted to €8,344.5 millions, which accounted for 42 per cent. of Cariparma's total cash credits;

Medium/long term credit (beyond 12 months): this category consists of mortgage loans for purchasing homes, personal loans and other types of financing, mainly to retail clients. As at 31 December 2008, Cariparma's medium/long term credits came to €11,577.6 millions, which accounted for 58 per cent. of Cariparma's total cash credits.

The clients belong mainly to the retail sector.

Lending to banks

The following table provides figures relating to Cariparma's lending to banks as at 31 December 2008 and as at 31 December 2007.

| | 31 2008 (millions of Euro) | December 31 (%) | 31 2007 (millions of Euro) | December (%) |
|--------------------------------------|----------------------------------|--------------------|----------------------------------|-----------------|
| Lending to banks | | | | |
| Obligatory reserve | 238.3 | 5.3 | 248.9 | 8.2 |
| Current accounts and demand deposits | 378.5 | 8.5 | 753.6 | 24.9 |
| Time deposits | 951.1 | 21.2 | 692.1 | 22.9 |
| Certificates of indebtedness | 2,749.3 | 61.4 | 922.0 | 30.5 |
| Others | 161.6 | 3.6 | 410.4 | 13.6 |
| Total lending to banks | 4,478.8 | 100 | 3,027.1 | 100 |

Financial brokerage

Cariparma may provide brokerage services on the financial markets either on its own behalf or on behalf of clients. This way Cariparma pursues the dual objective of (i) achieving efficient financial planning in managing and optimising the financial risks of money, currency and bonds market portfolios and (ii) enhancing its capacity to serve the branch network and, therefore, clients. Cariparma also sells derivative products used to hedge the clients' interest and exchange rate risks and provides foreign exchange negotiation services for clients.

Indirect deposits

Cariparma operates in the deposits management sector with a wide range of products and services, including asset management and investment fund services. Cariparma also distributes life insurance policies.

As at 31st December 2008, indirect deposit amounted to €34,890.2 millions, 35.7 per cent of which was in the form of managed deposits.

The following table illustrates indirect deposits handled by Cariparma in the form of both managed and administered deposits respectively as at 31 December 2008 and at 31 December 2007.

:

| | 31 2008 (millions of Euro) | December 31 (millions of Euro) | 31 2007 (millions of Euro) | December |
|--|----------------------------------|-----------------------------------|----------------------------------|----------|
| Indirect Deposits | | | | |
| - Managed assets | 7,012.8 | | 9,715.3 | |
| - Insurance products and pension funds | 5,455.5 | | 5,506.6 | |
| Total managed deposits | 12,468.3 | | 15,221.9 | |
| Administered deposits | 22,421.8 | | 23,948.7 | |
| Indirect deposits | 34,890.2 | | 39,170.6 | |

Bancassurance, leasing and factoring

Cariparma offers its clients certain additional specialised services, which include selling leasing and factoring contracts and the distribution of certain insurance products (bancassurance) through cooperation agreements with specialised brokers.

Bancassurance

Cariparma sells the products of Crédit Agricole Vita S.p.A. (formerly Po Vita Assicurazioni S.p.A.), a 49.99 per cent. affiliate jointly owned with Crédit Agricole Assurances Italia Holding S.p.A. The insurance products commercialised are structured in such a way that they can be sold through banks.

Leasing and Factoring

Leasing services are provided by Cariparma through CA Leasing Italia S.p.A., while factoring services are provided by Cariparma through Eurofactor S.p.A..

Financial Information of Cariparma
(figures in euro millions)

The following table sets out the main economic and financial indicators relating to Cariparma respectively as at 31 December 2008 and at 31 December 2007.

| | 31 December 2008 | 31 December 2007 |
|--|---------------------|---------------------|
| Tier one capital ratio | 12.10% | 11.72% |
| Total capital ratio | 12.81% | 11.43% |
| Gross overdue items / lending | 1.4% | 1.0% |
| Net overdue items / lending | 0.5% | 0.4% |
| Gross irregular items / lending | 2.9% | 2.5% |
| Regulatory capital (in millions of Euro) | 2,538.2 | 2,295.5 |

As at 31 December 2008, the solvency ratio of Cariparma (i.e. the ratio between the regulatory capital and weighted risk activities) was 12.81 per cent., widely above the minimum level of the solvency ratio required by the Bank of Italy.

The following tables summarise the main assets/liabilities and profits/losses figures of Cariparma respectively as at 31 December 2008 and 31 December 2007³.

| | 31 December 2008 (millions of Euro) | 31 December 2007 (millions of Euro) |
|------------------------------------|---|---|
| Interest margin | 854.5 | 667.8 |
| Earning margin | 1,276.1 | 1,048.9 |
| Net result of financial management | 1,185.2 | 976.2 |
| Profit for the year | 334.7 | 244.0 |

| | 31 December 2008 (millions of Euro) | 31 December 2007 (millions of Euro) |
|------------------------------|---|---|
| Payables due to clients | 12,388.2 | 12,736.1 |
| Lending to clients | 19,922.1 | 18,394.1 |
| Net worth (Patrimonio Netto) | 3,625.5 | 3,474.5 |

As at the date of this Prospectus, there has been no deterioration in Cariparma's solvency since the financial statements for the year ended 31st December 2008.

STAFF AND BRANCHES⁴

| | |
|----------------|----------------|
| Staff | 6054 employees |
| Total branches | 534 |

³ Datas at 31st December 2007 restated to consider the allocation of the aggregation's cost, represented by the acquisition of a Business Unit, accounted provisionally in 2007.

⁴ As at 30 June 2009

RATIOS (%) (as at December the 31th 2008)

| | |
|------------------------|--------|
| Tier one capital ratio | 12.10% |
| Total capital ratio | 12.81% |

COLLECTION POLICIES

Management of the Receivables

Mortgages are managed by the MD00 application from the beginning up to the full repayment.

MD00 manages instalments reimbursed both by cash or via c/c, and it feeds automatically accounting and Puma2.

MD00 also handles payouts in capital both ways, by cash or via c/c. and feeds the procedures of issue of RIDs and MAVs, too.

MD00 accepts changes in terms and conditions during the life of the mortgage.

Payments can be made through:

- c/c;
- by cash
- by RID
- by MAV (only for the mortgages in stock, not for new mortgages)

Live policies imply to open a c/c for new mortgages, nevertheless during the life of the relevant mortgage changes may intervene in method of payment.

Reconciliation occurs:

- on line for the payments effected by cash or via c/c
- in no more than 10 working days for payments effected by RID
- in no more than 3 working days for payments effected by MAV

Monitoring: agencies are noticed about unpaid tranches every decade.

Payment Reminder: a payment reminder is sent to any debtor who shows a 15 days delay on the due payment, as a result of the decade monitoring. Different payment reminders are sent upon different amortization schedules.

Classification as Delinquent Receivables (“Crediti Incagliati”)

Mortgages, as all credit positions, can be placed among “incagli”:

- automatically overdue/overdrawn bank credit trial
- by resolution assumed by the deputy bank’s Officers.

Delinquent Receivables are managed according to exposure size:

a. lower than 30.000 € (excluding agriculture sector, failures and compositions) are managed in outsourcing thanks to a specific company that has the goal, in the 4 following months, to pursue and arrange an acceptable solution. In case of adverse result the credit is moved along Defaults by bank’s deputy Officers

b. higher than 30.000 € (including agriculture sector, failures and compositions even if lower than 30.000 €) are managed on its own by the bank’s deputy Officers.

Once that the customer relationship has been set among Delinquent Receivables, the bank looks for finding fit solutions to favour the overcoming of the temporary difficulty (characteristic that identifies the “incaglio” category) to set back again the credit among ordinary ones. In case of adverse result the credit is moved along Defaults.

Management of Delinquent Receivables

The Deputy Office manages directly the customer position in its entirety through a series of activities which aims at the overcoming of the temporary intervened difficulty, and reach the goal to finalize arrangements concerning:

- a. the recovery of the overdue exposure through a review of the repayment schedule;
- b. the rescheduling of the credit together with overdue amounts and, as the case may be, a carry-over in capital redemption which allows lower instalments;
- c. the funding of standing overdue amounts through a brand new mortgage loan.

Cash Management

Payments can be made through:

- c/c;
- by cash
- by RID

as happens for ordinary receivables but, concerning to the charge of the collections, unprivileged exposures represent the bank’s first choice rather than privileged ones, unless different arrangements has been taken or if the payout amount has been expressly addressed to a specified recovery.

Management of Defaults

Once a credit becomes a defaulted credit the choice among pursuing judicial actions rather than the acceptance of an out of court settlement, rescheduling and new timetable agreement must comply with guarantee's capacity and other available alternatives.

The activity is managed through the aid of preferred lawyers, addressed and supported by the bank.

Bank's policy make provision for outsourcing if the exposure exceeds 30.000 €. In this case the credit is surrendered to a specific company that manages such defaulted credit on behalf of the bank. In these cases the bank often proceeds to the real estate mortgage appraisal update. Customer is asked for the whole exposure: capital, interests, penalties and expenses.

If the exposure doesn't exceed 30.000 € credit is not surrendered to a specific company but it is managed directly by the bank or fallen down, as the case may be.

The choice of in-house management, always submitted to preferred lawyers, can also be taken in some special cases as remarkable amounts in respect of well known deals.

Bank's Officers Powers in terms of Default setting

- exposures up to 150.000 €: the faculty to deliberate default management is attributed to the office members
- exposures from 150.000€ up to 500.000 €: such faculty is attributed to the Person in charge for the Office
- exposures from 500.000 € up to 1.500.000€: the faculty is attributed to the manager of the Legal Department
- exposures which exceeds 1.500.000 €: have to be submitted to the Credit Committee judgement.

THE ISSUER

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 6 June 2006 as a limited liability company under the name "SPV Project 77 S.r.l." and changed its name to "Cariparma Mortgage S.r.l." by an extraordinary resolution of the meeting of the quotaholders held on 22.06.2009 and to MondoMutui Cariparma S.r.l. by an extraordinary resolution of the meeting of the quotaholders held on 05.10.2009. The registered office of the Issuer is in Corso Monforte 36, 20122 Milan (MI), Italy (telephone number (+39) 02.77880501). The Issuer is registered with No. 05783320962 in the register of enterprises of Milan and with No. 39725 in the general register of financial intermediaries held by Bank of Italy pursuant to Article 106 of the Consolidated Banking Act. Since the date of its incorporation the Issuer has not engaged in any business other than the purchase of the Portfolio on 3 November 2009 and no dividends have been declared or paid and no indebtedness, other than the Issuer's costs and expenses of incorporation, has been incurred by the Issuer. The Issuer has no employees and no subsidiaries. As set out in Article 4 of its by-laws (*statuto*) the Issuer's partnership duration is up to 31 December 2050.

The authorised and issued capital of the Issuer is € 12,000, fully paid up. The current Quotaholders of the Issuer are as follows:

Stichting Pavia holds 81% of the quota capital;

Cariparma holds 4% of the quota capital;

Structured Finance Management –Italy S.r.l. holds 15% of the quota capital.

Issuer's Principal Activities

The principal corporate object of the Issuer as set out in Article 2 of its by-laws (*statuto*) and in compliance with the Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*).

The Issuer was established as a multi-purpose vehicle and accordingly it may carry out further securitisation transactions in addition to the Securitisation.

So long as any of the Notes remain outstanding, the Issuer shall not, without the prior consent of the Representative of the Noteholders, incur any other indebtedness for borrowed monies (except in relation to any further securitisation carried out in accordance with the Transaction Documents) or engage in any business (other than acquiring and holding the assets on which the Notes are secured, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Terms and Conditions or the Intercreditor Agreement) or increase its capital.

The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in Condition 3 (*Covenants*).

Sole Director and Statutory Auditors

The Issuer is administrated by a sole director, Mr Massimo Antonio Bosisio appointed on 22.06.2009, whose business address is Corso Monforte 36, 20122 Milano.

Mr Massimo Antonio Bosisio has worked as Account Auditor, gathering a remarkable expertise on corporate management and control in the Trade, Industry, Finance and Leasing sectors. He has acted as Chief Financial Officer for a Financial Institution and as Executive Manager for a Financial Leasing Company connected to one of the main Italian Banks. He has dealt with administrative and procedural issues in the context of relevant securitisation transactions. He holds also the role of Director in several Companies, enrolled in the list of financial intermediaries (Art. 106 Legislative Decree 385/1993), operating according to Law 130/99.

No Board of Statutory Auditors is provided to be appointed.

Legal and Arbitration Proceedings

To the best of the Issuer's knowledge and belief, there are no pending or threatened governmental, legal or arbitration proceedings which may have or which have had, in the previous 12 months, material effects on the Issuer's financial position or profitability.

Capitalisation and Indebtedness Statement

The capitalisation of the Issuer as at the date of this Offering Circular, adjusted for the issue of the Notes, is as follows:

| <i>Capital</i> | <i>Euro</i> |
|--|------------------|
| Issued, authorised and fully paid up capital | 12,000.00 |
| Total Capitalisation and Indebtedness | 12,000.00 |

Subject to the above, as at the date of this Offering Circular, the Issuer has no borrowings or indebtedness in respect of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

No Material Adverse Change

Save as disclosed in this Offering Circular and since the last Issuer's financial statements dated 30 June 2009, there has been no material adverse change, or any development reasonably likely to involve a material adverse change in the financial position or prospects of the Issuer.

Financial Statements and Auditors' Report

The Issuer's accounting reference date is 31 December in each year.

The financial statements of the Issuer as of 31 December 2008 and for the year then ended and the interim financial statements as of June 30, 2009 and for the six months then ended, have been audited, without qualification and in accordance with generally accepted standards in the Republic of Italy, by Reconta Ernst & Young S.p.A., as set forth in their reports thereon incorporated by reference in this Offering Circular. Reconta Ernst & Young S.p.A. is registered under No. 2 in the special register (*Albo Speciale*) maintained by CONSOB and set out in Article 161 of the Testo Unico Delle Disposizioni in Materia di Mercati Finanziari and under No. 70945 in

the Register of Accountancy Auditors (*Registro dei Revisori Contabili*) in compliance with the provisions of Legislative Decree No. 88 of 27th January 1992, and is also a member of the ASSIREVI - Associazione Nazionale Revisori Contabili. The business address of Reconta Ernst & Young S.p.A. is Via Po 32, 00198 Rome, Italy.

THE PRINCIPAL PAYING AGENT AND THE COMPUTATION AGENT

CALYON is a limited liability company incorporated in France as a *société anonyme* incorporated under, and governed by, the laws of France, whose registered office is at 9 Quai du Président Paul Doumer, 92920 Paris La Défense Cedex, Paris (France). CALYON is registered at the Trade and Commercial Register of Nanterre (France) under the number 304 187 701.

CALYON is subject to Articles L. 225-1 et seq. of Book 2 of the Commercial Code. As a credit institution, CALYON is subject to Articles L. 511-1 et seq. and L. 5531-1 et seq. of the Monetary and Financial Code.

As of 28 January 2009, CALYON's shareholders' capital amounted to € 6,055,504,839 divided into 224,277,957 fully paid up shares of €27 each. CALYON's share capital is directly owned more than 95.28% by Crédit Agricole S.A. and 99% by entities of the Crédit Agricole Group.

CALYON is the corporate and investment banking arm of the Crédit Agricole Group. CALYON offers banking services to its customers on a global basis. Its two main activities are wholesale banking and capital markets and investment banking. Wholesale banking covers corporate lending and loan syndication, project finance, acquisition finance, aircraft and ship finance, export and trade finance and real estate finance. Capital markets and investment banking covers treasury and liquidity management, fixed income, foreign exchange and commodity derivatives, credit markets, equity derivatives, mergers and acquisitions, equity capital markets and equity brokerage. CALYON also runs an international private banking business in Europe out of Switzerland, Luxembourg and Monaco.

At the date of this Prospectus, the long term unsecured, unsubordinated and unguaranteed obligations and the short term unsecured, unsubordinated and unguaranteed obligations of CALYON are rated as follows:

| | | SHORT TERM | LONG TERM | UPDATE |
|---------------------|------------------|-------------------|-------------------------|-----------------|
| Moody's | Investors | Prime-1 | Aa3 | 5 February 2009 |
| Service Inc. | | | (with negative outlook) | |
| Fitch | Ratings | F1 + | AA- | 8 August 2008 |
| Limited | | | (with stable outlook) | |
| S&P | | A-1+ | AA- | 20 January 2009 |
| | | | (with stable outlook) | |

Any further information on CALYON can be obtained on CALYON's website at www.calyon.com. This website does not form part of this Prospectus.

The information in this Section has been provided solely by CALYON for use in this Prospectus and CALYON is solely responsible for the accuracy of the information related to it. Except for the information contained in this Section, CALYON and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.

USE OF PROCEEDS

The net proceeds from the issue of the Notes, being approximately € 4.335.656.125,92 will be applied by the Issuer to pay € 4.335.656.125,92 to the Originator as Purchase Price of the Portfolio.

DESCRIPTION OF THE TRANSFER AGREEMENT

The description of the Transfer Agreement set out below is a summary of certain features of this agreement and is qualified by reference to the detailed provisions of the Transfer Agreement. Prospective Noteholders may inspect a copy of the Transfer Agreement upon request at the registered office of each of the Representative of the Noteholders.

General

On 3 November 2009 the Originator and the Issuer entered into the Transfer Agreement pursuant to which the Originator assigned and transferred without recourse (*pro soluto*) to the Issuer, and the Issuer purchased from the Originator, in accordance with the Securitisation Law, all of the Originator's rights, title and interest in and to the Receivables comprised in the Portfolio.

The Receivables have been selected by the Originator on the basis of the Criteria (for further details, see the section "*The Portfolio*").

Under the terms of the Transfer Agreement, the transfer of the Receivables becomes effective in economic terms starting from the Valuation Date (excluding such date).

Purchase Price

The purchase price of the Portfolio (the "**Purchase Price**") is the aggregate of the individual purchase prices of all the Receivables comprised in the Portfolio (each an "**Individual Purchase Price**") and is equal to € 4,322,713,278.70. The Individual Purchase Price of each Receivable is equal to the sum of (i) the Outstanding Principal as at the Valuation Date, (ii) the Interest Instalment due but not paid as at the Valuation Date; (iii) interest accrued thereon and unpaid as at the Valuation Date. The Purchase Price will be fully paid on the Issue Date, provided that the publication of the notice of transfer of the Receivables in the Official Gazette and the registration of the transfer of the Receivables on the Issuer's Companies Register have occurred.

If the publication of the notice of transfer of the Receivables in the Official Gazette and the registration of the transfer of the Receivables on the Issuer's Companies Register have not occurred within the Issue Date, the Issuer shall deposit in the Payments Account the proceeds of the issue of the Notes for the payment of the Purchase Price. The Purchase Price shall then be paid by the Issuer to Cariparma on the Business Day immediately subsequent to the later of (i) the date of publication of the notice of transfer of the Receivables in the Official Gazette and (ii) the date of registration of the transfer of the Receivables on the Issuer's Companies Register. For further details in relation to the publication of the transfer of the Receivables in the Official Gazette and the registration of the transfer of the Receivables on the Issuer's Companies Register, see the section entitled "*The Portfolio*".

The Transfer Agreement provides that (a) if, after the Valuation Date, any of the Loans included in the Portfolio and transferred to the Issuer proves not to meet the Criteria, then the receivables relating to such Loans will be deemed not to have been assigned and transferred to the Issuer pursuant to the Transfer Agreement; and (b) if, after the Valuation Date, it transpires that any of the Loans meeting the Criteria has not been included in the Portfolio and not transferred to the Issuer, then the Receivables relating to such Loans will be deemed to have been assigned and transferred to the Issuer pursuant to the Transfer Agreement at the Valuation Date. The Purchase Price shall be then adjusted in accordance with the provisions of the Transfer Agreement,

provided that any payments to be made to the Originator as Adjustment Purchase Price will be paid from the Issuer Available Funds as set out in the Priority of Payments.

Undertakings of the Originator

The Transfer Agreement contains certain undertakings by the Originator in respect of the Receivables. The Originator has undertaken to refrain from carrying out any activities with respect to the Receivables which may have a negative effect on the Receivables and, in particular, not to assign or transfer the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables in the period of time between (i) the Valuation Date and (ii) the later of the date on which the relevant notice of sale is published in the Official Gazette and registered in the competent Companies Register. The Originator has also undertaken to refrain from any action which could cause the invalidity or a reduction in the amount of any of the Receivables.

Under the Transfer Agreement the Originator has also undertaken to indemnify the Issuer in respect of the amounts to be paid by the Issuer for any claw-back actions (*azioni revocatorie*) of payments received by the Originator in respect of the Receivables prior to the Valuation Date.

Governing Law

The Transfer Agreement is governed by and will be construed in accordance with Italian law.

DESCRIPTION OF THE WARRANTY AND INDEMNITY AGREEMENT

The description of the Warranty and Indemnity Agreement set out below is a summary of certain features of this agreement and is qualified by reference to the detailed provisions of the Warranty and Indemnity Agreement. Prospective Noteholders may inspect a copy of the Warranty and Indemnity Agreement upon request at the registered office of each of the Representative of the Noteholders.

General

On 3 November 2009, the Issuer and the Originator, entered into a Warranty and Indemnity Agreement, pursuant to which the Originator (i) has given certain representations and warranties in favour of the Issuer in relation to the Portfolio and (ii) has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Portfolio.

The Warranty and Indemnity Agreement contains representations and warranties by the Originator in respect of, *inter alia*, the following categories:

- (1) the Receivables;
- (2) the transfer of the Receivables, the Transaction Documents and the Securitisation Law;
- (3) the Loan Agreements and the Collateral Securities;
- (4) the Loans;
- (5) the Privacy Law;
- (6) the Insurance Policies; and
- (7) the Real Estate Assets.

Representations and Warranties

Under the Warranty and Indemnity Agreement Cariparma has represented and warranted, *inter alia*, as follows:

- Each of the Receivables arises from agreements executed as public deeds (*atti pubblici*) drawn up by an Italian Notary Public.
- Each Loan Agreement and each other agreement, deed or document relating thereto is valid and effective and constitutes valid, legal and binding obligations of the Debtors enforceable in accordance with its terms.
- Each Loan Agreement has been executed and each Loan has been advanced in compliance with all applicable laws, rules and regulations, including, without limitation, all laws, rules and regulations relating to *credito fondiario*, usury, personal data protection and disclosure at the time in force, as well as in accordance with the internal rules of Cariparma, including underwriting and origination guidelines and lending policies and procedures adopted from time to time by Cariparma.

- Each Loan has been fully advanced, disbursed and drawn down to or to the account of the relevant Debtor and there is no obligation on the part of Cariparma to advance or disburse further amounts in connection therewith.
- Each Loan Agreement was entered into and executed without any fraud (*frode*) or wilful misrepresentation (*dolo*) by or on behalf of Cariparma or any of its directors (*amministratori*), managers (*dirigenti*), officers (*funzionari*) and/or employees qualified as “quadri direttivi” (*quadri-“direttivi”*), which would entitle the relevant Debtor(s), Mortgagor(s) and/or other Guarantor(s) to claim against Cariparma for fraud or wilful misrepresentation or to repudiate any of the obligations under or in respect of the relevant Loan Agreement, Mortgage, or other agreement, deed or document relating thereto.
- Each Loan Agreement was entered into substantially in the same form as the standard form agreements used by Cariparma, as the case may be, from time to time and in compliance with the lending and financial practices adopted by Cariparma from time to time, as described in the Credit and Collections Policies. Following the coming into force of the Legislative Decree No. 7 2007 and the Law No. 40 of 2 April 2007, enacting the Legislative Decree No. 7 2007 (the “**Bersani Law**”), each Loan Agreement was entered into in compliance with the Bersani Law. After the execution of each Loan Agreement, the general conditions of such agreement were not substantially modified in respect of the standard form agreements used by the Originator.
- The documentation relating to each Receivable contains an appraisal of the relevant Real Estate Asset(s) according to the Collection Policy.
- The list of Loans set out in Schedule B to the Transfer Agreement is an accurate list of all of the Receivables comprised in the Portfolio and contains the indication of the Individual Purchase Price for each Receivable and the outstanding amount, as of the Valuation Date, of each Loan out of which such Receivables arise and all information contained therein is true and correct in all material respects.
- Each Receivable was fully and unconditionally owned by and available to Cariparma and was not subject to any lien, seizure or other charges in favour of any third party and was freely transferable to the Issuer.
- There are no clauses or provisions in the Loan Agreements, or in any other agreement, deed or document, pursuant to which Cariparma is prevented from transferring, assigning or otherwise disposing of the Receivables or of any of them.
- The transfer of the Receivables to the Issuer pursuant to the Transfer Agreement shall not impair or affect in any manner whatsoever the obligation of the relevant Debtors to pay the amounts outstanding in respect of any Receivables.
- All the Loans are performing (*in bonis*). To Cariparma’s knowledge and belief, none of the Debtors is in financial difficulties which could result in the non-payment or late payment in respect of any Receivable.
- As of the Valuation Date no Loan fell within the definition of non performing loan (*credito in sofferenza*), delinquent loan (*credito incagliato*), credit expired under the Bank of Italy

Supervisory Regulations or credit in the process of being restructured (*credito in corso di ristrutturazione*) under such regulations.

- No Debtor has been reported to *Centrale dei Rischi* by Cariparma as debtor of non performing loan (*credito in sofferenza*) or delinquent loan (*credito incagliato*).
- Each Mortgage has been duly granted, created, registered, renewed (when necessary) and preserved, is valid and enforceable and has been duly and properly perfected, meets all requirements under all applicable laws or regulations and is not affected by any material defect whatsoever.
- Each Mortgage has been created contemporaneously with the granting of the relevant Loan. The "hardening" period (*periodo di consolidamento*) applicable to each Mortgage has expired and the relevant security interest created thereby is not capable of being challenged under any applicable laws and regulations whether by way of claw-back action or otherwise including, without limitation, pursuant to Article 67 of the Bankruptcy Law.
- Each Mortgage is (i) a first ranking mortgage (*ipoteca di primo grado*); or (ii) a mortgage, other than a first ranking mortgage, in respect of which all obligations secured by the preceding ranking have been entirely satisfied; or (iii) a mortgage over a real estate asset which is encumbered with a preceding ranking mortgage granted to secure payment of a different Receivable towards the same debtor and such Receivable is also transferred from the Originator to the Issuer pursuant to the Transfer Agreement.
- With reference to any Loan Agreement executed for the construction of Real Estate Assets, the construction of such Real Estate Assets has been completed in all material respects.
- All the Real Estate Assets comply with all applicable planning and building laws and regulations (*legislazione edilizia, urbanistica e vincolistica*) or, otherwise, a valid petition of amnesty with reference to any existing irregularity had been duly filed with the competent authorities.
- All the Real Estate Assets comply with all applicable laws and regulations concerning health and safety and environmental protection (*legislazione in materia di igiene, sicurezza e tutela ambientale*).
- Each Real Estate Asset is located in Italy.
- The Real Estate Assets are not damaged and do not present any material defect, are in good condition and there are no pending or threatened proceedings, seeking their restoration (*rimessa in pristino*) seizure (*sequestro*), or forfeiture (*confisca*) even partial.
- The Real Estate Assets comply with applicable laws in respect of occupancy (*abitabilità ed agibilità*).
- Risks of fire and/or explosion of the Real Estate Assets are covered by Insurance Policies for an amount at least equal to the Original Loan Amount, the *premia* for which have been fully and timely paid. The rights deriving in favour of Cariparma under the Insurance Policies can be assigned to the Issuer.

- Cariparma has not relieved or discharged any Debtor, Mortgagor or other Guarantor, or subordinated its rights to claims of those of other creditors thereof, or waived any rights, except in relation to payments made in a corresponding amount in satisfaction of the relevant Receivables.
- The books, records, data and the documents relating to the Loan Agreements, the Loans, all instalments and any other amounts paid or repaid thereunder have been maintained in all material respects complete, proper and up to date, and all such books, records, data and documents are kept by or are available to Cariparma.
- All the information supplied by Cariparma to the Issuer and/or their representative agents and consultants for the purpose or in connection with the Securitisation, including, without limitation, with respect to the Loans, the Receivables, the Real Estate Assets, as well as the application of the Criteria, is true, accurate and complete in every material respect and no material information available to Cariparma has been omitted.
- There are no prejudicial registration, annotation (*iscrizioni o trascrizioni pregiudizievoli*) or third party claim in relation to any of the Real Estate Assets which may impair, affect or jeopardise in any manner whatsoever the relevant Mortgages, their enforceability and/or their ranking.
- The transfer of the Receivables to the Issuer is in accordance with the Securitisation Law. The Receivables possess specific objective common elements such as to constitute a portfolio of homogenous monetary rights within the meaning and for the purposes of Securitisation Law. The Criteria have been correctly applied in the selection of the Receivables.
- All the Debtors are individuals resident in Italy that did not subscribe the Loan Agreements for business purposes and that are classified as “*Famiglie Consumatrici*”, “*Artigiani*” and “*Altre Famiglie Produttrici*” (respectively SAE 600, 614 and 615), pursuant to circular 140 of Bank of Italy of 11th February 1991.

Under the Warranty and Indemnity Agreement, Cariparma has agreed to indemnify the Issuer from and against any and all damages, losses, claims, liabilities and related costs and expenses, including legal fees and disbursements (all the foregoing collectively the “**Indemnified Amounts**”) awarded against or suffered or incurred by it or them arising out of or relating to the breach of any representation or warranty made under the Transfer Agreement, the Warranty and Indemnity Agreement and the Servicing Agreement. Without limiting or being limited by the foregoing, the Indemnified Amounts include losses or damages incurred by the Issuer and its representatives and agents relating to or resulting from:

- (i) reliance on any representation or warranty made by Cariparma to the Issuer under or in connection with the Transfer Agreement, the Warranty and Indemnity Agreement and the Servicing Agreement, which shall have been false, incorrect or misleading in any material respect when made or delivered;
- (ii) the failure by Cariparma to comply with any term, provision or covenant contained in the Transfer Agreement the Warranty and Indemnity Agreement or the Servicing Agreement; and

- (iii) the failure to vest in the Issuer all rights, title and interest in and the benefit of each Claim pursuant to the terms of the Transfer Agreement.

Under the Warranty and Indemnity Agreement, upon the occurrence of the events listed under Clause 5.1 of such agreement, the Issuer shall have the right to terminate the assignment of the Receivables affected by the occurrence of the aforementioned events. Termination shall take effect upon payment by the Originator to the Issuer of all sums due under Clause 5 of the Warranty and Indemnity Agreement. The Originator shall return to the Issuer an amount equal to the Outstanding Balance of the relevant Receivables as of the date on which termination shall be effective, plus interest calculated pursuant to Clause 5.4 of the Warranty and Indemnity Agreement.

Governing Law

The Warranty and Indemnity Agreement is governed by and will be construed in accordance with Italian law.

DESCRIPTION OF THE SERVICING AGREEMENT

The description of the Servicing Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Servicing Agreement. Prospective Noteholders may inspect a copy of the Servicing Agreement at the registered office of each of the Representative of the Noteholders.

General

On 3 November 2009, the Issuer and Cariparma entered into the Servicing Agreement pursuant to which the Issuer has appointed Cariparma as Servicer of the Receivables and the Servicer has agreed to administer and service the Receivables. The Servicing Agreement has been amended by an amendment agreement dated as of the Signing Date.

Under the Servicing Agreement, the Servicer shall credit on a daily basis any amounts collected in relation to the Receivables into the Collection Account. The receipt of cash collections in respect of the Loans is the responsibility of the Servicer.

Under the Servicing Agreement if the appointment of Cariparma to act as Servicer is terminated in accordance with the provisions of the Servicing Agreement, then the Servicer shall credit all the Collections received or recovered from time to time in respect of the Portfolio directly to the Collection Account.

Cariparma will also act as the “*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*” pursuant to the Securitisation Law. In such capacity, Cariparma shall also be responsible for ensuring that such operations comply with the provisions of Article 2, paragraph 3(c) and Article 2, paragraph 6 of the Securitisation Law.

The Servicer will also be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement and the Credit and Collections Policies, any activities related to the management of the Defaulted Receivables, including activities in connection with the enforcement and recovery of the Defaulted Receivables.

Obligations of the Servicer

Under the Servicing Agreement the Servicer has undertaken, *inter alia*:

- (a) to carry out the administration and service of the Receivables and to manage the relevant recovery procedures in accordance with all applicable laws and regulations;
- (b) to maintain an effective system of general and accounting controls so as to ensure the performance by the Servicer of its obligations under the Servicing Agreement;
- (c) save where otherwise provided in the Collection Policy or under the Servicing Agreement, not to release or consent to the cancellation of all or part of the Receivables unless ordered to do so by a competent judicial or other authority;
- (d) to ensure adequate identification and segregation of the Collections and Recoveries and other amounts related to the Receivables from all other funds of or held by the Servicer;

- (e) to act under the terms of the Collection Policy and in accordance with the applicable laws and regulations and with diligence so as to ensure the performance of the obligations of the debtors and the payment of all amounts due under the Receivables;
- (f) to obtain and comply with all authorisations, approvals, licenses and consents required for the fulfilment of its obligations under the Servicing Agreement or to ensure the legality, validity and effectiveness of the Servicing Agreement and to ensure that its obligations under the Transfer Agreement and the Warranty and Indemnity Agreement are lawfully fulfilled;
- (g) to ensure that the Usury Law will not be breached in carrying out its functions under the Servicing Agreement.

The activities to be carried out by the Servicer include also the processing of administrative and accounting data in relation to the Receivables and the management of such data. The Servicer has represented to the Issuer that it has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement.

The Servicer has undertaken to use all due diligence to maintain all accounting records in respect of the Receivables and on the Defaulted Receivables and shall supply all relevant information to the Issuer to enable it to prepare its financial statements.

In the event of any material failure on the part of the Servicer to observe or perform any of its obligations under the Servicing Agreement, the Issuer and the Representative of the Noteholders shall be authorised to carry out all the necessary activities to perform the relevant obligation in accordance with the terms thereunder. The Servicing Agreement provides that the Servicer will indemnify the Issuer and the Representative of the Noteholders from and against any cost and expenses incurred by them in connection with performance of the relevant obligation.

Pursuant to the terms of the Servicing Agreement, the Issuer has authorised the Servicer to re-negotiate the terms of the Loan Agreements, to amend the amortisation plans of the relevant Loan Agreements (*modifiche temporali dei piani di ammortamento*) and assumptions (*accogli*) in relation to the payment obligations of the Debtors under the Loan Agreements, only in certain limited circumstances specified in the Servicing Agreement.

The Issuer and the Representative of the Noteholders have the right to inspect and take copies of the documentation and records relating to the Receivables in order to verify the performance by the Servicer of its obligations pursuant to the Servicing Agreement to the extent the Servicer has been informed reasonably in advance of such inspection.

The Servicer has acknowledged and accepted that, pursuant to the terms of the Servicing Agreement (in addition to the Servicing Fee) it will not have any further recourse against the Issuer for any damages, losses, liabilities, costs or expenses incurred by the Servicer as a result of the performance of its obligations under the Servicing Agreement, except and to the extent that such damages are caused by the wilful misconduct (*dolo*) or gross negligence (*colpa grave*) of the Issuer.

Reports of the Servicer

The Servicer has undertaken to prepare and submit to the Issuer, routine reports including, but not limited to, quarterly and semiannual reports containing a detailed summary of the collection procedure in relation to the Loans, a summary of the performance of the Portfolio, a detailed summary of the status of the Loans and a report on the level of collections in respect of principal and interest of the Portfolio.

The Servicer has undertaken to prepare Semiannual Servicer's Reports of the Portfolio performance for delivery to, *inter alios*, the Issuer, the Representative of the Noteholders, the Computation Agent and the Rating Agency. The Semiannual Servicer's Reports shall be produced by the Servicer on the Semiannual Servicer's Report Date. A firm of internationally recognised auditors (the "**External Auditor**") shall produce a report in respect of the data provided by the Servicer in the Semiannual Servicer's Report of June of each calendar year.

Servicing Fee

In return for the services provided by the Servicer, the Issuer will pay Cariparma the following Servicing Fee, in accordance with the applicable Priority of Payments:

- (a) for the management and collection of the Receivables (other than the recovery activities specified in paragraph (b) below): on each Payment Date an amount equal to 0.5 per cent (plus VAT, if applicable) of the Collections (excluding any Defaulted Receivable and the Collected Insurance Premia) made by the Servicer during the Semiannual Collection Period immediately preceding the relevant Payment Date; and
- (b) for the recovery activities: on each Payment Date in relation to the immediately preceding Semiannual Collection Period, an amount equal to 1 per cent (plus VAT, if applicable) of the Collections made by the Servicer in respect of the Defaulted Receivables during the Semiannual Collection Period immediately preceding the relevant Payment Date, net of (i) any expense comprised in such Collections and (ii) any sum received as consideration in case of transfer of such Receivables.

The Issuer will reimburse to the Servicer on each Payment Date any expenses (including, without limitation, the fees of external legal advisers) reasonably incurred and properly documented by the Servicer in connection with the recovery of the Defaulted Receivables during any Semiannual Collection Period in accordance with the applicable Priority of Payments.

Termination of the Appointment of the Servicer

The Servicer may not terminate its appointment before the Cancellation Date.

The Issuer and the Representative of the Noteholders may terminate the Servicer's appointment and appoint a successor Servicer (the "**Successor Servicer**") if a Servicer Termination Event occurs. The Servicer Termination Events include, *inter alia*, the following events:

- (i) the insolvency of the Servicer,
- (ii) the breach of an obligation of the Servicer to transfer, deposit or pay an amount exceeding Euro 10,000.00 pursuant to the Servicing Agreement and the Servicer does not comply with a request to such effect by the Issuer or the Representative of the Noteholders within 10 days from such request;

- (iii) a breach of the Servicing Agreement, of the Transfer Agreement or of the Warranty and Indemnity Agreement by the Servicer, which remains uncured for a period longer than 15 days after a written demand of compliance sent by the Issuer and/or the Representative of the Noteholders,
- (iv) any of the representations and/or warranties in the Transaction Documents turn out to be materially untrue, misleading or false; and
- (v) the appointed auditor does not release its report concerning the Servicer Reports.

Pursuant to the servicing Agreement, where Moody's has downgraded below "Baa3" the medium- long term debt obligations rating of Cariparma, the Issuer and the Representative of the Noteholders shall indicate a person which may act as Back-up Servicer.

Governing Law

The Servicing Agreement is governed by and shall be construed in accordance with Italian law.

DESCRIPTION OF THE CASH ALLOCATION, MANAGEMENT AND PAYMENT AGREEMENT

The description of the Cash Allocation, Management and Payment Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Cash Allocation, Management and Payment Agreement. Prospective Noteholders may inspect a copy of the Cash Allocation, Management and Payment Agreement upon request at the registered office of each of the Representative of the Noteholders.

General

Pursuant to the Cash Allocation, Management and Payment Agreement entered into on the Signing Date, the Computation Agent, the Account Bank, the Servicer, the Principal Paying Agent, the Cash Manager, the Corporate Servicer and the Representative of the Noteholders (the Computation Agent together with the Principal Paying Agent, the “**Agents**”) have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, investment and cash management services.

Account Bank

The Account Bank has agreed to (i) open in the name of the Issuer and manage in accordance with the Cash Allocation, Management and Payment Agreement, the Accounts, (ii) provide the Issuer with certain reporting services together with certain handling services in relation to monies from time to time standing to the credit of such Accounts. In particular, the Account Bank, on each Account Bank Report Date, shall deliver to the Issuer, the Representative of the Noteholders, the Cash Manager, the Corporate Servicer and the Computation Agent a copy of the Account Bank Report setting out information concerning, *inter alia*, the transfers and the balances relating to the Accounts during the relevant Semiannual Collection Period and (ii) provide the Issuer with certain investment and reporting services together with certain handling services in relation to the securities from time to time deposited in the Securities Accounts.

In addition to investing the funds standing to the credit of the Eligible Accounts in accordance with the instructions of the Cash Manager, the Account Bank shall on or prior to each Securities Accounts Report Date (or at any time upon request by the Representative of the Noteholders) deliver to the Issuer, the Representative of the Noteholders, the Account Bank, the Corporate Servicer and the Computation Agent, the Securities Accounts Report setting out certain information in respect of the kind of Eligible Investments made during the relevant Semiannual Collection Period.

The Account Bank will be required at all times to be deemed an Eligible Institution pursuant to the Cash Allocation, Management and Payment Agreement.

Cash Manager

The Cash Manager has agreed to provide the Issuer with certain cash management services in relation to the funds standing to the credit of the Eligible Accounts. The Cash Manager shall, in the name and on behalf of the Issuer, select the Eligible Investments in which such credit balance (or most of it) will be invested and shall instruct the Account Bank accordingly (provided that any such Eligible Investment has a maturity date falling not beyond the Eligible Investment Maturity

Date). Eligible Investments shall not be made in the period starting on the third Business Day preceding a Payment Date and ending on such Payment Date (both included).

Computation Agent

The Computation Agent has agreed to provide the Issuer with certain other calculation, monitoring and reporting services. The Computation Agent shall prepare on or prior to the Investors Report Date, the Investors Report setting out certain information with respect to the Notes. Upon the service of a Trigger Notice by the Representative of the Noteholders, the Computation Agent shall, on behalf of the Issuer, calculate and prepare the Post Trigger Report containing the amount of the Issuer Available Funds and the amounts of each of the payments and allocations to be made by the Issuer pursuant to the Intercreditor Agreement. In addition, the Computation Agent shall prepare on each Semiannual Calculation Date and deliver the Semiannual Payments Report with respect to the relevant Semiannual Collection Period. The Servicer shall monitor and supervise the Semiannual Payments Report prepared by the Computation Agent.

Principal Paying Agent

The Principal Paying Agent has agreed to provide the Issuer with certain calculation, payment and agency services in relation to the Notes, including without limitation, calculating the Rate of Interest, instruct the Account Bank to make payment to the Noteholders, giving notices and issuing certificates and instructions in connection with any meeting of the Noteholders.

The Principal Paying Agent will be required at all times to be deemed an Eligible Institution pursuant to the Cash Allocation, Management and Payment Agreement.

Payments to Noteholders and Other Issuer Creditors

Under the Cash Allocation, Management and Payment Agreement, the Issuer/the Principal Paying Agent will instruct the Account Bank to arrange for the transfer on each Payment Date, of sufficient amounts, from the Eligible Accounts (other than the Payments Account) to the Payments Account to make the payment specified in the relevant Semiannual Payments Report. In particular payments to the Noteholders and to the Other Issuer Creditors and any other third party creditors shall be made by the Account Bank on such Payment Date.

in each case to the extent that Issuer Available Funds are available for such purposes and in accordance with the Priority of Payments. No payments may be made out of the Accounts which would thereby cause or result in such accounts becoming overdrawn.

Termination

If any of the events set forth under Clause 23.1 of the Cash Allocation, Management and Payment Agreement (hereinafter, for the purposes of this section, a "**Default Event**") occurs, then either the Representative of the Noteholders, in accordance with the Mandate Agreement, or the Issuer may, provided that (in the case of the Issuer) the Representative of the Noteholders consents in writing to such termination, forthwith or at any time thereafter while such event continues, by notice in writing to the Computation Agent (in the case of a Default Event relating to the Computation Agent), the Account Bank (in the case of a Default Event relating to the Account

Bank), the Principal Paying Agent (in the case of a Default Event relating to the Principal Paying Agent) and/or the Cash Manager (in the case of a Default Event relating to the Cash Manager), as the case may be, copied to the other Parties and the Rating Agency, terminate the appointment of the relevant Agent under the terms of the Cash Allocation, Management and Payment Agreement, with effect from a date specified in the notice (which cannot be earlier than the date of the notice nor, if later, than the date when a substitute Agent has been appointed).

Resignation

Each of the Agents may resign from its appointment under the Cash Allocation, Management and Payment Agreement, upon giving not less than three months (or such shorter period as the Representative of the Noteholders may agree) prior written notice of termination to the Representative of the Noteholders, the Issuer and the other Parties. Such resignation will be subject to and conditional upon, *inter alia*, a substitute Computation Agent, Principal Paying Agent, Cash Manager and Account Bank, as the case may be, being appointed by the Issuer, with the prior written approval of the Representative of the Noteholders, on substantially the same terms as those set out in this Agreement. Neither the Computation Agent, the Principal Paying Agent, the Cash Manager and the Account Bank, as the case may be, shall be released from its obligations under the Cash Allocation, Management and Payment Agreement until such substitute Computation Agent, Principal Paying Agent, Cash Manager and Account Bank, as the case may be, has entered into such new agreement and it has undertaken to adhere to the Intercreditor Agreement.

Termination Notice

The Issuer may, subject to the prior written approval of the Representative of the Noteholders, terminate the appointment of any of the Computation Agent, the Principal Paying Agent, the Cash Manager and the Account Bank under the Cash Allocation, Management and Payment Agreement in any circumstances (whether or not a Default Event has occurred) by giving three months prior written notice of such termination to any of the Computation Agent, the Principal Paying Agent, the Cash Manager and the Account Bank, provided that (for so long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require) the Issuer at all times maintains a paying agent with a specified office in Luxembourg. In the event of such termination of the appointment, the Computation Agent, the Principal Paying Agent, the Cash Manager and the Account Bank shall have no right of compensation or to damages, notwithstanding their right to be paid any fees that may be owed to them up until the date on which they provide their service under the Transaction Documents.

Governing Law

The Cash Allocation, Management and Payment Agreement is governed by and shall be construed in accordance with Italian law.

DESCRIPTION OF THE INTERCREDITOR AGREEMENT

The description of the Intercreditor Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Intercreditor Agreement. Prospective Noteholders may inspect a copy of the Intercreditor Agreement at the registered office of each of the Representative of the Noteholders.

General

On the Signing Date, the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Originator, the Servicer, the Hedging Counterparty, the Account Bank, the Principal Paying Agent, the Cash Manager, the Corporate Servicer, the Liquidity Provider and the Computation Agent have entered into the Intercreditor Agreement, pursuant to which provision is made as to the application of the proceeds from Collections and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

The Intercreditor Agreement also sets out, *inter alia*, the Priority of Payments to be followed by the Issuer in connection with the Securitisation.

The obligations owed by the Issuer to each of the Other Issuer Creditors, including without limitation, the obligations under any Transaction Document to which such Other Issuer Creditor is a party, will be limited recourse obligations of the Issuer. Each of the Other Issuer Creditors will have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Under the terms of the Intercreditor Agreement each Party (other than the Issuer and the Representative of the Noteholders) agreed, *inter alia*, that, until the date falling two years after the date on which all the Notes have been redeemed in full or cancelled, none of the Parties (nor any person on their behalf, other than the Representative of the Noteholders where appropriate) is entitled to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer.

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, upon the service of a Trigger Notice, to comply with all directions of the Representative of the Noteholders, acting pursuant to the Terms and Conditions, in relation to the management and administration of the Portfolio.

Disposal of the Portfolio upon Trigger Event

Following the delivery of a Trigger Notice, the Issuer may (with the prior consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding) direct the Issuer to dispose of the Portfolio if:

- (a) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the Senior Noteholders and amounts ranking in priority thereto or *pari passu* therewith or, if such amount would not be realised, a certificate issued by a reputable bank or financial institution stating that the purchase price for the Portfolio is adequate (based upon such bank or financial institution's evaluation of the Portfolio) has been obtained by the Issuer or by the Representative of the Noteholders;

- (b) the relevant purchaser has obtained all the necessary approvals and authorisations;
- (c) the relevant purchaser has produced:
 - (i) a certificate signed by its legal representative or chief operating officer stating that such purchaser is solvent;
 - (ii) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the competent Companies Register and dated not more than thirty days before the date on which the Portfolio will be disposed; and
 - (iii) evidence of its solvency satisfactory to the Representative of the Noteholder.

Disposal of the Portfolio following the occurrence of a Tax Event

Following the occurrence of a Tax Event and in accordance with the Terms and Conditions, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding) direct the Issuer to, dispose of the Portfolio or any part thereof to finance the early redemption of the relevant Notes under Condition 6.4 (*Redemption for tax reasons*) if:

- (a) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the holders of the Affected Notes or the Senior Noteholders, as the case may be, and amounts ranking in priority thereto or *pari passu* therewith;
- (b) the relevant purchaser has obtained all the necessary approvals and authorisations; and
- (c) the relevant purchaser has produced evidence of its solvency satisfactory to the Representative of the Noteholders.

Option on the Portfolio in favour of Originator

Under the Intercreditor Agreement, the Issuer has irrevocably granted to the Originator an option, pursuant to Article 1331 of the Civil Code, to repurchase (in whole but not in part) the Portfolio then outstanding on any Payment Date falling in or after the Initial Amortisation Date if (i) on any such Payment Date the aggregate of the Outstanding Principal of the Portfolio is equal to or less than 10% of the Outstanding Principal of the Portfolio as at the Valuation Date, or if this is not the case, (ii) a Written Resolution of the Noteholders pursuant to article 23 of the Rules of the Organisation of the Noteholders authorising the disposal has been taken.

The Originator will be entitled to exercise the Option provided that the sum of the purchase price of the Receivables plus any available amount of the Issuer, is at least equal to the amount needed by the Issuer to discharge in full all amounts owing to the Senior Noteholders and amounts ranking in priority thereto or *pari passu* therewith pursuant to the Priority of Payments.

In order to exercise the above mentioned option the Originator shall, *inter alia*, deliver to the Issuer evidence of its solvency satisfactory to the Representative of the Noteholder.

Disposal of Receivables

Under the Intercreditor Agreement, the Originator shall have the right to make offers to repurchase individual Receivables comprised in the Portfolio to the extent that the proposed purchase price is not lower than an offer to repurchase Receivables comprised in the Portfolio to the extent that (i) in case of Receivables which are not Delinquent Receivables for longer than 90 days or Defaulted Receivables, the purchase price is equal to the Outstanding Principal plus the Accrued Interest as of the date of the relevant disposal, net of the relevant Allowance (if any) as of the date of the relevant disposal or, (ii) in case of Delinquent Receivables, which have been delinquent for longer than 90 days, the purchase price is equal to their fair market value as determined by the Originator and approved by the Representative of the Noteholders or an independent third party, or (iii) in case of Defaulted Receivables the purchase price is determined by and independent third party.

Such Receivables shall be repurchased by the Originator only in extraordinary circumstances and in order to avoid that any of clients of the Originator which are also Debtors are treated unfavourably in respect of other clients of the Originator, provided that in any case the Originator is entitled to repurchase Receivables up to amount in aggregate equal to 5% of the Portfolio as of the Valuation Date without the prior consent of the Representative of the Noteholders. Should the Originator intend to repurchase Receivables for an aggregate amount exceeding 5% of the Portfolio as of the Valuation Date, the Representative of the Noteholders prior written consent will be required.

Governing Law

The Intercreditor Agreement is governed by and shall be construed in accordance with Italian law.

DESCRIPTION OF THE SECURITY DOCUMENTS

The description of the security documents set out below is a summary of certain features of the Deed of Pledge and of the Deed of Charge and is qualified by reference to the detailed provisions of such agreement. Prospective Noteholders may inspect a copy of the Deed of Pledge and of the Deed of Charge at the registered office of each of the Representative of the Noteholders.

The Deed of Pledge

In order to ensure the segregation of and create a pledge over the rights of the Issuer arising out of certain Transaction Documents, on the Signing Date the Issuer, the Representative of the Noteholders (acting on behalf of the Noteholders and the Other Issuer Creditors) and the Account Bank entered into an Italian law Deed of Pledge.

Pursuant to the Deed of Pledge, without prejudice and in addition to any security, guarantees and other rights provided by the Securitisation Law securing the discharge of the Issuer's obligations towards the Noteholders and the Other Issuer Creditors, the Issuer (i) has pledged in favour of the Noteholders and the Other Issuer Creditors, all monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is or will be entitled to from time to time pursuant to certain Transaction Documents and (ii) has undertaken to pledge in favour of the Noteholders and the Other Issuer Creditors all the Issuer's Rights, title, interest and benefit from time to time under the Eligible Investments that will be made by the Cash Manager pursuant to the Cash Allocation, Management and Payment Agreement and all monies, property and other rights which may from time to time be distributed or derived therefrom; (iii) has undertaken to pledge in favour of the Noteholders and the Other Issuer Creditors all the Issuer's Rights the Eligible Investments; (iv) has undertaken to pledge in favour of the Noteholders and the Other Issuer Creditors all monetary claims and rights arising of the Liquidity Reserve Account if and when such account is opened.

The Deed of Pledge is governed by and shall be construed in accordance with Italian law.

The Deed of Charge

In order to ensure the segregation of and create security over the rights of the Issuer arising out of the Hedging Agreement, on the Signing Date the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors) have executed an English law Deed of Charge.

Pursuant to the Deed of Charge, without prejudice and in addition to any security, guarantees and other rights provided by the Securitisation Law securing the discharge of the Issuer's obligations towards the Issuer Creditors, the Issuer has charged in favour of the Representative of the Noteholders (for the benefit of the Noteholders and the Other Issuer Creditors) all monetary claims and rights and all the amounts to which the Issuer is or will be entitled to from time to time pursuant to the Hedging Agreement.

The Deed of Charge is governed by and shall be construed in accordance with English law

DESCRIPTION OF THE MANDATE AGREEMENT

The description of the Mandate Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Mandate Agreement. Prospective Noteholders may inspect a copy of the Mandate Agreement at the registered office of each of the Representative of the Noteholders.

General

On the Signing Date, the Issuer and the Representative of the Noteholders, have entered into the Mandate Agreement, which provides that, subject to, *inter alia*, a Trigger Notice being served upon the Issuer and upon failure by the Issuer to exercise its rights under the Transaction Documents, the Representative of the Noteholders, acting in such capacity, shall be authorised to exercise all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

Governing Law

The Mandate Agreement is governed by and shall be construed in accordance with Italian law.

DESCRIPTION OF THE HEDGING AGREEMENT

The description of the Hedging Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Hedging Agreement. Prospective Noteholders may inspect a copy of the Hedging Agreement at the registered office of each of the Representative of the Noteholders.

THE HEDGING AGREEMENT

General

In order to hedge its floating rate interest exposure in relation to the Senior Notes, the Issuer, on or about the Issue Date, will enter with the Hedging Counterparty into a hedging agreement in the form of the 1992 Master Agreement (Multicurrency – Cross Border) as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) together with a Schedule and relevant credit support annex (the “**Master Agreement**”).

On the Signing Date, the parties will enter into a swap transaction in reference to the Portfolio assigned to the Issuer by Cassa di Risparmio di Parma e Piacenza S.p.A. on 3 November 2009 and confirmed by a confirmation (each a “**Confirmation**” and together with the Master Agreement, the “**Hedging Agreement**”). Pursuant to its terms, the Issuer will on each Payment Date pay to the Hedging Counterparty an amount determined by reference to interest payments received under the Loan Agreements under the Portfolio and the Hedging Counterparty will prior to each Payment Date (the “**Hedging Payment Date**”) make payments to the Issuer determined by reference to the Notes Euribor, multiplied by the notional amount under the Hedging Agreement on such Hedging Payment Date as set out in the Confirmation and further multiplied by the day count convention.

The Issuer opened with the Account Bank a Cash Collateral Account, for the deposit of the cash collateral to be posted by the Hedging Counterparty in accordance with the Hedging Agreement.

The Hedging Agreement will terminate on the Final Maturity Date unless terminated earlier in accordance with its terms.

The Master Agreement and the Confirmation entered into pursuant thereto may also be terminated in accordance with certain events of default, termination events and/or additional termination events with the issuer as the Defaulting Party.

Governing Law

The Hedging Agreement is governed and shall be construed in accordance with English law.

DESCRIPTION OF THE CORPORATE SERVICES AGREEMENT

The description of the Corporate Services Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Corporate Services Agreement. Prospective Noteholders may inspect a copy of the Corporate Services Agreement at the registered office of each of the Representative of the Noteholders.

General

Under an agreement dated as of 3 November 2009 between the Issuer and the Corporate Servicer, the Corporate Servicer has agreed to provide the Issuer with certain corporate administration and management services. These services include, *inter alia*, the safekeeping of documentation pertaining to meetings of the Issuer's quotaholders and directors, maintaining the quotaholders' register, preparing VAT and other tax and accounting records, preparing the Issuer's annual balance sheet, administering all matters relating to the taxation of the Issuer and liaising with the Representative of the Noteholders.

Governing Law

The Corporate Services Agreement is governed by and shall be construed in accordance with Italian law.

DESCRIPTION OF THE QUOTAHOLDERS' AGREEMENT

The description of the Quotaholders' Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Quotaholders' Agreement. Prospective Noteholders may inspect a copy of the Quotaholders' Agreement at the registered office of each of the Representative of the Noteholders.

General

Under a quotaholders' agreement dated as of the Signing Date, the Quotaholders have given certain undertakings to the Representative of the Noteholders in relation to the management of the Issuer and the exercise of its rights as Quotaholders of the Issuer. The Quotaholders have also agreed not to dispose of, or charge or pledge, the quotas in the Issuer without the prior written consent of the representative of the Representative of the Noteholders.

Governing Law

The Quotaholders' Agreement is governed by and shall be construed in accordance with Italian law.

DESCRIPTION OF THE LIQUIDITY AGREEMENT

The description of the Liquidity Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Liquidity Agreement. Prospective Noteholders may inspect a copy of the Liquidity Agreement at the registered office of each of the Representative of the Noteholders.

General

Pursuant to a liquidity agreement dated as of the Signing Date between the Issuer, the Liquidity Provider and the Representative of the Noteholders (the "**Liquidity Agreement**"), the Liquidity Provider will agree to make available to the Issuer (i) a 364 days automatically renewable (unless a notice of withdrawal is sent by the Liquidity Provider with a 30 Days prior to the expiry date) revolving facility in a maximum aggregate amount equal to 3.2% of the Principal Amount Outstanding of the Senior Notes and (ii) should the Liquidity Provider cease to be an eligible institution within the definition of the Liquidity Agreement or withdraw from the liquidity facility and fail to find a suitable assignee, a cash deposit in an amount equal to 3.2 % of the Principal Amount Outstanding of the Senior Notes, less outstanding Advances (the "**Liquidity Reserve Amount**").

In case the Liquidity Provider cease to be an eligible liquidity provider under the Liquidity Agreement, the Issuer has undertaken to establish with the Account Bank an account (the "**Liquidity Reserve Account**") into which the Liquidity Reserve Amount shall be paid.

The advances drawn down under the Liquidity Agreement will provide liquidity support in the event of a shortfall of the Issuer's Available Funds for application in or towards payment of all amounts due to be paid by the Issuer as Interest Payment Amount on any Interest Payment falling, provided that no Trigger Event under Condition has occurred

Governing Law

The Liquidity Agreement is governed by and construed in accordance with Italian law.

THE ACCOUNTS

Save as otherwise provided for in the Servicing Agreement and the Cash Allocation, Management and Payment Agreement, the Issuer shall at all times maintain the following accounts:

- (a) a Euro denominated account, the "**Collection Account**" with IBAN IT66S0623012700000036718623, opened with the Account Bank for the deposit by the Servicer of all Collections in accordance with the provisions of the Cash Allocation, Management and Payment Agreement;
- (b) a Euro denominated account, the "**Payments Account**" with IBAN IT63U0623012700000036718724, opened with the Account Bank for the deposit of all amounts paid to the Issuer under any of the Transaction Documents (other than the Collections);
- (c) a Euro denominated account, the "**Principal Accumulation Account**" with IBAN IT60W0623012700000036718825, opened with the Account Bank for the deposit of the Target Amortisation Amount in respect of the Notes for a period starting on the Issue Date and ending on the Initial Amortisation Date. Following such period any amount standing to the credit of the Principal Accumulation Account (if any) will be transferred to the Payment Account and the Principal Accumulation Account will be closed;
- (d) (i) a securities account, the "**First Securities Account**" with no. 4788624, opened with the Account Bank for the deposit of the bonds, debentures or other kinds of notes or financial instruments purchased with the monies standing to the credit of the Collection Account;
- (d) (ii) a securities account, the "**Second Securities Account**" (and together with the First Securities Account, the "**Securities Accounts**") with no. 4788626, opened with the Account Bank for the deposit of the bonds, debentures or other kinds of notes or financial instruments purchased with the monies standing to the credit of the Principal Accumulation Account;
- (e) a Euro denominated account, the "**Expense Account**" with IBAN IT57Y0623012700000036718926, opened with the Account Bank, for the deposit of the Retention Amount and out of which the Expenses will be paid during each Semiannual Collection Period
- (f) a Euro denominated account, the "**Cash Collateral Account**" with IBAN IT73I0623012700000036731454, for the deposit of the cash collateral to be posted by the Hedging Counterparty in accordance with the Hedging Agreement;
- (g) Euro denominated account, the "**Liquidity Reserve Account**" with IBAN IT22S0623012700000036719027, for the deposit of the Liquidity Reserve Amount.

The Collection Account, the Payments Account and the Principal Accumulation Account are, collectively, referred to as the "**Eligible Accounts**". The Eligible Account, the Cash Collateral Account, the Liquidity Reserve Account, the Expense Account and the Securities Accounts are, collectively, referred to as the "**Accounts**".

The Account Bank will be required at all times to be deemed an eligible institution pursuant to the Cash Allocation, Management and Payment Agreement. In case the Account Bank will no longer be deemed an eligible institution pursuant to the Cash Allocation, Management and Payment Agreement, the Accounts will be transferred to an Eligible Institution within thirty Business Days from the date on which the Account Bank ceases to be deemed an eligible institution pursuant to the Cash Allocation, Management and Payment Agreement.

EXPECTED AVERAGE LIFE OF THE SENIOR NOTES

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security. The weighted average life of the Senior Notes will be influenced by, *inter alia*, the actual rate of collection of the Receivables.

Calculations as to the weighted average life and the expected maturity of the Senior Notes can be made on the basis of certain assumptions, including the rate at which the Receivables are prepaid, the amount of the Defaulted Receivables, the amount and timing of recoveries made by the Servicer and whether the Issuer exercises its option for an early redemption of the Notes.

The weighted average life of the Senior Notes based on the characteristics of the Receivables included in the Portfolio, on historical performance and on the following additional assumptions (the "**Modelling Assumptions**"):

- (i) no Trigger Event occurs in respect to the Notes; and
- (ii) repayment of principal under the Senior Notes occurs from the Payment Date falling on 31 July 2011; and
- (iii) the Receivables are prepaid at a constant prepayment rate of 10%
- (iv) the Optional Redemption is exercised under Condition 6.3 (*Redemption, Purchase and Cancellation - Optional Redemption*); and
- (v) no event under Condition 6.4 *Redemption, Purchase and Cancellation – Redemption for tax reasons*) occurs; and
- (vi) EURIBOR is constant during the life of the transaction and is equal to 1%; and
- (vii) the Instalments will not be reduced and the term of the Loans are not extended; and
- (viii) there are no Defaulted Receivables or Delinquent Receivables,

is equal to 4.89%.

The actual characteristics and performance of the Receivables are likely to differ from the assumptions used in constructing the table set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Receivables will cause the weighted average life and the expected maturity of the Senior Notes to differ (which difference could be material) from the corresponding information in the following table.

TERMS AND CONDITIONS OF THE SENIOR NOTES

The following is the text of the terms and conditions of the Senior Notes (the "Senior Notes Conditions"). In these Senior Notes Conditions, references to the "holder" of a Senior Note or to the "Senior Noteholders" are to the ultimate owners of the Senior Notes, issued in bearer form and dematerialised and evidenced as book entries with Monte Titoli S.p.A. ("Monte Titoli") in accordance with the provisions of (i) Article 28 of Decree No. 213 and (ii) the Resolution of 22 February 2008 jointly issued by CONSOB and Bank of Italy (named "Disciplina dei servizi di gestione accentrata, di liquidazione, dei sistemi di garanzia e delle relative società di gestione") containing rules on custody, clearing and settlement (as amended and supplemented from time to time). The Senior Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Noteholders.

INTRODUCTION

The 3,945,400,000.00 Class A Asset Backed Floating Rate Notes due 2058 (the "**Senior Notes**") and the € 390,256,126 Class J Asset Backed Notes due 2058 (the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**") have been issued by MondoMutui Cariparma S.r.l. (the "**Issuer**") on 11 November 2009 (the "**Issue Date**") to finance the purchase of a portfolio of residential mortgage loan receivables and related rights from Cassa di Risparmio di Parma e Piacenza S.p.A. (the "**Originator**" or "**Cariparma**").

The principal source of payment of interest and of repayment of principal on the Notes will be collections made in respect of a portfolio of monetary claims and related rights (the "**Receivables**" or the "**Portfolio**") arising out of residential mortgage loan agreements (the "**Loan Agreements**"). The Portfolio has been purchased by the Issuer from the Originator pursuant to a transfer agreement entered into on 3 November 2009 (the "**Transfer Agreement**").

The Portfolio will be segregated from all other assets of the Issuer by operation of Law No. 130 of 30 April 1999, as amended and supplemented from time to time (the "**Securitisation Law**") and amounts deriving therefrom will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to pay costs, fees or expenses due to the Other Issuer Creditors under the Transaction Documents (each as defined below) and to pay any other creditor of the Issuer in respect of costs, fees or expenses of the Issuer to such other creditor in relation to the securitisation of the Receivables made by the Issuer through the issuance of the Notes (the "**Securitisation**"). Amounts deriving from the Portfolio will not be available to any other creditor of the Issuer.

By a subscription agreement dated the Signing Date (the "**Senior Notes Subscription Agreement**", which expression includes such subscription agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between the Issuer, Cariparma, as Originator, CACEIS Bank Luxembourg, as representative of the Noteholders (the "**Representative of the Noteholders**") Cariparma as Senior Notes Subscriber has agreed to subscribe for the Senior Notes and subject to the terms and conditions set out thereunder.

By a further subscription agreement dated the Signing Date (the "**Junior Notes Subscription Agreement**", which expression includes such subscription agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified and, together with the Senior

Notes Subscription Agreement, the "**Subscription Agreements**") between the Issuer, Cariparma and the Representative of the Noteholders, Cariparma has agreed to subscribe for the Class J Notes.

By a warranty and indemnity agreement entered into on 3 November 2009 (the "**Warranty and Indemnity Agreement**", which expression includes such warranty and indemnity agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between the Issuer and the Originator, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Portfolio.

By a servicing agreement entered into on 3 November 2009 (the "**Servicing Agreement**", which expression includes such servicing agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between the Issuer and Cariparma, as servicer (the "**Servicer**"), Cariparma has agreed to administer, service and collect amounts in respect of the Portfolio on behalf of the Issuer. Cariparma will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law and will be responsible for ensuring that such operations comply with the law and this Offering Circular.

By a corporate services agreement dated as of 3 November 2009 (the "**Corporate Services Agreement**", which expression includes such corporate services agreement as from time to time modified in accordance with the provision therein contained and any deed or document expressed to be supplemental thereto, as from time to time modified), between Zenith Services S.p.A., as corporate servicer (the "**Corporate Servicer**") and the Issuer, the Corporate Servicer has agreed to provide to the Issuer with certain services in relation to the management of the Issuer.

By a cash allocation, management and payment agreement dated the Signing Date (the "**Cash Allocation, Management and Payment Agreement**", which expression includes such cash allocation, management and payment agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between the Issuer, the Representative of the Noteholders, the Corporate Servicer, Calyon, Milan Branch as computation agent (the "**Computation Agent**") and as principal paying agent (the "**Principal Paying Agent**"), Cariparma and as account bank (the "**Account bank**") and as cash manager (the "**Cash Manager**") and as Servicer, the Computation Agent, the Principal Paying Agent, the Account Bank and the Cash Manager have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling and cash management services in relation to monies and securities from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payment Agreement also contains provisions for, *inter alia*, the payment of principal and interest in respect of the Notes.

By a mandate agreement dated as of the Signing Date (the "**Monte Titoli Mandate Agreement**", which expression includes such mandate agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between the Issuer and Monte Titoli S.p.A.

("Monte Titoli"), Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Notes.

By an intercreditor agreement dated the Signing Date (the "**Intercreditor Agreement**", which expression includes such intercreditor agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between the Issuer, the Originator, the Representative of the Noteholders, the Corporate Servicer, the Servicer, the Computation Agent, the Account Bank, the Cash Manager, the Principal Paying Agent, the Liquidity Provider and the Hedging Counterparty, provision is made as to the application of funds received by the Issuer as collections or pursuant to the Transaction Documents according to the Priority of Payments and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

By a hedging agreement dated the Signing Date (the "**Hedging Agreement**", which expression includes such hedging agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between the Issuer and Cariparma as hedging counterparty (the "**Hedging Counterparty**"), the Hedging Counterparty has agreed to hedge the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Senior Notes.

By an Italian law deed of pledge dated the Signing Date (the "**Deed of Pledge**"), which expression includes such deed of pledge as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between, *inter alia*, the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and the Other Issuer Creditors), the Issuer (i) has pledged, in favour of the Noteholders and the Other Issuer Creditors, all monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which it is entitled pursuant or in relation to certain Transaction Documents to which the Issuer is a party and (ii) has undertaken to pledge in favour of the Noteholders and of the Other Issuer Creditors any Eligible Investment; (iii) has undertaken to pledge in favour of the Noteholders and the Other Issuer Creditors all the Issuer's Rights the Eligible Investments.

By an English law deed of charge dated the Signing Date (the "**Deed of Charge**", which expression includes such deed of charge as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and the Other Issuer Creditors), the Issuer has charged, in favour of the Noteholders and the Other Issuer Creditors, all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is or will be entitled to from time to time pursuant to the Hedging Agreement.

By a mandate agreement dated the Signing Date (the "**Mandate Agreement**", which expression includes such mandate agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between the Issuer and the Representative of the

Noteholders, the Representative of the Noteholders shall, subject to a Trigger Notice being served or following failure by the Issuer to exercise its rights under the Transaction Documents, be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

By a quotaholders' agreement entered into on the Signing Date (the "**Quotaholders' Agreement**"), which expression includes such quotaholders' agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between Cariparma, Structured Finance Management – Italy S.r.l. and Stichting Pavia (the "**Quotaholders**"), certain rules have been set forth in relation to the management of the Issuer.

Under a liquidity agreement entered into on the Signing Date (the "**Liquidity Agreement**") between Cariparma as liquidity provider (the "**Liquidity Provider**"), the Issuer and the Representative of the Noteholders, the Liquidity Provider has agreed to make available to the Issuer (i) a revolving facility in a maximum aggregate amount equal to 3.2 % of the Principal Amount Outstanding of the Senior Notes and (ii) should the Liquidity Provider cease to be an eligible liquidity provider pursuant to the provision of the Liquidity Agreement or fail to renew the liquidity facility and fails to find an eligible successor liquidity provider, a cash deposit in an amount equal to 3.2 % of the Principal Outstanding, less outstanding Advances (the "**Liquidity Reserve Amount**").

By a master definitions agreement dated the Signing Date (the "**Master Definitions Agreement**"), which expression includes such master definitions agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified) between all the parties to each of the Transaction Documents, the definitions of certain terms used in the Transaction Documents have been set forth.

These Senior Notes Conditions include summaries of, and are subject to, the detailed provisions of this Offering Circular, the Transfer Agreement, the Subscriptionj Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Corporate Services Agreement, the Cash Allocation, Management and Payment Agreement, the Intercreditor Agreement, the Hedging Agreement, the Deed of Pledge, the Deed of Charge, the Mandate Agreement, the Quotaholders' Agreement and the Master Definitions Agreement (together, the "**Transaction Documents**"). Copies of the Transaction Documents are available for inspection during normal business hours at the office of the Representative of the Noteholders, being, as at the Issue Date, 5 Allée Scheffer, L-2520 Luxembourg.

The rights and powers of the Senior Noteholders, and the Junior Noteholders (together the "**Noteholders**") may only be exercised in accordance with the rules of organisation of Noteholders (respectively, the "**Rules of Organisation of Noteholders**" and the "**Organisation of Noteholders**") which are attached to these Senior Notes Conditions as Exhibit and are deemed to form part of these Senior Notes Conditions.

INTERPRETATION

Unless otherwise defined in these Senior Notes Conditions, words and expressions used in these Senior Notes Conditions have the meanings and constructions ascribed to them in the Glossary to the Offering Circular.

In these Senior Notes Conditions the following expressions shall, except where the context otherwise requires and save where defined therein, have the following meanings:

"Account" means any one of the Eligible Accounts, the Expense Account, the Liquidity Reserve Account, the Cash Collateral Account and the Securities Accounts, and **"Accounts"** means any one or all of them (as the case may be).

"Account Bank" means Cassa di Risparmio di Parma e Piacenza S.p.A. or any other person acting as account bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Account Bank Report" means the monthly report setting out certain information with reference to each month, in respect of the amounts standing to the credit of each of the Eligible Accounts, the interest accrued thereon and taxes accrued and paid.

"Account Bank Report Date" means the tenth day of each month or, if such day is not a Business Day, the immediately following Business Day.

"Accrued Interest" means, as of any relevant date and in relation to any Receivable, the portion of the Interest Instalment falling due on the next Scheduled Instalment Date, accrued and not paid, as at that date.

"Adjustment Purchase Price" means in relation to any Receivable transferred to the Issuer pursuant to the Transfer Agreement, an amount calculated pursuant to, and in the circumstances referred to in, Clause 6 of the Transfer Agreement.

"Advances" means any advance of liquidity drawn by the Issuer pursuant to the Liquidity Agreement, including amounts drawn from the Liquidity Reserve Account.

"Agents" means, collectively, the Computation Agent and the Principal Paying Agent.

"Arranger" means Calyon, Milan Branch.

"Article 65" means Article 65 of the Italian Bankruptcy Law.

"Bank of Italy Supervisory Regulations" means the Supervisory Regulations for the Banks and/or the Supervisory Regulations for Financial Intermediaries, as the case may be.

"Business Day" means any day on which the banks are opened for business in Parma, Milan, Paris and Luxembourg and Trans-European Automated Real Time Gross Transfer System (TARGET) (or any successor thereto) is open.

"CACEIS Bank Luxembourg" means Caceis Bank Luxembourg, 5 Allée Scheffer, L -2520 Grand Duchy of Luxembourg.

"Calculation Date" means the seventh Business Day after each Semiannual Servicer's Report Date .

"CALYON" means CALYON S.A., a *société anonyme* incorporated under the laws of France, having its registered office in 9 Quai du Président Doumer, 92920 Paris La Défense, France.

"CALYON, Milan Branch" means CALYON S.A., a *société anonyme* incorporated under the laws of France, having its registered office in 9 Quai du Président Doumer, 92920 Paris La Défense, France, enrolled under number 304 187 701 in the *Registre du Commerce et des Sociétés du Nanterre*, acting through its Milan branch, with offices in Via Brera, 21, 20121 Milan, Italy, duly and enrolled under number 5276 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

"Cancellation Date" means the earlier of: (i) the date on which the Notes have been redeemed in full, (ii) the Final Maturity Date and (iii) the date on which the Representative of the Noteholders has certified to the Issuer and the relevant Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Portfolio being available to the Issuer.

"Cariparma" means Cassa di Risparmio di Parma e Piacenza S.p.A. a bank incorporated under the laws of Italy, with registered seat in via Università 1, 43100 Parma, Italy, registered with the Companies' Register of Parma under no. 02113530345, and with the Albo delle Banche held by Banca d'Italia under article 13 of the Consolidated Banking Act with no. 5435, Leading bank of the Gruppo Bancario Cariparma Friuladria and subject to the "*attività di Direzione e Coordinamento*" by Crédit Agricole S.A..

"Cash Allocation Management and Payment Agreement" means the cash allocation management and payment agreement executed on the Signing Date between, *inter alios*, the Issuer, the Computation Agent, the Account Bank, the Cash Manager and the Principal Paying Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

Cash Collateral Account means the Euro denominated account with IBAN IT73I0623012700000036731454 established in the name of the Issuer with the Account Bank for the deposit of the cash collateral to be posted by the Hedging Counterparty in accordance with the Hedging Agreement;

"Cash Manager" means Cassa di Risparmio di Parma e Piacenza S.p.A. or any other person acting as cash manager pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Clearstream" means Clearstream Banking, *société anonyme*.

"Collateral Portfolio" means, on a given date, the aggregate of all Receivables owned by the Issuer which are not Defaulted Receivables as of that date, comprised in the Portfolio.

"Collateral Portfolio Outstanding Principal" means the sum of the Outstanding Principal of all the Receivables comprised in the Collateral Portfolio.

"Collateral Security" means the Guarantees and the Mortgages.

"Collected Insurance Premia" means the Insurance Premia accrued and paid by each relevant Debtor during the relevant Semiannual Collection Period.

"Collection Account" means the Euro denominated Account with IBAN IT66S0623012700000036718623 established in the name of the Issuer with the Account Bank for

the deposit of all the Collections from time to time received or recovered in respect of the Portfolio by the Servicer in accordance with the provisions of the Servicing Agreement and the Cash Allocation, Management and Payment Agreement.

"Collection Period" means the Quarterly Collection Period or the Semiannual Collection Period as the case may be.

"Collections" means all amounts received by the Servicer in respect of the Receivables.

"Collateral Transfer Amount" means:

- (i) if the Collateral Transfer Date falls on an Early Termination Date, a portion of the Collateral Amounts equal to the Exposure (as defined in the Hedging Agreement) of the Issuer vis-à-vis the Hedging Counterparty under the Hedging Agreement; or
- (ii) if the Collateral Transfer Date falls on a date on which a Hedging Counterparty Default occurs, a portion of the Collateral Amounts equal to the amounts due but not paid by the Hedging Counterparty as a result of such Hedging Counterparty Default.

"Collateral Transfer Date" means:

- (i) any Early Termination Date (as defined in the Hedging Agreement); or
- (ii) any date on which a Hedging Counterparty Default has occurred, if a Payment Date falls on or prior to the relevant Early Termination Date.

"Computation Agent" means Calyon Milan Branch or any other person acting as computation agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Condition" means a condition of the Senior Notes Conditions and/or the Junior Conditions as the context may require.

"Confirmation" means the confirmation between the Hedging Counterparty and the Issuer evidencing the terms of the transactions under the Hedging Agreement.

"CONSOB" means *Commissione Nazionale per le Società e la Borsa*.

"Consolidated Banking Act" means Legislative Decree No. 385 of 1 September 1993, as subsequently amended and supplemented from time to time.

"Consolidated Financial Act" means the Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented from time to time.

"Corporate Servicer" means Zenith Services S.p.A. or any other person acting as corporate servicer pursuant to the Corporate Services Agreement from time to time.

"Corporate Services Agreement" means the corporate services agreement executed on 3 November 2009 between the Issuer and the Corporate Servicer.

"Credit and Collections Policies" means the procedures for the management, collection and recovery of Receivables attached as Schedule A to the Servicing Agreement.

"Criteria" means the objective criteria for the identification of the Receivables specified in Schedule A of the Transfer Agreement and described in section *"The Portfolio"* above.

"Debtor" means any borrower and any other person or entity who or which entered into a Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due under a Loan Agreement, as a consequence of having granted any Guarantee to Cariparma or having assumed the borrower's obligation under an assumption (*accollo*), or otherwise.

"Decree No. 213" means Italian Legislative Decree No. 213 of 24 June 1998, as amended and supplemented from time to time.

"Decree No. 239" means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time and any related regulations.

"Decree 239 Deduction" means any withholding or deduction for or on account of *"imposta sostitutiva"* under Decree No. 239.

"Decree No. 350" means Italian Law Decree No. 350 of 25 September 2001, converted into law with amendments by Law No. 409 of 23 November 2001, as amended and supplemented from time to time.

"Decree No. 351" means Italian Law Decree No. 351 of 25 September 2001, as amended and supplemented from time to time.

"Decree No. 435" means Italian Legislative Decree No. 435 of 21 November 1997, as amended and supplemented from time to time.

"Deed of Charge" means the English law deed of charge executed on the Signing Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto.

"Deed of Pledge" means the Italian law deed of pledge executed on the Signing Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto.

"Defaulted Receivables" means any Receivables where either (A) (i) 2 yearly instalments in respect of the Loans are past due and unpaid (ii) 3 semi-annual instalments in respect of the Loans are past due and unpaid or (iii) 4 quarterly instalments in respect of the Loans are past due and unpaid or (iv) 9 monthly instalments in respect of the Loans are past due and unpaid or (B) the relevant Debtor has been classified as being *"in sofferenza"* by the Servicer in accordance with the Collection Policies.

"Defaulting Party" has the meaning ascribed to it in the Hedging Agreement.

"Delinquent Instalment" means an Instalment which remains unpaid by the Debtor after the Scheduled Instalment Date.

"Delinquent Receivables" means any Receivable which is not a Defaulted Receivable and with respect to which there is one or more Delinquent Instalment(s).

"ECOFIN" means the EU Council of Economic and Finance Ministers.

"Eligible Account" means each of the Principal Accumulation Account, the Collection Account, and the Payments Account and **"Eligible Accounts"** means all of them.

"Eligible Institution" means a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America, whose short-term unsecured and unsubordinated debt obligations are rated at least P-1 by Moody's or (ii) whose obligations under the Transaction Documents to which it is a party are guaranteed, provided that Moody's has been notified thereof, by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America, whose short-term, unsecured and unsubordinated debt obligations are rated at least P-1 by Moody's or such other rating as may be acceptable to the Rating Agency.

"Eligible Investments" means any senior, unsubordinated debt security, investment, commercial paper, deposit or other instrument which shall be denominated in Euro; and (except in the case of deposit) is in the form of (i) bonds, notes, commercial paper or other financial instruments having a rating from Moody's of "P-1/Aa3" with a maturity date falling not later than the next succeeding Eligible Investment Maturity Date or "P-1/A1" from Moody's with a maturity date lower than 3 months and falling not later than the next succeeding Eligible Investment Maturity Date or "P-1/A2" from Moody's with a maturity date lower than 1 month and falling not later than the next succeeding Eligible Investment Maturity Date and/or (ii) open ended liquidity funds denominated in Euro having a rating of "Aaa/MR1" from Moody's provided that in any event, any account, deposit, instrument or fund which consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives shall be excluded.

"Eligible Investments Maturity Date" means each day falling the second Business Day immediately preceding each Payment Date.

"EMU" means the European Economic and Monetary Union pursuant to the Treaty establishing the European Communities.

"EURIBOR" means:

- (a) (i) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable for 6 (six) months Euro deposits which appears on Reuters page EURIBOR01 (except in respect of the First Interest Period, where an interpolated interest rate based on interest rates for 8 (eight) and 9 (nine) months deposits in Euro, rounded up at the third decimal point, which appear on Reuters pages EURIBOR01 will apply) and (ii) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on the Reuters page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as determined by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or

- (b) such other page as may replace Reuters page EURIBOR01 (or such other page referred to under (a)(ii) above) on that service for the purpose of displaying such information; or
- (c) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the Reuters page EURIBOR01 (or such other page referred to under (a)(ii) above) (the "**Screen Rate**") at or about 11.00 a.m. (Brussels time) on the Interest Determination Date; or
- (d) if the Screen Rate is unavailable at such time for 6 (six) months (or such other period referred to under (a)(ii) above) Euro deposits, then the rate of interest for the relevant Interest Period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Principal Paying Agent at its request and notified by the latter to the Computation Agent by each of the Reference Banks as the rate at which 6 (six) months (or such other period referred to under (a)(ii) above) Euro deposits in a similar representative amount are offered by that Reference Bank to leading banks in the Euro-zone inter-bank market at or about 11.00 a.m. (Brussels time) on that date; or
- (e) if on any Interest Determination Date, the Screen Rate is unavailable and only 2 (two) of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate of interest shall be determined in the manner specified in (d) above, on the basis of the offered quotations of those Reference Banks providing such quotations; or
- (f) if, on any Interest Determination Date, the Screen Rate is unavailable and only one of the Reference Banks provides the Principal Paying Agent with an offered quotation, the rate of interest for the relevant Interest Period shall be the EURIBOR in effect for the immediately preceding Interest Period to which either sub-paragraph (a) or (b) above shall have applied.

"**Euro**", "**€**" and "**cents**" refer to the single currency introduced in the Member States of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**European Union Insolvency Regulation**" means European Council Regulation (EC) No. 1346 of 29 May 2000 on insolvency proceeding, as amended and supplemented from time to time.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

"**Expense Account**" means the account established by the Issuer with IBAN IT57Y0623012700000036718926, into which the Retention Amount shall be credited and out of which the Expenses will be paid during each Semiannual Collection Period.

"**Expenses**" means any documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation, and any other documented costs and expenses required to be

paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

"**Expert**" means an internationally recognised accountancy or a legal firm or a company with expertise in the recovery of claims, in each case selected by the Issuer.

"**External Auditor**" means a firm of internationally recognised auditors appointed to produce a report in respect of the data provided by the Servicer in the Semiannual Servicer's Report of June of each calendar year.

"**Extraordinary Resolution**" means a resolution passed at a Meeting of the relevant Noteholders, duly convened and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders, by a majority of not less than three quarters of the votes cast.

"**Final Maturity Date**" means the Payment Date falling in January 2058.

"**First Payment Date**" means the Payment Date falling on 30 July 2010.

"**First Securities Account**" means the account established in the name of the Issuer with the Account Bank with No. 4788624, opened with the Account Bank for the deposit of the bonds, debentures or other kinds of notes or financial instruments purchased with the monies standing to the credit of the Collection Account.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**Guarantee**" means any guarantee (but does not include any Mortgages), given to the Originator guaranteeing the repayment of the Receivables.

"**Guarantor**" means any person, other than a Mortgagor, who has granted a Guarantee.

"**Hedging Agreement**" means the hedging agreement dated the Signing Date between the Issuer and the Hedging Counterparty, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Hedging Counterparty**" means Cariparma or any other person acting as hedging counterparty pursuant to the Hedging Agreement from time to time.

"**Holder**" of a Note means the beneficial owner of a Note.

"**Individual Purchase Price**" means the price of the Receivables relating to each Loan, as indicated in Schedule B of the Transfer Agreement, with the aggregate of the Individual Purchase Prices being equal to the Purchase Price.

"**Initial Amortisation Date**" means the first Payment Date falling at least 18 months plus one day or more after the Issue Date.

"**Initial Interest Period**" means the first Interest Period, that shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

"**Insolvency Event**" means in respect of any company or corporation that:

- (a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or
- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (c) such company or corporation takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or
- (d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under Article 2484 of the Italian civil code occurs with respect to such company or corporation.

"Instalment" means with respect to each Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

"Insurance Policy" means an insurance policy taken out in relation to a Real Estate Asset and the related Loan.

"Insurance Premia" means any amount to be paid as insurance premia under an Insurance Policy.

"Intercreditor Agreement" means the agreement executed on the Signing Date between, *inter alios*, the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders) the Originator, the Servicer, the Account Bank, the Cash Manager, the Hedging Counterparty, the Corporate Servicer, the Principal Paying Agent and the Computation Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Interest Determination Date" means, with respect to the Initial Interest Period, the date falling two Business Days prior to the Issue Date and with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

"Interest Instalment" means, the interest component of each Instalment.

"Interest Payment Amount" has the meaning given to it in Condition 5.3 (*Interest - Determination of Rates of Interest and Calculation of Interest Payments*).

"Interest Period" means each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

"Investors Report" means the semiannual report issued by the Computation Agent on the Investors Report Date, setting out certain information with respect to the Senior Notes.

"Investors Report Date" means the seventh Business Day after each Semiannual Servicer's Report Date.

"ISDA" means the International Swaps and Derivatives Association, Inc.

"Issue Date" means 11 November 2009.

"Issue Price" means the following percentages of the principal amount of the Notes at which the Notes will be issued:

| Class | Issue Price |
|--------|---------------|
| Senior | 100 per cent; |
| Junior | 100 per cent; |

"Issuer" means MondoMutui Cariparma S.r.l. a limited liability company incorporated under Securitisation Law, with registered seat in Milan, Corso Monforte No. 36, fiscal code and registration number with the Companies Register of Milan 05783320962, registered under No. 39725 of the Elenco Generale held by Banca d'Italia under article 106 the Consolidated Banking Act .

"Issuer Available Funds" means, in respect of any Payment Date, the aggregate of:

- (a) all Collections received in respect of the Receivables during the immediately preceding Semiannual Collection Period;
- (b) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement and the Warranty and Indemnity Agreement and credited to the Payments Account during Semiannual Collection Period immediately preceding the relevant Payment Date;
- (c) all the proceeds deriving from the sale, if any, of the Portfolio and enforcement of the Issuer's Rights during Semiannual Collection Period immediately preceding the relevant Payment Date;

- (d) all amounts of interest accrued and paid on the Collection Account, the Payments Account and the Principal Accumulation Account during the Semiannual Collection Period immediately preceding the relevant Payment Date;
- (e) all amounts deriving from the Eligible Investments made under the terms of the Cash Allocation, Management and Payment Agreement due to be paid on the Eligible Investments Maturity Date immediately prior to the relevant Payment Date;
- (f) all amounts due and paid to the Issuer under the terms of the Hedging Agreement on such Payment Date and any funds paid to the Issuer by the Hedging Counterparty;
- (g) any Advances drawn by the Issuer pursuant to the Liquidity Agreement on such Payment Date;
- (h) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Semiannual Collection Period;
- (i) any and all other amounts standing to the credit of the Collection Account, the Payments Account and the Principal Accumulation Account following the payments required to be made from such accounts on the immediately preceding Payment Date.

"Issuer Creditors" means (i) the Noteholders; (ii) the Other Issuer Creditors; and (iii) any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Securitisation and to the corporate existence and good standing of the Issuer according to the applicable laws and legislation.

"Issuer's Rights" mean the Issuer's rights under the Transaction Documents.

"IRAP" means the regional tax on productive activities at a rate of 4.25 per cent.

"IRES" means *imposta sul reddito delle società* applied on the corporate taxable income.

"Italian Bankruptcy Law" means Italian Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented from time to time.

"Italy" means the Republic of Italy.

"Junior Noteholder" means the Holder of a Junior Note and **"Junior Noteholders"** means all of them.

"Junior Notes" means the € 390,256,126.00 Asset Backed Notes due 2058.

"Junior Notes Conditions" means the terms and conditions of the Junior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto.

"Junior Interest Payment Amount" means the amount of interest payable on the Junior Notes on each Payment Date as determined by the Principal Paying Agent.

"Junior Notes Subscription Agreement" means the subscription agreement in relation to the Junior Notes executed on the Signing Date between the Originator, as subscriber, the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the

provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Law No. 383**" means Italian Law No. 383 of 18 October 2001, as subsequently amended and supplemented from time to time.

"**Liquidity Reserve Account**" means the Euro denominated account, with IBAN IT22S0623012700000036719027, established in the name of the Issuer with the Account Bank for the deposit of the Liquidity Reserve Amount.

"**Listing Agent**" means Caceis Bank Luxembourg.

"**Loan Agreements**" means the land mortgage loan agreements pursuant to which the Loans have been granted.

"**Loans**" means all loans granted by Cariparma to a borrower and secured by a mortgage, which qualifies as a *mutuo fondiario* for the purposes of Italian law and regulations in force as at the Transfer Date, the receivables in respect of which have been transferred by Cariparma to the Issuer pursuant to the Transfer Agreement.

"**Management of the Defaulted Receivables**" means any activities related to the management of the Defaulted Receivables.

"**Mandate Agreement**" means the mandate agreement executed on the Signing Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Master Definitions Agreement**" means the master definitions agreement executed on the Signing Date between all the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Meeting**" means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

"**Moody's**" means Moody's Investors Service Inc.

"**Monte Titoli**" means Monte Titoli S.p.A., a *società per azioni* incorporated and existing under Italian law, having its registered office at Via Mantenga 6, Milan.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli including any depository banks appointed by Euroclear and Clearstream.

"**Monte Titoli Mandate Agreement**" means the agreement entered into on the Signing Date between the Issuer and Monte Titoli, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Mortgages" means the mortgage securities (*ipoteche*) created on the Real Estate Assets pursuant to Italian law in order to secure claims in respect of the Receivables.

"Mortgagor" means any person, either a borrower or a third party, who has granted a Mortgage in favour of Cariparma to secure the payment or repayment of any amounts payable in respect of a Loan, and/or his/her successor in interest.

"Most Senior Noteholders" means the holders of the Notes outstanding which ranks highest in accordance with the applicable Priority of Payments.

"Noteholders" means the Holders of the Senior Notes and the Junior Notes, collectively.

"Notes" means the Senior Notes and the Junior Notes, collectively.

"Official Gazette" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"Option" means the option provided for by Clause 21.3 of the Intercreditor Agreement pursuant to Article 1331 of the Civil Code, according to which the Originator may repurchase (in whole but not in part) the Portfolio then outstanding on any Payment Date falling in or after the Initial Amortisation Date.

"Organisation of the Noteholders" means the association of the Noteholders, organized pursuant to the Rules of the Organisation of the Noteholders.

"Original Loan Amount" means the amount advanced by the Originator to the Debtor in relation to each Loan Agreement at the date of inception of such Loan Agreement.

"Originator" means Cariparma.

"Other Issuer Creditors" means the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Corporate Servicer, the Principal Paying Agent, the Cash Manager, the Account Bank, the Liquidity Provider and the Hedging Counterparty.

"Outstanding Balance" means, on any given date and in relation to any Receivable, the sum of the Outstanding Principal and the Interest Instalments due but unpaid as at that day and any outstanding penalties for accrued and unpaid Instalments with respect thereto.

"Outstanding Principal" means, on any given date and in relation to any Receivable, the sum of (i) all Principal Instalments due and (ii) any Principal Instalments due but unpaid as at that date.

"Payments Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT63U0623012700000036718724 out of which all the payments to, *inter alios*, the Noteholders will be made and into which all amounts due to the Issuer under the Transaction Documents shall be paid other than the amounts collected in respect of the Receivables.

"Payment Date" means (i) prior to the delivery of a Trigger Notice, 31 January and 31 July of each year or, if any such day is not a Business Day, the immediately preceding Business Day, or (ii) following the delivery of a Trigger Notice each Day on which any payment is required to be made by the Representative of the Noteholders, provided that the First Payment Date will fall on 30 July 2010.

"Pension Fund Tax" means an annual substitutive tax of 11 per cent on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Senior Notes) applied to Italian resident pension funds subject to the regime provided by Articles 14, 14-ter and 14-quater, paragraph 1 of Legislative Decree No. 124 of 21 April 1993.

"Premium" means the premium on the Junior Notes, equal to the Issuer Available Funds still available after making all payments ranking in priority to the Premium and may be equal to 0 (zero).

"Prepayment Fee" means the prepayment fee which each Debtor is subject to pay under the Loan Agreements in case of prepayment at any time (in whole or in part) of the relevant Loan.

"Portfolio" means the portfolio of Receivables purchased by the Issuer from Cariparma pursuant to the terms of the Transfer Agreement.

"Post Trigger Report" means the report setting out all the payments to be made under the Priority of Payments which shall be delivered, upon request of the Representative of the Noteholders, by the Computation Agent after a Trigger Notice has been served to the Issuer, the Representative of the Noteholders, the Other Issuer Creditors and the Rating Agencies, pursuant to the Cash Allocation, Management and Payment Agreement.

"Principal Accumulation Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT60W0623012700000036718825, in which on each Payment Date, in the period from the Issue Date to the Initial Amortisation Date (excluded), the principal payments due on the Notes in accordance with the Priority of Payments shall be transferred.

"Principal Amount Outstanding" means, with respect to any Note on any date, the principal amount thereof upon issue less the aggregate amount of all principal payments that have been made in respect of that Note prior to such date.

"Principal Instalment" means the principal component of each Instalment.

"Principal Paying Agent" means Calyon Milan Branch or any other person acting as principal paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Priority of Payments" means, collectively, the Priority of Payments prior to the delivery of a Trigger Notice and the Priority of Payments following the delivery of a Trigger Notice.

"Priority of Payments following the delivery of a Trigger Notice" means the order of priority in which the Issuer Available Funds shall be applied following the delivery of a Trigger Notice in accordance with Condition 4.2.

"Priority of Payments prior to the delivery of a Trigger Notice" means the order of priority in which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice in accordance with Condition 4.1.

"Privacy Law" means Italian Legislative Decree No. 196 of 30 June 2003, as the same may be amended, modified or supplemented from time to time, together with any legislative or regulatory

measure implementing such Law, as supplemented by the provisions enacted from time to time by the *Autorità Garante per la Protezione dei Dati Personali*.

"Property Value" means the estimated value of each Real Estate Asset as stated in each Loan Agreement.

"Purchase Price" means the purchase price paid to the Originator by the Issuer as consideration for the acquisition of the Portfolio pursuant to the Transfer Agreement.

"Quarterly Collection Date" means 31 March, 30 June, 30 September and 31 December of each year (or, if any such day is not a Business Day, the immediately following Business Day).

"Quarterly Collection Period" means:

- (a) each period commencing on (but excluding) a Quarterly Collection Date and ending on (and including) the immediately following Quarterly Collection Date; and
- (b) in the case of the first Quarterly Collection Period, the period commencing on (but excluding) the Valuation Date and ending on (and including) and the Quarterly Collection Date falling on 31 December 2009.

"Quarterly Servicer's Report" means the quarterly report to be delivered by the Servicer to the parties indicated in the Servicing Agreement on each Quarterly Servicer's Report Date and containing details of the Collections during the immediately preceding Quarterly Collection Period, prepared substantially in the form set out in schedule 1 (*Modello di Rapporto del Servicer*), part I (*Modello di Rapporto Trimestrale del Servicer*) to the Servicing Agreement.

"Quarterly Servicer's Report Date" means the tenth Business Day falling after each Quarterly Collection Date.

"Quotaholders" means Stichting Pavia, Structured Finance Management – Italy S.r.l. and Cariparma.

"Quotaholders' Agreement" means the quotaholders' agreement entered into on the Signing Date, between, *inter alia*, the Quotaholders and the Issuer.

"Rate of Interest" shall have the meaning ascribed to it in Condition 5.2 (*Interest - Rate of Interest*).

"Rating Agency" means Moody's.

"Real Estate Assets" means the real estate properties which have been mortgaged in order to secure payment of the Receivables pursuant to the Loan Agreements.

"Receivables" means the indebtedness, payable by a Debtor under a Loan Agreement, including, without limitation, with respect to principal, interest, penalties for early termination, indemnities, reimbursement of costs and expenses and damages paid under any insurance policy covering risks with respect to the Real Estate Assets and the Debtors, together with the relevant Mortgages and the relevant Guarantees.

"Reference Banks" means three (3) major banks in the Euro-Zone inter-bank market selected by the Principal Paying Agent.

"Relevant Margin" has the meaning given to it in Condition 5.2 (*Interest - Rate of Interest*).

"Renegotiation Amount" means the aggregate of all the amounts paid to the Issuer pursuant to Clause 5.3 of the Servicing Agreement and pursuant to Clause 6.1.(ii).(d) of the Transfer Agreement.

"Representative of the Noteholders" means CACEIS Bank Luxembourg or any other person acting as representative of the Noteholders pursuant to the Subscription Agreements from time to time.

"Retention Amount" means an amount equal to € 30,000.00.

"Rules of the Organisation of the Noteholders" means the Rules of the Organisation of Noteholders attached as Exhibit 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"Scheduled Instalment Date" means any date on which payment is due pursuant to each Loan Agreement.

"Screen Rate" shall have the meaning ascribed to it Condition 5 (*Interest*).

"Second Securities Accounts" means the account established in the name of the Issuer with the Account Bank with No. 4788626, for the deposit of the bonds, debentures or other kinds of the notes or financial instruments purchased with the monies standing to the credit of the Principal Accumulation Account.

"Securities Accounts" means the First Securities Account and the Second Securities Account.

"Securities Accounts Report" means the semiannual report setting out certain information in respect of the Eligible Investments made during the preceding Semiannual Collection Period pursuant to the Cash Allocation, Management and Payment Agreement.

"Securities Accounts Report Date" means each day falling three Business Days prior to each Semiannual Calculation Date

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Securitisation" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes.

"Securitisation Law" means Italian Law No. 130 of 30 April 1999, as subsequently amended and supplemented from time to time.

"Security Interest" means any mortgage, charge pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

"Semiannual Collection Date" means 30 June and 31 December of each year (or, if any such day is not a Business Day, the immediately following Business Day).

"Semiannual Collection Period" means:

- (a) each period commencing on (but excluding) a Semiannual Collection Date and ending on (and including) the immediately following Semiannual Collection Date; and
- (b) in the case of the first Semiannual Collection Period, the period commencing on (but excluding) the Valuation Date and ending on (and including) the Semiannual Collection Date falling on 30 June 2010.

"Semiannual Payments Report" means the semiannual report setting out all the payments to be made on the following Payment Date under the relevant Priority of Payments which shall be delivered on each Semiannual Calculation Date by the Computation Agent to the Issuer, the Representative of the Noteholders, the Servicer, the Hedging Counterparty, the Account Bank, the Principal Paying Agent, the Corporate Servicer and the Rating Agency, pursuant to the Cash Allocation, Management and Payment Agreement.

"Semiannual Servicer's Report" means the semiannual report to be delivered by the Servicer to the parties indicated in the Servicing Agreement on each Semiannual Servicer's Report Date and containing details of the Collections during the immediately preceding Semiannual Collection Period, prepared substantially in the form set out in schedule 1 (*Modello di Rapporto del Servicer*), part II (*Modello di Rapporto Semestrale del Servicer*) to the Servicing Agreement.

"Semiannual Servicer's Report Date" means the tenth Business Day falling after each Semiannual Collection Date.

"Senior Noteholder" means the Holder of a Senior Note and **"Senior Noteholders"** means all of them.

"Senior Notes" means the € 3,945,400,000.00 Asset Backed Floating Rate Notes due 2058.

"Senior Notes Conditions" means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto.

"Senior Notes Subscriber" means Cassa di Risparmio di Parma e Piacenza S.p.A..

"Senior Interest Payment Amount" means the amount of interest payable on the Senior Notes on each Payment Date as determined by the Principal Paying Agent, in respect of the immediately preceding Interest Period pursuant to Condition 5.3 (*Interest - Determination of Rates of Interest and Calculation of Interest Payments*).

"Senior Notes Subscription Agreement" means the subscription agreement in relation to the Senior Notes executed on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Senior Notes Subscriber, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Servicer" means Cariparma or any other person acting as Servicer pursuant to the Servicing Agreement from time to time.

"Servicer Termination Event" means any event referred to in Clause 13.1 of the Servicing Agreement.

"Servicing Agreement" means the agreement entered into on 3 November 2009 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Servicing Fee" means:

- (a) for the management and collection of the Receivables (other than the recovery activities specified in paragraph (b) below): on each Payment Date an amount equal to 0.5 per cent (plus VAT, if applicable) of the Collections (excluding any Defaulted Receivable and the Collected Insurance Premia) made by the Servicer during the Semiannual Collection Period immediately preceding the relevant Payment Date; and
- (b) for the recovery activities: on each Payment Date in relation to the immediately preceding Semiannual Collection Period, an amount equal to 1 per cent (plus VAT, if applicable) of the Collections made by the Servicer in respect of the Defaulted Receivables during the Semiannual Collection Period immediately preceding the relevant Payment Date, net of (i) any expense comprised in such Collections; (ii) any sum received as consideration in case of transfer of such Receivables.

"Signing Date" means 10 November 2009.

"Sole Affected Party" has the meaning ascribed to it in the Hedging Agreement.

"Stichting Pavia" means Stichting Pavia.

"Stock Exchange" means the Luxembourg Stock Exchange.

"Successor Servicer" means the entity appointed by the Issuer and the Representative of the Noteholders as successor of the Servicer upon the occurrence of a Servicer Termination Event.

"Subscription Agreements" means the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement, collectively.

"Supervisory Regulations for the Banks" means the *"Istruzioni di Vigilanza per le banche"* issued by the Bank of Italy by Circular No. 229 of 21 April 1999, as amended and supplemented from time to time.

"Supervisory Regulations for Financial Intermediaries" means the *"Istruzioni di Vigilanza per gli Intermediari Finanziari"* issued by the Bank of Italy by Circular No. 216 of 5 August 1996, as amended and supplemented from time to time.

"Target Amortisation Amount" means the positive amount to be calculated on each Calculation Date in accordance with the following formula:

$$\text{TAA} = \text{Outstanding Notes} - \text{OPPR}$$

where:

"TAA" is the Target Amortisation Amount;

"Outstanding Notes" means the aggregate Principal Amount Outstanding of the Notes of each Class as at such Calculation Date; and

"OPPR" means the Outstanding Principal of all the Receivables as of the Semiannual Collection Date immediately preceding the relevant Calculation Date which, as at such Semiannual Collection Date, were not Defaulted Receivables.

"**Tax Event**" shall have the meaning ascribed to it in Condition 6.4 (*Redemption for tax reasons*).

"**Terms and Conditions**" means the Senior Notes Conditions and/or the Junior Notes Conditions as the context may require.

"**Transaction Documents**" means the Transfer Agreement, the Subscription Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Corporate Services Agreement, the Cash Allocation, Management and Payment Agreement, the Intercreditor Agreement, the Hedging Agreement, the Deed of Pledge, the Deed of Charge, the Mandate Agreement, the Quotaholders' Agreement, the Master Definitions Agreement and the Offering Circular.

"**Transfer Agreement**" means the transfer agreement dated 3 November 2009 between the Issuer and Cariparma, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Transfer Date**" means 3 November 2009.

"**Trigger Event**" means any of the events described in Condition 10 (*Trigger Events*).

"**Trigger Notice**" means the notice described in Condition 10 (*Trigger Events*).

"**Valuation Date**" means 31 October 2009.

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into on 3 November 2009 between Cariparma and the Issuer, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereof.

In these Senior Notes Conditions, unless otherwise specified or unless the context otherwise requires:

- (a) the exhibits hereto constitute an integral and essential part of these Senior Notes Conditions and shall have the force of and shall take effect as covenants; and
- (b) headings and subheadings are for ease of reference only and shall not affect the construction of these Senior Notes Conditions.

1. **FORM, DENOMINATION AND TITLE**

1.1 The Senior Notes are in bearer form and dematerialised and will be wholly and exclusively deposited with Monte Titoli in accordance with Article 28 of Decree No. 213, through the authorised institutions listed in Article 30 of such Decree No. 213.

1.2 The Senior Notes will be held by Monte Titoli on behalf of the Senior Noteholders until redemption for the account of the relevant Monte Titoli Account Holder. Title to the Senior Notes will be evidenced by one or more book entries in accordance with the provisions of:

(i) Article 28 of Decree No. 213 and (ii) the Resolution of 22 February 2008 jointly issued by CONSOB and Bank of Italy (named “*Disciplina dei servizi di gestione accentrata, di liquidazione, dei sistemi di garanzia e delle relative società di gestione*”) containing rules on custody, clearing and settlement (as amended and supplemented from time to time). No physical document of title will be issued in respect of the Senior Notes.

1.3 The Senior Notes are issued in the denomination of € 50,000.

1.4 The rights arising from the Deed of Pledge are included in each Senior Note.

2. STATUS, PRIORITY AND SEGREGATION

2.1 *Status:* The Senior Notes constitute limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Senior Notes is limited to the amounts received or recovered by the Issuer in respect of the Portfolio and the Issuer's Rights subject to amount required under the Priority of Payments to be paid in priority to or *pari passu* with the Senior Notes. By holding Notes the Senior Noteholders acknowledge that the limited recourse nature of the Senior Notes produces the effects of a *contratto aleatorio* under Italian law and are deemed to accept the consequences thereof, including but not limited to the provisions under Article 1469 of the Italian Civil Code. By operation of the Securitisation Law, the Issuer's right, title and interest in and to the Portfolio are segregated from all other assets of the Issuer and (to the extent permitted by Italian law) amounts deriving therefrom will only be available both prior to and following a winding-up of the Issuer to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors according to the applicable Priority of Payments and to any third party creditors in respect of costs, fees and expenses incurred by the Issuer to such third party creditors in relation to the Securitisation. In addition, the Notes have the benefit of security over certain assets of the Issuer pursuant to the Deed of Pledge and the Deed of Charge.

2.2 *Ranking:* Prior to the service of a Trigger Notice, in respect of the obligations of the Issuer to pay interest on the Notes, the Class A Notes will rank *pari passu* without preference or priority among themselves but in priority to the Class J Notes.

Prior to the service of a Trigger Notice, in respect of the obligations of the Issuer to pay principal on the Notes, the Class A Notes will rank *pari passu* without preference or priority among themselves but in priority to the Class J Notes.

Following the service of a Trigger Notice, in respect of the obligations of the Issuer to pay both interest and principal on the Notes, the Class A Notes will rank *pari passu* without preference or priority among themselves but in priority to the Class J Notes.

2.3 The Intercreditor Agreement and the Rules of the Organisation contains provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Class A Noteholders and the interests of the holders of any other Classes of Notes, the Representative of the Noteholders is required under the Rules

of the Organisation to have regard only to the interests of the Class A Noteholders, until the Class A Notes have been entirely redeemed.

3. COVENANTS

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders, or as provided in or contemplated by any of the Transaction Documents:

- 3.1 *Negative pledge*: create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its assets; or
- 3.2 *Restrictions on activities*:
 - (a) engage in any activity whatsoever which is not incidental to or necessary in connection with any further securitisation or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or
 - (b) have any *società controllata* (as defined in Article 2359 of the Italian Civil Code) or any employees or premises; or
 - (c) at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents.
- 3.3 *Dividends or Distributions*: pay any dividend or make any other distribution or return or repay any equity capital to its quotaholders, or increase its capital, save as required by the applicable law; or
- 3.4 *De-registrations*: ask for de-registration from the general register kept by Bank of Italy under Article 106 of the Consolidated Banking Act, for as long as the Securitisation Law, the Consolidated Banking Act or any other applicable law or regulation requires an issuer of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or
- 3.5 *Borrowings*: incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person; or
- 3.6 *Merger*: consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person; or
- 3.7 *No variation or waiver*: permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the other Transaction Documents to which it is a party, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations; or
- 3.8 *Bank Accounts*: have an interest in any bank account other than the Accounts unless otherwise required under the Transaction Documents, or

- 3.9 *Statutory Documents*: amend, supplement or otherwise modify its *statuto* or *atto costitutivo*, except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities.

Nothing in these Conditions shall prevent or restrict the Issuer from carrying out any one or more other securitisation transactions pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implementing, entering into, making or executing any document, deed or agreement in connection with any other securitisation transaction, in all cases with the prior written consent of the Representative of the Noteholders and subject to the Rating Agency' prior confirmation that any such securitisation transaction would not adversely affect the then current rating of any of the Senior Notes and any other notes issued by the Issuer.

4. **PRIORITY OF PAYMENTS**

- 4.1 *Priority of Payments prior to the delivery of a Trigger Notice*. Prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full or credited in full to the Principal Accumulation Account, as the case may be):

First, to pay, pari passu and pro rata according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period);

Second, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

Third, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

Fourth, to pay, pari passu and pro rata according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities and proper costs and expenses incurred by the relevant agent on such Payment Date to the Account Bank, the Cash Manager, the Computation Agent, the Principal Paying Agent, the Corporate Servicer and the Servicer;

Fifth, to pay to the Hedging Counterparty any amount due and payable under the Hedging Agreement, including any hedging termination payments upon early termination of the Hedging Agreement, except where the Hedging Counterparty is the Defaulting Party or the Sole Affected Party;

Sixth to pay the commitment fee and any other amount due and payable on such Payment Date under the Liquidity Agreement to the Liquidity Provider;

Seventh, to pay, pari passu and pro rata, all amounts of interest due and payable on the Class A Notes on such Payment Date;

Eighth, (a) prior to the Initial Amortisation Date, to credit to the Principal Accumulation Account an amount up to the Target Amortisation Amount and (b) on the Initial Amortisation Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, the Class A Notes Principal Payment Amount;

Ninth, to pay any hedging termination payment due and payable to the Hedging Counterparty under the Hedging Agreement, other than any amount paid under item Fifth above;

Tenth, to pay to the Originator any Adjustment Purchase Price pursuant to clause 6 of the Trasfer Agreement;

Eleventh, to pay to the Originator any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Twelfth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class J Notes on such Payment Date;

Thirteenth, on the Initial Amortisation Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, the Class J Notes Principal Payment Amount, provided in either case that the Class A Notes have been redeemed in full;

Fourteenth, to pay, *pari passu* and *pro rata*, the Premium on the Class J Notes.

The Issuer shall, if necessary, make the payments set out under items *First* and *Second* above also during the following Interest Period.

- 4.2 *Priority of Payments following the delivery of a Trigger Notice.* Following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full or credited in full to the Principal Accumulation Account):

First, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period);

Second, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (a) the remuneration due to the Representative of the Noteholders and to pay any indemnity amount properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents; and (b) the remuneration due to any Receiver and any proper costs and expenses incurred by it;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities and proper costs and expenses incurred by the relevant agent on such *Payment* Date to the Account Bank, the

Cash Manager, the Computation Agent, the Principal Paying Agent, the Corporate Servicer and the Servicer;

Fourth, to pay to the Hedging Counterparty any amount due and payable under the Hedging Agreement, including any hedging termination payments upon early termination of the Hedging Agreement, except where the Hedging Counterparty is the Defaulting Party or the Sole Affected Party;

Fifth, to pay the commitment fee and any other amount due and payable on such Payment Date under the Liquidity Agreement to the Liquidity Provider;

Sixth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes on such Payment Date;

Seventh, (a) prior to the Initial Amortisation Date to credit to the *Principal Accumulation Account* and (b) on the Initial Amortisation Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, all amounts in respect of principal outstanding on the Class A Notes on such Payment Date;

Eighth to pay any hedging termination payments due and payable to the Hedging Counterparty under the Hedging Agreement other than any amount paid under item *Fourth* above;

Ninth, to pay to the Originator any Adjustment Purchase Price pursuant to clause 6 of the Transfer Agreement;

Tenth, to pay to the Originator any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Eleventh, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class J Notes on such Payment Date;

Twelfth, on the Initial Amortisation Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, all amounts in respect of principal outstanding on the Class J Notes on such Payment Date;

Thirteenth, to pay, *pari passu* and *pro rata*, the Premium on the Class J Notes

The Issuer shall, if necessary, make the payments set out under items *First* and *Second* above also during the following Interest Period.

5. INTEREST

- 5.1 *Payment Dates and Interest Periods*: Each Senior Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date. Interest in respect of the Senior Notes shall accrue on a daily basis and is payable in Euro semiannually in arrears on each Payment Date in respect of the Interest Period ending immediately prior thereto. The first payment of interest in respect of the Senior Notes will be due on the Payment Date falling

in 30 July 2010 in respect of the period from (and including) the Issue Date to (but excluding) such date.

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

- 5.2 *Rate of Interest:* The rate of interest payable from time to time in respect of the Senior Notes (the "**Rate of Interest**") will be determined by the Principal Paying Agent on each Interest Determination Date.

The Rate of Interest applicable to the Senior Notes for each Interest Period and the Initial Interest Period, from the Issue Date and up to and including the Final Maturity Date shall be the aggregate of:

5.2.1 The Relevant Margin (as defined below); and

5.2.2

- (a) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable for 6 (six) months Euro deposits which appears on Reuters page EURIBOR01 (except in respect of the First Interest Period, where an interpolated interest rate based on interest rates for 8 and 9 months deposits in Euro, rounded up at the third decimal point, which appear on Reuters pages EURIBOR01 will apply) and (ii) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on the Reuters page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as determined by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or
- (b) such other page as may replace Reuters page EURIBOR01 (or such other page referred to under (a)(ii) above) on that service for the purpose of displaying such information; or
- (c) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the Reuters page EURIBOR01 (or such other page referred to under (a)(ii) above) (the "**Screen Rate**") at or about 11.00 a.m. (Brussels time) on the Interest Determination Date; or
- (d) if the Screen Rate is unavailable at such time for 6 (six) months (or such other period referred to under (a)(ii) above) Euro deposits, then the rate of interest for the relevant Interest Period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Principal Paying Agent at its request and notified by the latter to the Computation Agent by each of the Reference Banks as the rate at which 6 (six) months (or such other period referred to under (a)(ii) above) Euro deposits in a similar representative amount are offered by that Reference

Bank to leading banks in the Euro-zone inter-bank market at or about 11.00 a.m. (Brussels time) on that date; or

- (e) if on any Interest Determination Date, the Screen Rate is unavailable and only 2 (two) of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate of interest shall be determined in the manner specified in (d) above, on the basis of the offered quotations of those Reference Banks providing such quotations; or
- (f) if, on any Interest Determination Date, the Screen Rate is unavailable and only one of the Reference Banks provides the Principal Paying Agent with an offered quotation, the rate of interest for the relevant Interest Period shall be the EURIBOR in effect for the immediately preceding Interest Period to which either sub-paragraph (a) or (b) above shall have applied.

The rate as so determined in accordance with this sub-paragraph 5.2.2 is referred to herein as "**EURIBOR**";

"**Relevant Margin**" means a margin of 0.35% per cent per annum.

There shall be no maximum or minimum Rate of Interest.

5.3 *Determination of Rates of Interest and Calculation of Interest Payments:* The Issuer shall, on each Interest Determination Date, determine (or cause the Principal Paying Agent to determine) and notify (or cause the Principal Paying Agent to notify) to the Representative of the Noteholders:

- (i) the Rate of Interest applicable to the Interest Period beginning after such Interest Determination Date (or in the case of the Initial Interest Period, beginning on and including the Issue Date) in respect of the Senior Notes; and
- (ii) the Euro amount (the "**Interest Payment Amount**") payable as interest on the Senior Notes in respect of such Interest Period. The Interest Payment Amount payable in respect of any Interest Period in respect of the Senior Notes shall be calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of the relevant Class of Senior Notes on the Payment Date (or, in the case of the Initial Interest Period, the Issue Date), at the commencement of such Interest Period (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

5.4 *Publication of the Rate of Interest and the Interest Payment Amount:* The Principal Paying Agent will cause the Rate of Interest, the Relevant Margin and the Interest Payment Amount applicable to the Senior Notes for each Interest Period and the Payment Date in respect of such Interest Payment Amount to be notified promptly after determination (and in any event not later than the first day of each relevant Interest Period) to the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Corporate Servicer, the Hedging Counterparty, Monte Titoli and the Luxembourg Stock Exchange and will cause the same to be published in accordance with

Condition 13 (*Notices*) on or as soon as possible after the relevant Interest Determination Date.

5.5 *Determination or calculation by the Representative of the Noteholders:* If the Principal Paying Agent does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Payment Amount for the Senior Notes in accordance with the foregoing provisions of this Condition 5 (*Interest*), the Representative of the Noteholders as legal representative of the Organisation of Noteholders shall:

- (i) determine the Rate of Interest for the Senior Notes at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or
- (ii) calculate the Interest Payment Amount for the Senior Notes in the manner specified in Condition 5.3 (*Interest - Determination of Rates of Interest and Calculation of Interest Payments*) above,

and any such determination and/or calculation shall be deemed to have been made by the Principal Paying Agent.

5.6 *Notifications to be final:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*), whether by the Reference Banks (or any of them), the Principal Paying Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default, bad faith or manifest error) be binding on the Reference Banks, the Principal Paying Agent, the Computation Agent, the Issuer, the Account Bank, the Representative of the Noteholders and all Senior Noteholders and (in such absence as aforesaid) no liability to the Senior Noteholders shall attach to the Reference Banks, the Principal Paying Agent, the Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

5.7 *Reference Banks and Principal Paying Agent:* The Issuer shall ensure that, so long as any of the Senior Notes remain outstanding, there shall at all times be three Reference Banks and a Principal Paying Agent. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such in its place. The Principal Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Principal Paying Agent is appointed a notice will be published in accordance with Condition 13 (*Notices*).

5.8 *Unpaid Interest with respect to the Senior Notes:* Unpaid interest on the Senior Notes shall accrue no interest.

6. **REDEMPTION, PURCHASE AND CANCELLATION**

6.1 *Senior Notes Final Maturity Date:* Unless previously redeemed in full as provided in this Condition 6 (*Redemption, Purchase and Cancellation*), the Issuer shall redeem the Senior Notes at their Principal Amount Outstanding on the Final Maturity Date.

The Issuer may not redeem the Senior Notes in whole or in part prior to that date except as provided below in Condition 6.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*), 6.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and 6.4 (*Redemption, Purchase and Cancellation - Redemption for taxation reasons*), but without prejudice to Condition 10 (*Trigger Events*).

6.2 *Mandatory Redemption*: The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on the Initial Amortisation Date and on each Payment Date thereafter, in each case if on the Semiannual Calculation Date prior to such Payment Date there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the priority of payments set out in Condition 4 (*Priority of Payments*) hereof.

No mandatory redemption may occur prior to the Initial Amortisation Date.

6.3 *Optional Redemption*: Unless previously redeemed in full, the Issuer, having given not less than 30 days' prior notice to the Representative of the Noteholders in writing and to the Senior Noteholders in accordance with Condition 13 (*Notices*) hereof, may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part) at their Principal Amount Outstanding, together with interest accrued thereon up to the date fixed for the redemption, on any Payment Date falling in or after the Initial Amortisation Date, if (i) on any such Payment Date the aggregate of the Outstanding Principal of the Portfolio is equal or less than 10 per cent of the Outstanding Principal of the Portfolio as at the Valuation Date, or if this is not the case (ii) a Written Resolution of the Noteholders pursuant to article 23 of the Rules of the Organisation of the Noteholders authorising the disposal has been taken.

6.4 *Redemption for taxation reasons*: If the Issuer at any time satisfies the Representative of the Noteholders, immediately prior to giving the notice referred to below that, on the next Payment Date:

- (i) the Issuer or any other person would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) from any payment of principal or interest on any Class of Notes (the "**Affected Class**"), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Italy or any political or administrative sub-division thereof or any authority thereof or therein (or that amounts payable to the Issuer in respect of the Portfolio would be subject to withholding or deduction), and
- (ii) the Issuer will have the necessary funds (not subject to the interests of any other person) to discharge all of its outstanding liabilities in respect of the Affected Class and any amounts required to be paid, according to the Priority of Payments, in priority to or *pari passu* with the Notes of the Affected Class

(hereinafter the event under (i) above, the "**Tax Event**"), the Issuer may, on any such Payment Date at its option having given not less than 30 days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 13 (*Notices*) hereof, redeem the Notes of the Affected Class (in whole but not in part or, if the Affected Class is the Class J Notes, in whole or in part) at their Principal

Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Payment Date. No redemption for taxation shall occur prior to the Reimbursement Payment Date, unless the Representative of the Noteholders determines that it would be prejudicial to the interest of the Noteholders not to proceed with the redemption prior to such Payment Date.

In addition, following the occurrence of a Tax Event, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders then outstanding) direct the Issuer to, dispose of the Portfolio or any part thereof to finance the early redemption of the relevant Notes under this Condition 6.4 (*Redemption for tax reasons*), subject to the terms and conditions of the Intercreditor Agreement.

6.5 *Note Principal Payments, Redemption Amounts and Principal Amount Outstanding*: On each Semiannual Calculation Date, the Issuer shall procure that the Computation Agent determines:

- (i) the amount of the Issuer Available Funds;
- (ii) the principal payment (if any) due on the Senior Notes on the next following Payment Date; and
- (iii) the Principal Amount Outstanding in respect of the Senior Notes on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date).

Each determination by or on behalf of the Issuer of Issuer Available Funds, any principal payment on the Senior Notes and the Principal Amount Outstanding of the Senior Notes shall in each case (in the absence of wilful default (*dolo*), gross negligence (*colpa grave*), bad faith or manifest error) be final and binding on all persons.

The Issuer will, on each Semiannual Calculation Date, cause each determination of a principal payment on the Senior Notes (if any) and Principal Amount Outstanding on the Senior Notes to be notified by the Computation Agent (through the *Semiannual Payments Report*) to the Representative of the Noteholders, the Rating Agency, the Hedging Counterparty, the Principal Paying Agent and the Luxembourg Stock Exchange. The Issuer will cause notice of each determination of a principal payment on the Senior Notes and of Principal Amount Outstanding on the Senior Notes to be given to Monte Titoli and in accordance with Condition 13 (*Notices*).

The principal amount redeemable in respect of each Note shall be a *pro rata* share of the aggregate amount determined in accordance with Condition 6.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption Amounts*) to be available for redemption of the Notes of the same Class as such Note on such date, calculated with reference to the ratio between (A) the then Principal Amount Outstanding of such Note and (B) the then Principal Amount Outstanding of all the Notes of the same Class (rounded down to the nearest cent), provided always that no such Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

If no principal payment on the Senior Notes or Principal Amount Outstanding on the Senior Notes is determined by or on behalf of the Issuer in accordance with the preceding

provisions of this Condition 6.5 (*Redemption, Purchase and Cancellation - Note Principal Payments, Redemption Amounts and Principal Amount Outstanding*), such principal payment on the Senior Notes and Principal Amount Outstanding on the Senior Notes shall be determined by the Representative of the Noteholders in accordance with this Condition 6 (*Redemption, Purchase and Cancellation*) and each such determination or calculation shall be deemed to have been made by the Issuer.

- 6.6 *Notice of Redemption*: Any notice of redemption as set out in Condition 6.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and 6.4 (*Redemption, Purchase and Cancellation - Redemption for taxation reasons*) must be given in accordance with Condition 13 (*Notices*) and shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Senior Notes in accordance with this Condition 6 (*Redemption, Purchase and Cancellation*).
- 6.7 *No purchase by Issuer*: The Issuer is not permitted to purchase any of the Notes.
- 6.8 *Cancellation*: The Notes shall be cancelled on the earlier of (i) the date on which the Notes have been redeemed in full, (ii) the Final Maturity Date and (iii) the date on which the Representative of the Noteholders has certified to the Issuer and the Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Portfolio being available to the Issuer (the "**Cancellation Date**"), at which date any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled. Upon cancellation the Notes may not be resold or re-issued.

7. PAYMENTS

- 7.1 Payment of principal and interest in respect of the Senior Notes will be credited, according to the instructions of Monte Titoli, by the Principal Paying Agent on behalf of the Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Senior Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Senior Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Senior Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

As the payment is made through Euroclear and Clearstream the financial services are ensured in Luxembourg.

- 7.2 Payments of principal and interest in respect of the Senior Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.
- 7.3 The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint another Principal Paying Agent. The Issuer will cause at least 30 days' prior notice of any replacement of the Principal Paying Agent to be given in accordance with Condition 13 (*Notices*).

8. TAXATION

All payments in respect of the Senior Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Decree 239 Deduction or any other withholding or deduction required to be made by applicable law. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any holder of Notes on account of such withholding or deduction.

9. **PRESCRIPTION**

Claims against the Issuer for payments in respect of the Senior Notes shall be subject to limitation of action (*prescrizione*) and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

10. **TRIGGER EVENTS**

If any of the following events (each a "**Trigger Event**") occurs:

- (i) *Non-payment*: The Issuer defaults in the payment of the amount of interest due and payable and/or principal due and payable on the Most Senior Notes then outstanding and such default is not remedied within a period of five Business Days from the due date thereof; or
- (ii) *Breach of other obligations*: The Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in (i) above) which is in the Representative of the Noteholders' opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 days after the Representative of the Noteholders having given written notice thereof to the Issuer requiring the same to be remedied (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 days will be given); or
- (iii) *Insolvency of the Issuer*: An Insolvency Event occurs in respect of the Issuer; or
- (iv) *Unlawfulness*: It is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party;

then the Representative of the Noteholders:

- (1) in the case of a Trigger Event under (i) above, shall; and/or
- (2) in the case of a Trigger Event under (ii) above, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, shall; and/or
- (3) in the case of a Trigger Event under (iii) or (iv) above, may at its sole discretion or, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, shall

give written notice (a "**Trigger Notice**") to the Issuer, following which all payments of principal, interest and other amounts due in respect of the Notes shall be made according to the order of priority set out in the Terms and Conditions and described under "*Priority of Payments following the delivery of a Trigger Notice*" below.

11. **ACTIONS FOLLOWING THE DELIVERY OF A TRIGGER NOTICE**

- 11.1 At any time after a Trigger Notice has been served, the Representative of the Noteholders may and shall, if so requested or authorised by an Extraordinary Resolution of the Most Senior Class of Noteholders, take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure repayment of the Senior Notes and payment of accrued interest thereon in accordance with the Priority of Payments set out in Condition 4.2 (*Priority of Payments - Priority of Payments following the delivery of a Trigger Notice*).
- 11.2 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 10 (*Trigger Events*) or this Condition 11 (*Actions following the delivery of a Trigger Notice*) by the Representative of the Noteholders shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and all Senior Noteholders and (in such absence as aforesaid) no liability to the Senior Noteholders or the Issuer shall attach to the Representative of the Noteholders in connection with the exercise or non-exercise by it of its powers, duties and discretion hereunder.
- 11.3 No Noteholder shall be entitled to proceed directly against the Issuer unless the Representative of the Noteholders has become bound and fails to do so within a reasonable period and such failure shall be continuing.
- 11.4 If the Representative of the Noteholders takes action to ensure the Noteholders' rights in respect of the Portfolio and the Issuer's Rights and after payment of all other claims ranking in priority to the Senior Notes under the Terms and Conditions and the Intercreditor Agreement, if the remaining proceeds of such action (the Representative of the Noteholders having taken action to ensure the Noteholders' rights in respect of the entire Portfolio and all the Issuer's Rights) are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Senior Notes and all other claims ranking *pari passu* therewith, then the Senior Noteholders' claims against the Issuer will be limited to their *pro rata* share of such remaining proceeds (if any) and the obligations of the Issuer to the Senior Noteholders will be discharged in full and any amount in respect of principal, interest or other amounts due under the Senior Notes will be finally and definitively cancelled.
- 11.5 Following the delivery of a Trigger Notice, the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders then outstanding) direct the Issuer to, dispose of the Portfolio, subject to the terms and conditions of the Intercreditor Agreement.

12. **THE REPRESENTATIVE OF THE NOTEHOLDERS**

12.1 *The Organisation of Noteholders:* The Organisation of Noteholders shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes.

12.2 *Appointment of the Representative of the Noteholders:* Pursuant to the Rules of the Organisation of Noteholders, for as long as any Senior Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Senior Notes, who is appointed in the Senior Notes Subscription Agreement. Each Senior Noteholder is deemed to accept such appointment.

13. **NOTICES**

13.1 Any notice regarding the Senior Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli, and, as long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, if published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*), in the Luxembourg Stock Exchange website or by all means of article 16 of the Luxembourg Law on Prospectus for Securities. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in one of the newspapers referred to above.

13.2 The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Senior Noteholders in such manner as the Representative of the Noteholders shall require.

14. **GOVERNING LAW AND JURISDICTION**

14.1 The Senior Notes are governed by Italian law.

14.2 All the Transaction Documents, save for the Hedging Agreement and the Deed of Charge, are governed by Italian law. The Hedging Agreement and the Deed of Charge are governed by English law.

14.3 The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes.

EXHIBIT
TO THE SENIOR NOTES CONDITIONS
RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I
GENERAL PROVISIONS

Article 1

General

The Organisation of the Noteholders is created concurrently with subscription of the Notes, and is governed by these Rules of the Organisation of the Noteholders (the "**Rules of the Organisation**").

These Rules of the Organisation shall remain in force and effect until full repayment or cancellation of all the Notes.

The contents of these Rules of the Organisation are deemed to be an integral part of each Note issued by the Issuer.

Article 2

Definitions

Unless otherwise provided in these Rules of the Organisation, any capitalised term shall have the meaning attributed to it in the Terms and Conditions.

Any reference herein to an "Article" shall be a reference to an article of these Rules of the Organisation.

In these Rules of the Organisation, the terms below shall have the following meanings:

"Arbitration Panel" means the arbitration panel established in accordance with Article 33;

"Basic Terms Modification" means any proposed modification which results in:

- (a) a change in the date of maturity of the Notes of any class;
- (b) a change in any date fixed for the payment of principal or interest in respect of the Notes of any class;
- (c) the reduction or cancellation of the amount of principal or interest payable on any date in respect of the Notes of any class or any alteration in the method calculating the amount of any payment in respect of the Notes of any class on redemption or maturity;
- (d) a change in the majority required to pass any resolution or the quorum required at any Meeting;
- (e) a change in the currency in which payments are due in respect of any class of Notes;
- (f) a variation in the authorisation or consent by the Noteholders, as pledgees, to the funds being managed as provided in the Transaction Documents;
- (g) an alteration of the priority of payments of interest or principal in respect of any of the Notes;

- (h) the exchange, conversion or substitution of the Notes of any class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;
- (i) a change to this definition;

"Blocked Notes" means Notes, credited in a dematerialised form in Monte Titoli S.p.A., held with an authorised institution listed in Article 30 of Decree No. 213 and blocked by it in accordance with Article 34 CONSOB and Bank of Italy jointly resolution of 22 February 2008 on post-trading.

"Block Voting Instruction" means in relation to a Meeting, the instruction issued by the Principal Paying Agent (a) certifying, inter alia, that the Principal Paying Agent has been instructed by the holder of the relevant Notes to cast the votes attributable to such Blocked Notes in a particular way on each resolution to be put to the relevant Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked and (b) authorising a Proxy to vote in accordance with such instructions;

"Chairman" means, in relation to any Meeting, the individual who takes the chair in accordance with Title II, Article 8 of these Rules of the Organisation;

"Extraordinary Resolution" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules of the Organisation, by a majority of not less than three quarters of the votes cast;

"Issuer" means MondoMutui Cariparma S.r.l.;

"Meeting" means a meeting of Noteholders of any class or classes (whether originally convened or resumed following an adjournment);

"Ordinary Resolution" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules of the Organisation, by a majority of the votes cast;

"Principal Amount Outstanding" means on any day in relation to the relevant Notes the principal amount of such Notes upon issue less the aggregate amount of any principal payments in respect of such Notes which has been paid up to that day;

"Proxy" means any person to which the powers to vote at a Meeting have been duly granted;

"Relevant Fraction" means:

- (a) for voting on an Ordinary Resolution, one-half of the Principal Amount Outstanding of the outstanding Notes of each relevant Class;
- (b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of the outstanding Notes of each relevant Class; and
- (c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, (which must be proposed separately to each Class of Noteholders) three-quarters of the Principal Amount Outstanding of the outstanding Notes of each relevant class;

provided, however, that, in the case of a Meeting postponed pursuant to Article 10, it shall mean:

- (a) for all voting other than on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the Principal Amount Outstanding of the outstanding Notes represented or held by Voters present at the Meeting; and

- (b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, one-half of the Principal Amount Outstanding of the outstanding Notes in that Class;

"Voter" means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy;

"Voting Certificate" means, in relation to any Meeting, a certificate issued by an authorised institution listed in Article 30 of Decree No. 213 stating *inter alia*:

- (a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting; and
- (b) that the bearer of such certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes;

"Written Resolution" means a resolution in writing signed by or on behalf of all Noteholders of the relevant class or classes who at that time are entitled to participate in a Meeting in accordance with the provisions of these Rules of the Organisation, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders;

"24 hours" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Principal Paying Agent has its specified office; and

"48 hours" means 2 consecutive periods of 24 hours.

Article 3

Purpose of the Organisation

Each Noteholder is a member of the Organisation of the Noteholders.

The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interests of the Noteholders.

TITLE II

MEETINGS OF NOTEHOLDERS

Article 4

General Provisions

Within 14 days of the conclusion of each Meeting, the Issuer shall give notice, in accordance with Condition 13 (*Notices*), of the result of the votes on each resolution put to the Meeting. Such notice shall also be sent by the Issuer (or its agents) to the Principal Paying Agent and the Representative of the Noteholders.

Subject to the provisions of these Rules of the Organisation and the Terms and Conditions, if the Representative of the Noteholders considers it is not detrimental to the holders of any relevant Class of Notes, joint meetings of the Class A Noteholders and the Class J Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution and the provisions of these Rules of the Organisation shall apply *mutatis mutandis* thereto.

Subject to Article 20 below, the following provisions shall apply where outstanding Notes belong to more than one Class:

- (a) business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;
- (b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion;
- (c) business which, in the opinion of the Representative of the Noteholders affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

In this paragraph "**business**" includes (without limitation) the passing or rejection of any resolution.

Article 5

Voting Certificates and Validity of the Proxies and Voting Certificates

Voting Certificates and Validity of the Proxies and Voting Certificates Noteholders may participate in any Meeting by obtaining a Voting Certificate or by depositing a Block Voting Instruction at the specified office of the Principal Paying Agent not later than 24 hours before the relevant Meeting. A Block Voting Instruction or a Voting Certificate shall be valid only if it is deposited at the specified office of the Principal paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to discuss the items on the agenda. If the Principal Paying Agent so requires, a notarially certified copy of each Voting Certificate or satisfactory evidence of the identity of each Proxy shall be produced at the Meeting but the Principal Paying Agent shall not be obliged to investigate the the identity of any Proxy. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note

Article 6

Convening the Meeting

The Representative of the Noteholders may convene a Meeting at any time. The Representative of the Noteholders shall convene a Meeting at any time it is requested to do so in writing by (a) Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of all the Notes then outstanding, or (b) the Issuer.

Whenever the Issuer requests the Representative of the Noteholders to convene the Meeting, it shall immediately send a communication in writing to that effect to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting and the items to be included in the agenda.

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

Article 7

Notices

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given by the Principal Paying Agent (upon instruction from the Representative of the Noteholders) to the relevant Noteholders and the Representative of the Noteholders, with copy to the Issuer. The notice shall set out the full text of any resolution to be voted on.

Notwithstanding that the formalities required by this Article 7, a Meeting is validly held if the entire Principal Amount Outstanding of the relevant Class or Classes is represented thereat, the Issuer and the Representative of the Noteholders are present.

Article 8

Chairman of the Meeting

The Meeting is chaired by an individual nominated by the Representative of the Noteholders. If the Representative of the Noteholders fails to make such nomination or the individual so nominated is not present within 15 minutes after the time fixed for the Meeting, the Meeting shall be chaired by the person elected by the majority of the Voters present.

The Chairman ascertains that the Meeting has been duly convened and validly constituted, leads and moderates the debate, and defines the terms for voting.

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

Article 9

Quorum

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes.

Article 10

Adjournment for lack of quorum

If a quorum is not reached within 15 minutes after the time fixed for any Meeting:

- (a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or
- (b) otherwise, the Meeting shall be adjourned to a new date no earlier than 14 days after and no later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that no meeting may be adjourned more than once for want of a quorum.

Article 11

Adjourned Meeting

Except as provided in Article 10, the Chairman may, with the prior consent of the Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

Article 12

Notice following adjournment

If a Meeting is adjourned in accordance with the provisions of Article 10 above, Articles 6 and 7 above shall apply to the resumed meeting except:

- (a) 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 10.

Article 13

Participation

The following categories of persons may attend and speak at a Meeting:

- (a) Voters;
- (b) the Directors and the Auditors of the Issuer;
- (c) representatives of the Representative of the Noteholders; and
- (d) any other person authorised by the Issuer, the Representative of the Noteholders or by virtue of a resolution of the relevant Meeting.

Article 14

Voting by show of hands

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hands.

If before the vote by show of hands the Chairman or one or more Voters who represent or hold at least one-tenth of the aggregate Principal Amount Outstanding of the relevant Class or Classes request to vote pursuant to Article 15 below the question shall be voted on in compliance with the provisions of Article 15. No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

A resolution is only passed on a vote by show of hands if unanimously approved by the Voters at the Meeting. The Chairman's declaration that on a show of hands a resolution has been passed or rejected shall be conclusive. Whenever it is not possible to approve a resolution by show of hands, voting shall be carried out by poll.

Article 15

Voting by poll

A pool may be taken immediately or after any adjournment as is decided by the Chairman but any pool demanded on the election of a Chairman or on any question of adjournment shall be taken immediately.

The Chairman sets the rules for voting by poll, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the rules set by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

Article 16

Votes

Each Voter shall have:

- (a) one vote, when voting by a show of hands; and
- (b) one vote for each Euro 100,000 of in aggregate Principal Amount Outstanding of Notes represented or held by the Voter, when voting by poll.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes which he exercises in the same manner. In the case of a voting tie, the Chairman shall have the casting vote.

Article 17

Voting by Proxy

Any vote by a Proxy in accordance with the relevant Block Voting Instruction shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Principal Paying Agent, the Issuer, the Representative of the Noteholders or the Chairman has been notified in writing of such revocation at least 24 hours prior to the time set for the relevant Meeting. Unless revoked, the appointment of a Proxy in relation to a Meeting shall remain valid also in relation to a resumption of such Meeting following an adjournment, unless such Meeting was adjourned pursuant to Article 10. If a Meeting is adjourned pursuant to Article 10, any person appointed to vote in such Meeting must be appointed again by virtue of a Block Voting Instruction or Voting Certificate to vote at the resumed Meeting.

Article 18

Ordinary Resolutions

Save as provided by Article 19 and subject to the provisions of Article 20, a Meeting shall have the exclusive power exercisable by Ordinary Resolution to:

- (a) waive (including to waive a prior breach) any breach by the Issuer of its obligations arising under the Transaction Documents or the Notes, or waive a Trigger Event if not previously authorised by the Representative of the Noteholders in accordance with the Transaction Documents; and
- (b) determine any other matters submitted to the Meeting in accordance with the provisions of these Rules of the Organisation.

Article 19

Extraordinary Resolutions

A Meeting, subject to Article 20 below, shall have exclusive power exercisable by Extraordinary Resolution only to:

- (a) approve any Basic Terms Modification;
- (b) approve any proposal by the Issuer or the Representative of the Noteholders for any alteration or waiver of the rights of the Noteholders against the Issuer;
- (c) approve any scheme or proposal related to the mandatory exchange or substitution of any Class of Notes;
- (d) approve any amendments of the provisions of (i) these Rules of the Organisation, (ii) the Terms and Conditions, (iii) the Intercreditor Agreement, (iv) the Cash Allocation, Management and Payment Agreement, or (v) any other Transaction Document which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;
- (e) discharge or exonerate, including prior discharge or exoneration, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules of the Organisation, the Terms and Conditions or any other Transaction Document;
- (f) grant any authority, order or sanction which, under the provisions of these Rules of the Organisation or of the Terms and Conditions, must be granted pursuant to an Extraordinary Resolution (including the issue of a Trigger Notice as a result of a Trigger Event pursuant to Condition 10);
- (g) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules of the Organisation, the Intercreditor Agreement and any other Transaction Document;
- (h) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
 - (i) appoint and remove the Representative of the Noteholders; and
 - (j) authorise or object to individual actions or remedies of Noteholders under Article 24.

Article 20

Relationship between Classes and conflict of interests

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes (to the extent that there are Notes outstanding in each such other Class).

No Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class).

Any resolution passed at a Meeting of the Noteholders of one or more classes of Notes duly convened and held in accordance with these Rules of the Organisation shall be binding upon all Noteholders of such class or classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting and, except in the case of meeting relating to a Basic Term Modification any resolution passed at a meeting of the Class A Noteholders duly convened and held as aforesaid shall also be binding upon all the Class J Noteholders.

If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Class A Noteholders and the interests of the Class J Noteholders of any other Classes of Notes, the Representative of the Noteholders is required to have regard only to the interests of the Class A Noteholders, until the Class A Notes have been entirely redeemed.

Article 21

Challenge of Resolution

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules of the Organisation.

Article 22

Minutes

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be prima facie evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regard as having been duly passed and transacted.

Article 23

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Article 24

Individual Actions and Remedies

The right of each Noteholder to bring individual actions or use other individual remedies to enforce his/her rights under the Notes shall be subject to a Meeting, in the interest of the Noteholders, not passing a resolution objecting to such individual action or other remedy on the grounds that it is not convenient at the time when the Meeting is held. In this respect, the following provisions shall apply:

- (a) the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;
- (b) the Representative of the Noteholders will, without delay, call a Meeting in accordance with these Rules of the Organisation;
- (c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

- (d) if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of Noteholders has been held to resolve on such action or remedy in accordance with the provisions of this Article 24.

Article 25

Further Regulations

Subject to all other provisions in this Rules of Organisation, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 26

Appointment, Removal and Remuneration

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 26, except for the appointment of the first Representative of the Noteholders which will be CACEIS Bank Luxembourg.

The Representative of the Noteholders shall be:

- (a) a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or
- (b) a company or financial institution enrolled with the register held by the Bank of Italy pursuant to Article 107 of the Consolidated Banking Act; or
- (c) any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

Unless the Representative of the Noteholders is removed by resolution pursuant to Title II or it resigns in accordance with Article 28 below, it shall remain in office until full repayment or cancellation of all the Notes. The Noteholders may remove the Representative of the Noteholders by resolution of the Most Senior Class of the Notes at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until a substitute Representative of the Noteholders, which shall be a subject among those listed in (a), (b), and (c) above accepts its appointment, and the powers and authority of the Representative of the Noteholders whose appointment has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

The Directors and auditors of the Issuer cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

The Issuer shall pay to the Representative of the Noteholders for its services as Representative of the Noteholders, an on-going annual fee, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments. Such fee shall accrue from day to day and will be paid semiannually in arrears in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

Article 27

Duties and Powers of the Representative of the Noteholders

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders.

The Representative of the Noteholders is responsible for implementing all resolutions of the Noteholders and has the power to exercise the rights conferred on it pursuant to the Transaction Documents in order to protect the interests of the Noteholders. The Representative of the Noteholders has the right to convene Meetings to propose any course of action which it considers from time to time necessary or desirable.

The Representative of the Noteholders may also, whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) specific activities vested in it as aforesaid. The terms and conditions (including power to sub-delegate) of such appointment shall be established by the Representative of the Noteholders depending on what it deems suitable in the interest of the Noteholders. The Representative of the Noteholders shall not, other than in the normal course of its business, be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by any misconduct, omission or default on the part of such delegate or sub-delegate. As soon as reasonably practicable, the Representative of the Noteholders shall give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

The Representative of the Noteholders is authorised to represent the Organisation of the Noteholders, *inter alia*, in any judicial proceedings.

Article 28

Resignation of the Representative of the Noteholders

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes and such new Representative of the Noteholders has accepted its appointment.

Article 29

Exoneration of the Representative of the Noteholders

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

- (a) Without limiting the generality of the foregoing, the Representative of the Noteholders:
- (i) shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document has occurred, and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event has occurred;
 - (ii) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in the Terms and Conditions and hereunder or, as the case may be, in any Transaction Document to which each such party is a party, and until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are carefully observing and performing all their respective obligations;
 - (iii) shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules of the Organisation or any other Transaction Document;
 - (iv) shall not be responsible for or for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules of the Organisation or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for (i) the nature, status, creditworthiness or solvency of the Issuer, (ii) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith; (iii) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and (v) any accounts, books, records or files maintained by the Issuer, the Servicer, and the Principal Paying Agent or any other person in respect of the Portfolio;
 - (v) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;
 - (vi) shall have no responsibility to procure that the Rating Agency or any other credit or rating agency or any other subject maintain the rating of the Notes;
 - (vii) shall not be responsible for investigating any matter which is the subject of any recital, statement, warranty or representation by any party other than the Representative of the Noteholders contained herein or in any Transaction Document;

- (viii) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;
 - (ix) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules of the Organisation or any Transaction Document;
 - (x) shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;
 - (xi) shall not be obliged to evaluate the consequences that any modification of these Rules of the Organisation or any of the Transaction Documents or exercise of its rights, powers and authorities may have for any individual Noteholder;
 - (xii) shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other party any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules of the Organisation and no Noteholder, Other Issuer Creditor or any other party shall be entitled to take any action to obtain from the Representative of the Noteholders any such information; and
 - (xiii) shall not be responsible for (except as otherwise provided in the Terms and Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Portfolio and the Notes.
- (b) The Representative of the Noteholders:
- (i) may agree to any amendment or modification to these Rules of the Organisation or to any of the Transaction Documents which in the opinion of the Representative of the Noteholders, it is expedient to make in order to correct a manifest error or an error of a formal, minor or technical nature. Any such modification shall be binding on the Noteholders and the Other Issuer Creditors and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter;
 - (ii) may agree to any amendment or modification to these Rules of the Organisation (other than in respect of a Basic Terms Modification or any provision in these Rules of the Organisation which makes a reference to the definition of "Basic Terms Modification") or to the Transaction Documents which, in the opinion the Representative of the Noteholders, is for the common interest of the Noteholders;
 - (iii) may act on the advice of or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not be responsible for any loss incurred by so acting in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders;

- (iv) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter, a certificate duly signed by the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless it has information which casts a doubt on the truthfulness of the certificates signed by the Issuer;
- (v) save as expressly otherwise provided herein, shall have absolute discretion as to the exercise, non-exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules of the Organisation or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, cost, damage, expense or inconvenience resulting from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its wilful default (*dolo*) or gross negligence (*colpa grave*);
- (vi) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right - but not the obligation - to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities which it may incur by taking such action;
- (vii) shall not be deemed responsible for having acted pursuant to instructions received from the Meeting, even if it is later discovered that the Meeting had not been validly convened or constituted, and that such resolution had not been duly approved or was not otherwise valid or binding for the Noteholders;
- (viii) in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any authorised institution listed in Article 30 of Decree No. 213, which certificates are conclusive proof of the statements attested to therein;
- (ix) may certify whether or not a Trigger Event is in its opinion prejudicial to the interest of the Noteholders and any such certification shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other subject party to the Transaction Documents;
- (x) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules of the Organisation, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other subject party to the Transaction Documents;
- (xi) may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer;

- (xii) shall have the right to call for (or have the Issuer call for) and to rely on written attestations issued by any one of the parties to the Intercreditor Agreement, or by any Other Issuer Creditor, or by a Rating Agency. The Representative of the Noteholders shall not be required to seek additional evidence and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so; and
- (xiii) shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules of the Organisation that such exercise will not be materially prejudicial to the interest of the Noteholders if, along with other factors, the Rating Agency have confirmed that the then current rating of the Notes would not be adversely affected by such exercise, or have otherwise given their consent. If the Representative of the Noteholders, in order to properly exercise its rights or fulfil its obligations, deems it necessary to obtain the valuation of the Rating Agency regarding how a specific act would affect the rating of the Notes, the Representative of the Noteholders shall so inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders, unless the Representative of the Noteholders wishes to seek and obtain the valuation itself.

Any consent or approval given by the Representative of the Noteholders under these Rules of the Organisation and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate.

No provision of these Rules of the Organisation shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend or otherwise risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretion, and the Representative of the Noteholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

Article 30

Security Documents

The Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to Noteholders which have the benefit of the Deed of Pledge. The beneficiaries of the Deed of Pledge are referred to as the "Secured Noteholders".

The Representative of the Noteholders, acting on behalf of the Secured Noteholders, shall be entitled to:

- (a) appoint and entrust the Issuer to collect, on the Secured Noteholders' interest and behalf, any amounts deriving from the receivables and from the pledged receivables and rights, and shall be entitled to give instructions, jointly with the Issuer, to the respective debtors of

the pledged receivables to effect the payments related to such receivables standing to the credit of the Collection Account or any other account opened in the name of the Issuer;

- (b) attest that the account(s) to which payments have been made in respect of the pledged receivables shall be deposit accounts for the purpose of Article 2803 of the Italian Civil Code, and procure that such account(s) is(are) operated in compliance with the provisions of the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement. For such purpose and until a Trigger Notice is served, the Representative of the Noteholders, acting in the name and on behalf of the Secured Noteholders, shall appoint the Issuer to manage the Accounts in compliance with the Cash Allocation, Management and Payment Agreement;
- (c) procure that all funds credited to the relevant Accounts from time to time are applied in accordance with the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement; and
- (d) procure that the funds from time to time deriving from the pledged receivables and the amounts standing to the credit of the relevant Accounts are applied towards satisfaction not only of the amounts due to the Secured Noteholders, but also of such amounts due and payable to any other parties that rank prior to the Secured Noteholders according to the applicable Priority of Payments set forth in the Terms and Conditions, and to the extent that all amounts due and payable to the Secured Noteholders have been paid in full, that any remaining amount be used towards satisfaction of any amounts due to any other parties that rank below the Secured Noteholders. The Secured Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged receivables or credited to the Accounts which is not in accordance with the provisions of this Article 30. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged receivables under the Deed of Pledge except in accordance with the provisions of this Article 30 and the Intercreditor Agreement.

Article 31

Indemnity

Pursuant to the Subscription Agreements, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, receivables and demand (including, without limitation, legal fees and any applicable tax, value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or any subject to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authority and discretion and the performance of its duties under and otherwise in relation to these Rules of the Organisation and the Transaction Documents, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under these Rules of the Organisation, the Notes or the Transaction Documents, except insofar as any such expense is incurred as a result of the

fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF A TRIGGER NOTICE

Article 32

Powers

It is hereby acknowledged that, upon service of a Trigger Notice, pursuant to the Mandate Agreement the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled - also in the interest of the Other Issuer Creditors, pursuant to Articles 1411 and 1723 of the Italian Civil Code - to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND ALTERNATIVE DISPUTES RESOLUTIONS

Article 33

These Rules of the Organisation are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

All disputes arising out of or in connection with these Rules of the Organisation, including those concerning its validity, interpretation, performance and termination, shall be settled independently of the number of parties, by an arbitral tribunal consisting of three arbitrators, one being the President, all of them directly appointed by the Chamber of National and International Arbitration of Milan. The arbitration shall be conducted in accordance with the Rules of the Organisation of International Arbitration of the National and International Chamber of Commerce of Milan (*Regole di Arbitrato Internazionale della Camera di Commercio Nazionale e Internazionale di Milano*), which each of the Noteholders acknowledges to know and accept in their entirety.

The arbitrators shall decide according to the laws of the Republic of Italy and not *ex aequo et bono*.

The seat of the Arbitration will be Milan.

The language of the arbitration will be English.

The Courts of Milan shall have exclusive jurisdiction over any dispute that cannot be settled by arbitration in accordance with the provisions of this Article 33.

SELECTED ASPECTS OF ITALIAN LAW

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

It applies to securitisation transactions involving the "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with Article 3 of the Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such receivables and all costs and expenses associated with the securitisation transaction.

As at the date of this Offering Circular, no interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority, except for (i) regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions for special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction, and (ii) the Decree of the Italian Ministry of Treasury dated 4 April 2001 and the Decree of the Italian Ministry of Economics and Finance no. 29 dated 17 February 2009 on the terms for the registration of the financial intermediaries in the register held by the Bank of Italy pursuant to Article 106 and 107 of the Consolidated Banking Act. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Offering Circular.

Ring-fencing of the assets

Under the terms of Article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables (including any other receivables purchased by the Issuer pursuant to the Securitisation Law). Prior to and on a winding up of such a company such assets will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

The assignment

The assignment of the receivables under the Securitisation Law is governed by Article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act. The prevailing interpretation of this provision, which view has been strengthened by Article 4 of the Securitisation Law, is that the assignment can be perfected against the assignor, the debtors in respect of the receivables and

third party creditors by way of publication of the relevant notice in the Official Gazette of the Republic of Italy and registration in the Companies Register, so avoiding the need for notification to be served on each debtor.

As of date of the publication of the notice in the Official Gazette of the Republic of Italy and registration in the Companies Register, the assignment becomes enforceable against:

- (i) the debtors in respect of the receivables and any creditors of the assignor who have not prior to the date of publication of the notice and registration in the Companies Register commenced enforcement proceedings in respect of the relevant receivables, provided that following the registration of the assignment in the Companies Register and the publication of the notice in the Official Gazette, the claw-back provisions set forth in Article 67 of the Italian Bankruptcy Law will not apply to payments made by the Obligor to the Issuer in respect of the Portfolio to which the relevant registration of the assignment and the publication of the relevant notice relate;
- (ii) the liquidator or other bankruptcy official of the debtors in respect of the receivables (so that any payments made by such a debtor to the purchasing company may not be subject to any claw-back action pursuant to Article 67 of the Italian Bankruptcy Law); and
- (iii) other permitted assignees of the assignor who have not perfected their assignment prior to the date of publication and registration in the Companies Register.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned receivables will automatically be transferred to and perfected with the same priority in favour of the Issuer, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette of the Republic of Italy and registration in the Companies Register, no legal action may be brought against the receivables assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the Noteholders issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction.

The transfer of the Receivables from the Originator to the Issuer has been (i) filed with the Companies Register of Milan on 5 November 2009 and (ii) published in the Official Gazette No. 129 of 7 November 2009. Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under Article 67 of Royal Decree number 267 of 16 March 1942 but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of Article 67 applies, within six months of the securitisation transaction. It is uncertain whether such limitation on claw-back would be applicable if the relevant insolvency procedure or claw-back action is not governed by the law of the Republic of Italy, as would probably be the case if the seller were to become insolvent.

The Issuer

Under the regime normally prescribed for Italian companies under the Italian civil code, it is unlawful for any company (other than banks) to issue securities for an amount exceeding two times the company's share capital. Under the provisions of the Securitisation Law, the standard provisions described above are inapplicable to the Issuer.

The Issuer is subject to the provisions contained in Chapter V of the Consolidated Banking Act which requires that companies intending to carry out financial activity in the Republic of Italy, including financial companies carrying out securitisation activities, must be registered on the register of financial companies held, pursuant to Article 106 of the Consolidated Banking Act, by the Treasury Ministry.

Foreclosure proceedings

Mortgages may be "voluntary" (*ipoteche volontarie*), where granted by a borrower or a third party guarantor by way of a deed, or "judicial" (*ipoteche giudiziarie*), where registered in the appropriate land registry (*Conservatoria dei Registri Immobiliari*) following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

A mortgage lender (whose debt is secured by a mortgage whether "voluntary" or "judicial") may commence foreclosure proceedings by seeking a court order or injunction for payment in the form of a *titolo esecutivo* from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed, a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain a *titolo esecutivo* from the court. An *atto di precetto* is notified to the debtor together with either the *titolo esecutivo* or the loan agreement, as the case may be.

Within ten days of filing, but not later than ninety days from the date on which notice of the *atto di precetto* is served, the mortgage lender may request the attachment of the mortgaged property. The property will be attached by a court order, which must then be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*). The court will, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interests of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender. Not earlier than 10 days and not later than 90 days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral certificates, which usually take some time to obtain. Law No. 302 of 3 August 1998 as amended by Law No. 80 of 14 May 2005, should reduce the duration of the foreclosure proceedings by allowing the mortgage lender to substitute such cadastral certificates with certificates obtained from public notaries and by allowing a public notary (*notaio*), a lawyer (*avvocato*), an accountant (*commercialista*) or an expert accountant (*esperto contabile*) to conduct various activities which were before exclusively within the powers of the courts.

If the court decides to proceed with an auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property. The court will then order the sale by auction. The court determines on the basis of the expert's appraisal the minimum bid price for the property at the auction. If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fourth reduction. In the event that no offers are made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after deduction of the expenses of the foreclosure proceedings and any expenses for the cancellation of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the foreclosure proceedings).

Pursuant to Article 2855 of the Italian Civil Code the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the foreclosure proceedings are taken and in the two preceding calendar years and (ii) the interest accrued at the legal rate (currently 3 per cent) until the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the foreclosure proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of foreclosure proceedings, from the court order or injunction of payment to the final sharing out, is between eight and ten years. In the medium-sized Central and Northern Italian cities it can be significantly less whereas in major cities or in Southern Italy the duration of the procedure can significantly exceed the average.

***Mutui fondiari* foreclosure proceedings**

Foreclosure proceedings in respect of *mutui fondiari* commenced after 1 January 1994 are currently regulated by Article 38 (and following) of the Consolidated Banking Act in which several exceptions to the rules applying to foreclosure proceedings in general are provided for. In particular, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of *mutui fondiari* is entitled to commence or continue foreclosure proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

Moreover, the custodian appointed to manage the mortgaged property in the interest of the *fondiaro* lender pays directly to the same the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *mutui fondiari* lender's debt directly to the same.

Pursuant to Article 58 of the Consolidated Banking Act, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutui fondiari* loan.

Foreclosure proceedings for *mutui fondiari* commenced on or before 31 December 1993 are regulated by Regio Decreto No. 646 of 16 July 1905 which confers on the *mutuo fondiario* lender rights and privileges which are not conferred by the Consolidated Banking Act with respect to foreclosure proceedings on *mutui fondiari* commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence foreclosure proceedings against the borrower even after the real estate has been sold to a third party who has substituted the borrower as debtor under the *mutuo fondiario* provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the Tribunal after commencement of foreclosure proceedings, at the value indicated in the *mutuo fondiario* agreement without having to have a further expert appraisal.

Attachment of Debtor's Credits

Attachment proceedings may be commenced also on due and payable credits of a borrower (such as bank accounts, salary etc.) or on a borrower's moveable property which is located on a third party's premises.

TAXATION

The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules. The following summary does not discuss the treatment of Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in Italy.

This summary is based upon tax laws and practice of Italy in effect on the date of this Offering Circular which are subject to change potentially retroactively. Prospective Noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws. Finally it should be also considered that a broad reforms of the current taxation regime applicable to financial income may be implemented.

Prospective Noteholders who may be unsure as to their tax position should seek their own professional advice.

Italian Tax Treatment of the Notes – General

Italian Legislative Decree No. 239 of April 1996, as amended and supplemented (“Decree No. 239”) regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as “Interest”) deriving from bonds and similar securities issued, inter alia, by Italian resident banks. The provisions of Decree No. 239 only apply to Notes issued by the Issuer (a) with a maturity of eighteen months or more, and (b) to the extent that they qualify as *obbligazioni* (bonds) or as *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented (“Decree No. 917”).

Italian Resident Noteholders

Pursuant to Decree No. 239, payments of Interest relating to Notes issued by the Issuer that fall within the definitions set out above are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 12.5 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes) where an Italian resident holder of Notes is the beneficial owner of such Notes, and is:

- (a) an individual holding Notes otherwise than in connection with an entrepreneurial activity, unless he has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the so-called *risparmio gestito* regime (the “Asset Management Option”) pursuant to Article 7 of the Italian Legislative Decree No. 461 of 21 November 1997, as amended (“Decree No. 461”); or
- (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a de facto partnership not carrying out commercial activities or professional associations; or

- (c) a private or public institution not carrying out commercial activities; or
- (d) an investor exempt from Italian corporate income taxation.

All the above categories are usually referred as “net recipients”.

Where the resident holders of the Notes described in (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as an advance income tax; Interest deriving from the Notes is included in the taxable income and *imposta sostitutiva* suffered may be deducted from the tax due.

Pursuant to Decree No. 239, the 12.5 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (“SIMs”), fiduciary companies, *società di gestione del risparmio*, stockbrokers and other qualified entities resident in Italy (the “Intermediaries”, and each an “Intermediary”), or by permanent establishments in Italy of foreign banks or intermediaries, who are required to act in connection with the collection of Interest or in the transfer or disposal of Notes, including in their capacity as transferees.

Payments of Interest in respect of Notes issued by the Issuer that fall within the definitions set out above in “Italian Tax Treatment of the Notes — General” are not subjected to the 12.5 per cent. *imposta sostitutiva* if made to beneficial owners who are:

- (a) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected;
- (b) Italian resident collective investment funds, SICAVs, Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 (“**Pension Fund**”), Italian resident real estate investment funds established after 26 September 2001 pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 and Article 14-bis of Law No. 86 of 25 January 1994, or in any case subject to the tax treatment provided for by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001 (“**Decree No. 351**”), as a consequence of an election for application of such treatment having been properly made by the managing company (“**Real Estate Investment Funds**”); and
- (c) Italian resident individuals holding Notes otherwise than in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial intermediary and have opted for the Assets Management Option.

Such categories are usually referred as “gross recipients”. To ensure payment of Interest in respect of the Notes without the application of the 12.5 per cent. *imposta sostitutiva*, gross recipients must:

- (a) be the beneficial owners of payments of Interest on the Notes; and
- (b) deposit the Notes together with the coupons relating to such Notes in due time directly or indirectly with an Italian authorised financial Intermediary (or permanent establishment in Italy of a foreign intermediary).

Where the Notes and the relevant coupons are not deposited with an authorised Intermediary (or permanent establishment in Italy of foreign intermediary), *imposta sostitutiva* is applied and withheld:

- (a) by any Italian bank or any Italian intermediary paying interest to the Noteholder; or

(b) by the Issuer.

Gross recipients that are Italian resident corporations, or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the Notes would be included in the taxable income subject to corporate income tax – IRES (and in certain circumstances, depending on the “status” of the Noteholder, also in the taxable income for purposes of regional tax on productive activities – IRAP) of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident individuals holding Notes otherwise than in connection with entrepreneurial activity who have opted for the Asset Management Option are subject to annual substitute tax at the rate of 12.5 per cent. (the “**Asset Management Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Assets Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Special rules apply to Interest accrued and paid to Noteholders which are Italian resident collective investment funds and SICAVs, Italian resident pension funds referred to in Decree No. 124 and Italian resident real estate investment funds. In such respect please consider the following:

- (a) where the Noteholder is an Italian open-ended or a closed-ended investment fund or a SICAV, Interest relating to the Notes will not be subject to *imposta sostitutiva*, but must be included in the net results of the relevant portfolio in the relevant tax period and will be subject to a 12.5 per cent. annual substitute tax;
- (b) where the Noteholder is an Italian Pension Fund Interest relating to the Notes will not be subject to *imposta sostitutiva*, but must be included in the results of the relevant portfolio in the tax period and will be subject to an 11 per cent. substitute tax.
- (c) where the Noteholder is an Italian Real Estate Investment Fund Interest relating to the Notes will neither be subject to *imposta sostitutiva*, nor to any other income tax in the hands of the real estate fund (as such funds are exempt entities for Italian income tax purposes).

Non-Italian Resident Noteholders

Pursuant to Decree No. 239, payments of Interest in respect of Notes issued by the Issuer falling within the definitions set out in “Italian Tax Treatment of the Notes – General” above and paid to non-Italian resident Noteholders with no permanent establishment in Italy to which the Notes are effectively connected will not be subject to *imposta sostitutiva* at the rate of 12.5 per cent., provided that:

- (a) such Noteholders are the beneficial owners of the Interest payments received under the Notes;
- (b) such Noteholders are resident, for tax purposes, in a country which recognises the Italian tax authorities’ right to an adequate exchange of information as listed in Ministerial Decree 4 September 1996, as amended and supplemented and replaced by

a the Ministerial Decree to be enacted according to the provision set forth by article 168*bis* of Presidential Decree 22 December 1986, N. 917(the “Italian Income Tax Code”) ; and

- (c) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

Decree No. 239 also provides for additional exemptions from *imposta sostitutiva* for payments of Interest in respect of the Notes made to: (i) international entities and organisations set up in accordance with international agreements which have entered into force in Italy (so called “supranational entities and organisations”); (ii) central banks or entities also authorised to manage the official reserves of a state; or (iii) “professional investors” (e.g. investment funds, pensions funds, etc.) established in any of the countries listed in Ministerial Decree 4 September 1996, as amended and supplemented and replaced by a Ministerial Decree to be enacted according to the provision set forth by article 168*bis* of the Italian Income Tax Code, even if they do not qualify as “persons” in their own country of establishment under the relevant double taxation treaties.

To ensure payment of Interest in respect of the Notes without the application of 12.5 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with an Intermediary, or a permanent establishment in Italy of a non-Italian bank or financial intermediary, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and
- (b) file in due time with the relevant depository a declaration (*autocertificazione*) stating, *inter alia*, that the Noteholder is a resident, for tax purposes, in a country which recognises the Italian tax authorities’ right to an adequate exchange of information as listed in Ministerial Decree 4 September 1996, as amended and supplemented and replaced by a Ministerial Decree to be enacted according to the provision set forth by article 168*bis* of the Italian Income Tax Code. Such declaration (*autocertificazione*) which must comply with the requirements set forth by a Decree of the Ministry for the Economy and Finance of 12 January 2001, as amended and supplemented, is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The declaration (*autocertificazione*) is not requested for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and central banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident Noteholder to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interests payments made to a non-resident Noteholder.

Should the above exemptions not be applicable, non-Italian resident Noteholders may be entitled to claim, if certain relevant conditions are met, a reduction of the 12.5 per cent. *imposta sostitutiva* (generally to 10 per cent., or to the other applicable rates, if more favourable) under the double taxation treaty, if any, entered into by Italy and its country of residence, subject to timely filing of required documentation.

Early Redemption

Notwithstanding the above provisions, Notes issued by the Issuer which fall within the definitions set out above in “Italian Tax Treatment of the Notes – General” and which are redeemed within eighteen months from the date of issue, are subject to an additional tax due by the Issuer at a rate of 20 per cent. in respect of Interest accrued on the Notes up to the date of the early redemption, pursuant to Article 26, paragraph 1, of Presidential Decree No. 600 of 29 September 1973, as amended (“Decree 600”). According to one interpretation of Italian tax law, the above 20 per cent. additional tax may also be due in the event of a repurchase by the Issuer of Notes which are subsequently cancelled prior to eighteen months from the date of issue.

Notes with an original maturity of less than 18 months

Pursuant to Article 26 of Decree No. 600, interest and other proceeds on Notes issued by the Issuer that qualify as *obbligazioni* (bonds) or as *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Decree No. 917 with an original maturity of less than eighteen months, are subject to withholding tax levied at a rate of 27 per cent.

Where the Noteholder is: (i) an Italian resident individual carrying on a commercial activity, as to Notes connected to the commercial activity carried out; (ii) an Italian resident corporation or a similar Italian commercial entity; (iii) a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected; (iv) an Italian resident commercial partnership; or (v) an Italian resident commercial private or public institution, such withholding tax operates as an advance tax payment subject to final assessment. In all other cases, the withholding tax is a final tax payment.

Non-Italian resident Noteholders, may be entitled to claim, if certain relevant conditions are met, a reduction of such 27 per cent. withholding tax (generally to 10 per cent., or to the other applicable rates, if more favourable) under the double taxation treaty, if any, entered into by Italy and its country of residence, subject to timely filing of required documentation.

Notes that qualify as atypical securities

Notes that do not qualify as *obbligazioni* (bonds) or as *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44, paragraph 2, lett. c) of Decree No. 917 are characterised for Italian tax purposes as “atypical securities”. Pursuant to Article 44 of Decree No. 917, securities can be qualified, for income tax purposes, as *titoli similari alle obbligazioni* (securities similar to bonds) only to the extent that they incorporate an unconditional obligation to pay at maturity or upon redemption (to the Noteholder) an amount not less than therein indicated without providing any right to the Noteholders to participate in, or to control, the activity carried on by the Issuer.

Income of any kind, including interest and any sum paid to the Noteholders at maturity in excess over the issue price and relating to Notes characterised as “atypical securities” are subject to withholding tax levied at the rate of 27 per cent. (final or in advance, depending on the “status” and tax residence of the Noteholder) pursuant to Article 5 of Law Decree no. 512 of 30 September 1983, converted into law with amendments by Law No 649 of 25 November 1983.

Non-Italian resident Noteholders may be entitled to claim, if certain relevant conditions are met, a reduction of such 27 per cent. withholding tax (generally, to 10 per cent. or to the other

applicable rates, if more favourable) under the double taxation treaty, if any, entered into by Italy and its country of residence, subject to timely filing of required documentation.

Taxation of capital gains Italian resident Noteholders

Pursuant to Decree No. 461, a 12.5 per cent. substitute tax (the “**Capital Gains Tax**”) applies to capital gains realised by Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called “tax return regime”, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activities, the 12.5 per cent. Capital Gains Tax will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised by Italian resident individual not engaged in entrepreneurial activities pursuant to all investment transactions carried out during any given tax year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and Capital Gains Tax must be paid on such capital gains by Italian resident individuals together with any income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent tax year.

Alternatively, holders of the Notes who are Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected, may elect to pay Capital Gains Tax separately on capital gains realised on each sale or transfer or redemption of the Notes (“risparmio amministrato” regime). Such separate taxation of capital gains is allowed subject to:

- (a) the Notes being deposited with an Intermediary (or permanent establishment in Italy of a foreign intermediary); and
- (b) an express election for the so called *risparmio amministrato* regime being made in writing in due time by the relevant holder of the Notes.

The Intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes; where a sale or transfer or redemption of the Notes results in a capital loss, the Intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Special rules apply if the Notes are part of (i) a portfolio managed under the Asset Management Option by an Italian asset management company or an authorised intermediary or (ii) an *Italian Organismo di Investimento Colettivo del Risparmio* (which includes a *Fondo Comune di Investimento* or *SICAV*). In both cases, capital gains on the Notes will not be subject to 12.5 per cent. *imposta sostitutiva* on capital gains but will respectively contribute to

determine the taxable base of the Asset Management Tax and of the Collective Investment Fund Tax.

In particular, under the Asset Management Option, any appreciation of the Notes, even if not realised, will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation accrued in each of the four subsequent years. Under the Asset Management Option the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Any capital gains realised by Italian resident corporation or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to corporate income tax in Italy according to the relevant ordinary tax rules.

Special rules apply to capital gains realised by Noteholders which are Italian resident collective investment funds and SICAVs, Italian resident pension funds referred to in Decree No. 124 and Italian resident real estate investment funds. In particular please consider the following:

- (a) where the Noteholder is an Italian open-ended or a closed-ended investment fund or a SICAV, capital gains realised on the Notes will not be subject to Capital Gains Tax, but must be included in the net results of the relevant portfolio in the relevant tax period and will be subject to a 12.5 per cent. annual substitute tax;
- (b) where the Noteholder is an Italian Pension Fund capital gains realised on the Notes will not be subject to Capital Gains Tax, but must be included in the results of the relevant portfolio in the tax period and will be subject to an 11 per cent. substitute tax;
- (c) where the Noteholder is an Italian Real Estate Investment Fund (established pursuant to Article 37 of Legislative Decree No. 58/1998 and to Article 14-bis of Law No. 86/1994) capital gains realised on the Notes will neither be subject to Capital Gains Tax, nor to any other income tax in the hands of the real estate fund (as such funds are exempt entities for Italian income tax purposes).

Non-Italian resident Noteholders

The 12.5 per cent. Capital Gains Tax may in certain circumstances be due on any capital gains realised upon sale, transfer, or redemption of the Notes, or upon the occurrence of any another event assimilated to a disposal of the Notes for Italian tax purposes, by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held or deemed to be in Italy. However, any such capital gains are not taxable (i.e. they are exempt from taxation) in Italy to the extent that the Notes are traded on a regulated market in Italy or abroad, irrespectively of the place in which they are held or deemed to be held.

Where the Notes are not traded on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree No. 461 and Law Decree No. 350 of 25 September 2001, non-Italian resident Noteholders that qualify for the exemption from *imposta sostituti va* under the applicable provisions of Decree No. 239 – as described above under section “Taxation of Income – Non-Italian resident Noteholders” – are

exempt from Capital Gains Tax in Italy, subject to timely filing of the required documentation; and

- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty between Italy and their country of residence providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy, subject to timely filing of required documentation, on any capital gains realised upon sale for consideration or redemption of Notes.

Inheritance and Gift Tax

Pursuant to Law Decree No. 262 of 3 October, 2006, converted into Law No. 286 of 24 November, 2006 as amended by Law No. 296 of 27 December 2006, the transfers of any valuable asset (such as the Notes as well as the Shares) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding €1,000,000.00;
- (b) transfer in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding € 100,000.00; and;
- (c) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Transfer Tax

Provisions set forth by article 37 of Law Decree no. 248 of December 31st, 2007, converted into Law no. 31 of February 28th, 2008 abolished Italian transfer tax set forth by Royal Decree No. 3278 of 30 December 1923. Accordingly, no Italian transfer tax is due on the transfer of the Notes.

Implementation of the EU Savings Directive in Italy

The Italian Government has implemented EC Council Directive 2003/48/EC (the "Savings Directive") through Legislative Decree No. 84 on 18 April 2005 ("Decree No. 84"). Decree No. 84 applies to payments of interest made by paying agents established in Italy to beneficial owners who are individuals resident in a different EU Member State as well as in the dependent or associated territories that have adopted similar legislation (Jersey, Guernsey, Isle of Man, Netherlands, Antilles, British Virgin Islands, Turks and Caicos, Cayman Islands, Montserrat, Anguilla and Aruba). According to Article 1(1) of Decree No. 84, the definition of paying agents includes inter alia, banks, Società di Intermediazione Mobiliare, Società di Gestione del Risparmio, fiduciary companies, financial intermediaries and any economic operator that may be involved commercially or professionally in the payment of interest.

More specifically, according to Article 5 of Decree No. 84, paying agents shall provide the Italian tax authorities with the following information: identity and residence of the beneficial owner; name and address of the paying agent(s); account number of the beneficial owner; or, otherwise,

information of the debt claim giving rise to the interest payment and amount of interest paid. For contractual relations entered into, or transactions carried out in the absence of contractual relations on or after 1 January 2004, residence of the beneficial owner is ascertained on the basis of the address indicated in the passport (if any), in the official identity card or, if necessary, on the basis of any other evidence. Any beneficial owner holding an EU passport or identity card but resident for income tax purposes in a third country shall file a tax certificate issued by the State of residence. Any individual receiving an interest payment is deemed to be the beneficial owner unless he provides evidence that such payment was not received or secured for his own benefit.

Companies, similar entities subject to taxation on business profits, UCITs passported under Directive No. 85/611/EEC and non-passported UCITs that have elected to be treated as if passported, are excluded from the application of Decree No. 84.

Mistakes, omissions and any other contravention may be fined under Decree No. 84 with sanctions from euro 2,065 to euro 20,658.

Both payments of interest on the Notes or the realisation of the capitalised interest through a sale of the Notes would constitute "payments of interest" under Article 6 of the Savings Directive and, in relation to Italy, Article 2 of Decree 84. Accordingly, such payment of interest in relation to the Notes would fall within the scope of the rules described in this section.

The Savings Directive provides that Austria, Belgium and Luxembourg shall apply a withholding tax for a transitional period, as defined therein, unless during such period they elect otherwise. The withholding tax shall be levied at the rate of 15 per cent. during the first three years of the transitional period, 20 per cent. for the subsequent three years and 35 per cent. thereafter. The Savings Directive provides for an exemption from the withholding tax to the extent that the beneficial owner provides the paying agent with minimum data requirements. The Noteholders should consult their tax advisers and/or the custodians with which they hold the Notes in order to carefully assess the regime to which their Notes are subject for the purposes of the Directive, depending *inter alia* on their status, the country in which they are resident for tax purposes, and the country where the relevant paying agents are established.

SUBSCRIPTION AND SALE

The Senior Notes Subscription Agreement

Pursuant to the Senior Notes Subscription Agreement entered into on or about the Issue Date, Cariparma as Senior Notes Subscriber has agreed to subscribe for the Senior Notes, subject to the terms and conditions set out thereunder.

The Senior Notes Subscription Agreement is subject to a number of conditions and may be terminated by the Senior Notes Subscriber in certain circumstances prior to payment for the Senior Notes to the Issuer.

The Senior Notes Subscription Agreement is governed by and will be construed in accordance with Italian law.

The Junior Notes Subscription Agreement and the Junior Notes Conditions

Pursuant to the Junior Notes Subscription Agreement, Cariparma has agreed to subscribe and pay the Issuer for the Junior Notes at their Issue Price.

Save for the rate of interest applicable to the Junior Notes for each Interest Period and the denomination of the Junior Notes, the Junior Notes Conditions are substantially the same as the Senior Notes Conditions.

In respect of the obligation of the Issuer to make payment on the Notes, under the Senior Notes Conditions and the Junior Notes Conditions the payment obligations of the Issuer in respect of the Junior Notes are subordinated to its payment obligations in respect of the Senior Notes, the Other Issuer Creditors and any other creditors of the Issuer, as provided by the Priority of Payments. Therefore, in the event that the Issuer sustains losses and is unable to meet in full its obligations in respect of each of its creditors, the first creditors to bear any shortfall shall be the Junior Noteholders.

The Issuer will not pay any commission or concession to Cariparma in respect of its subscription of the Junior Notes.

The Junior Notes Subscription Agreement is governed by and will be construed in accordance with Italian law.

Selling Restrictions

1. General

1.1 *No action to permit public offering*

Under the Senior Notes Subscription Agreement, the Senior Notes Subscriber has acknowledged that no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Senior Notes, or possession or distribution of any offering material in relation to the Senior Notes, in any country or jurisdiction where action for that purpose is required.

1.2 *Senior Notes Subscriber's compliance with applicable laws*

Under the Senior Notes Subscription Agreement, the Senior Notes Subscriber has undertaken to the Issuer that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Senior Notes or has in its possession, distributes or publishes such offering material, in all cases at its own expense.

1.3 *Publicity*

Under the Senior Notes Subscription Agreement, the Senior Notes Subscriber has represented and warranted that it has not made or provided and has undertaken that it will not make or provide any representation or information regarding the Issuer or the Senior Notes save as contained in this Offering Circular or as approved for such purpose by the Issuer or which is a matter of public knowledge.

2 *United States*

2.1 *No registration under Securities Act*

The Senior Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

2.2 *Compliance by Issuer and Originator with United States securities laws*

Under the Senior Notes Subscription Agreement, each of the Issuer and the Originator has represented, warranted and undertaken to the Senior Notes Subscriber that:

- 2.2.1 within the preceding six months, neither it nor any of its affiliates nor any other person acting on its or their behalf has offered or sold, or will offer or sell, to any person any Senior Notes in any circumstances which would require the registration of any of the Senior Notes under the Securities Act or the qualification of any document related to the Senior Notes as an indenture under the United States Trust Indenture Act of 1939;
- 2.2.2 neither it nor any its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts within the meaning of Rule 902 under the Securities Act with respect to the Senior Notes;
- 2.2.3 neither it nor any of its affiliates nor any person acting on its or their behalf has solicited or will solicit any offer to buy or sell the Senior Notes by any form of general solicitation or general advertising, including but not limited to the methods described in Rule 502(c) under the Securities Act in connection with the offer and sale of the Senior Notes in the United States;
- 2.2.4 the Issuer is not, and after giving effect to the offering and sale of the Senior Notes, will not be a company registered or required to be registered as an "investment company", as such term is defined in the United States Investment Company Act of 1940, as amended (the "Investment Company Act"); and

2.2.5 the Senior Notes satisfy the eligibility requirements of Rule 144A(d)(3) under the Securities Act.

2.3 *Senior Notes Subscriber's compliance with United States securities laws in relation to the Senior Notes*

Under the Senior Notes Subscription Agreement, the Senior Notes Subscriber has represented, warranted and undertaken to the Issuer that:

2.3.1 the Senior Notes Subscriber may directly or through its affiliates arrange for the placing of the Senior Notes in the United States to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A and in accordance with the provisions of the Senior Notes Subscription Agreement, provided that each person to whom the Senior Notes are offered or sold is, or the Senior Notes Subscriber reasonably believes each such person to be, a qualified institutional buyer purchasing for its own account or for the account of a qualified institutional buyer and provided further that the aggregate principal amount of the Senior Notes sold by the Senior Notes Subscriber to each qualified institutional buyer pursuant to this paragraph is not less than US\$ 250,000. In addition, the affiliate through which the Senior Notes Subscriber arranges for the placing of Restricted Notes in the United States shall be an accredited investor (as defined in Rule 501(a) under the Securities Act; and

2.3.2 neither it, its affiliates nor any person acting on its or their behalf, has solicited or will solicit any offer to buy or sell the Senior Notes by any form of general solicitation or general advertising, including but not limited to the methods described in Rule 502(c) under the Securities Act in connection with the offer and sale of the Senior Notes in the United States.

2.4 *Interpretation*

Terms used in Paragraph 2.1, 2.2 and 2.3 above have the meanings given to them by Regulation S under the Securities Act. Terms used in Paragraph 2.3 above have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder, including the D Rules.

3. *United Kingdom*

Under the Senior Notes Subscription Agreement, the Senior Notes Subscriber has represented, warranted and undertaken to the Issuer that:

3.1 *No offer to public*

it has not offered or sold and, prior to the expiry of a period of six months from the Issue Date, will not offer or sell any Senior Notes to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or FSMA;

3.2 *Financial promotion*

it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of any Senior Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

3.3 *General compliance*

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Senior Notes in, from or otherwise involving the United Kingdom.

4. *Italy*

4.1 *No offer to public*

Under the Senior Notes Subscription Agreement, the Senior Notes Subscriber has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available to the public in the Republic of Italy any Senior Notes, this Offering Circular or any other offering material relating to Senior Notes.

4.2 *Offer to Professional Investors*

Under the Senior Notes Subscription Agreement, the Senior Notes Subscriber has represented and agreed that no action has been and will be taken by it which would allow an offering of the Senior Notes other than to banks, investments firms (*società di intermediazione mobiliare* and *società di gestione del risparmio*) (in both cases acting as principal and not as agents on behalf of retail clients), other authorised or regulated financial institutions, insurance companies, collective investment schemes and management companies of such schemes ("*organismi di investimento collettivo*") and pension funds and management companies of such funds or any other entity as defined by CONSOB pursuant to Article 100, paragraph 1, lett. a) of Italian Legislative Decree No. 58 of 24 February 1998 (hereinafter, the "**Consolidated Financial Act**") and in accordance with applicable Italian laws and regulations.

Under the Senior Notes Subscription Agreement, the Senior Notes Subscriber has acknowledged that any offer of the Senior Notes to professional investors in the Republic of Italy shall be made only by banks, investment firms or financial companies enrolled in the special register provided for in Article 106 or 107 of the Consolidated Banking Act, to the extent that they are duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Consolidated Financial Act and following the issuance, will be made in compliance with the applicable requirements for subsequent notices to the Bank of Italy under Article 129 of the Consolidated Banking Act, and the Bank of Italy's instructions issued thereunder, if any.

4.3 *General Compliance*

Under the Senior Notes Subscription Agreement, the Senior Notes Subscriber has acknowledged that:

- 4.3.1 no action has or will be taken by it which would allow an offering (nor a "*sollecitazione all'investimento*") of the Senior Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations; and
- 4.3.2 the Senior Notes may not be offered, sold or delivered by it and neither an offering circular nor any other offering material relating to the Senior Notes will be distributed or made available by it to the public in the Republic of Italy. Individual sales of the Senior Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations; and
- 4.3.3. no application has been made to obtain an authorisation from CONSOB for the public offering of the Senior Notes in the Republic of Italy.

GENERAL INFORMATION

Listing and admission to trading

Application has been made to list the Senior Notes on the official list of the Luxembourg Stock Exchange and to trade the Senior Notes on the Regulated Market of the Luxembourg Stock Exchange. The *Prospetto Informativo* will be published on the website of the Luxembourg Stock Exchange: www.bourse.lu.

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The Issuer is managed by a Sole Director. Therefore, in accordance with Italian law, the issue of the Notes has been authorised by the Sole Director.

Clearing of the Notes

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

| Class | ISIN | COMMON CODE |
|--------------|--------------|--------------------|
| Class A | IT0004549074 | 046594622 |
| Class J | IT0004549066 | NA |

No material litigation

Save as disclosed in this Offering Circular, there are no (and there have not been since its incorporation) litigation or arbitration proceedings against or affecting the Issuer or any of its assets or revenues, nor is the Issuer aware of any pending or threatened proceedings of such kind, which are or might be material in the context of the issue of the Notes.

No material adverse change

Save as disclosed in this Offering Circular and since the last Issuer's audited report as to the interim financial statements dated 30 June 2009, there has been no material adverse change, or any development reasonably likely to involve a material adverse change in the financial position or prospects of the Issuer.

Documents available for inspection

For as long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange, copies of the following documents may be inspected during normal business hours at the registered office of the Listing Agent:

- (i) Transfer Agreement;
- (ii) Warranty and Indemnity Agreement;
- (iii) Servicing Agreement;

- (iv) Intercreditor Agreement;
- (v) Cash Allocation, Management and Payment Agreement;
- (vi) Deed of Pledge;
- (vii) Mandate Agreement;
- (viii) Quotaholders' Agreement;
- (ix) Corporate Services Agreement;
- (x) Hedging Agreement;
- (xi) Monte Titoli Mandate Agreement;
- (xii) Master Definitions Agreement;
- (xiii) Deed of Charge;
- (xiv) Liquidity Agreement;
- (xv) the memorandum and articles of association of the Issuer and
- (xvi) the Issuer's financial statement and the relevant auditor's reports.

Financial statements available

The Issuer will produce financial statements in respect of each financial year. Such financial statements will be audited, and the Issuer will not produce interim financial statements other than as specified. So long as any of the Senior Notes remains outstanding, upon publication, copies of the Issuer's annual audited financial statements, shall be made available for collection at the registered offices of the Listing Agent.

The audit reports with respect to the financial statements of the Issuer as of 31 December 2008 and for the year then ended and the interim financial statements as of 30 June 2009 and for the six months then ended are incorporated by reference in this Offering Circular.

Post issuance reporting

So long as any of the Senior Notes remains outstanding, on each Investors Report Date, the Investors Reports, (or the Post Trigger Reports if a Trigger Notice has been delivered to the Issuer), shall be made available for collection at the registered offices of the Listing Agent.

Documents incorporated by reference

The Issuer's audited financial statements as of 31 December 2008, the auditors report as to the Issuer financial statements as of 31 December 2008 , the board of directors report as to the Issuer financial statements as of 31 December 2008, the interim financial statement as of 30 June 2009, the sole director report as to the interim financial statement as of 30 June 2009 and the auditors report as to the interim financial statement as of 30 June 2009 shall be deemed to be incorporated in, and to form part of, this document.

| Document | Information contained |
|--------------------------------------|---|
| Financial statement as at 31.12.2008 | - balance sheet as at 31.12.2008 p. 2 - income statement p. 2 - notes to the financial statement p. 3 and ff. |
| Auditor's report | Auditor's report on 2008 financial statements p.1-2 |
| Board of Directors report | Board of Directors report on 2008 financial statements p.1-2 |

| | |
|--|---|
| Interim Financial statement as at 30.06.2009 | - balance sheet as at 30.06.2009 p. 2 - income statement p. 2 - notes to the financial statement p. 3 and ff. |
| Auditor's report | Auditor's report on 30 June 2009 financial statements p.1-2 |
| Sole Director report | Sole Director report on 30 June 2009 financial statements p.1-2 |

Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purpose only.

Any documents incorporated by reference will be published on the Luxembourg Stock Exchange website www.bourse.lu.

Fees and expenses

The estimated annual fees and expenses payable by the Issuer in connection with the transaction described herein amount to approximately € 300,000.00 (excluding servicing fees and any VAT, if applicable).

GLOSSARY

"**Account**" means any one of the Eligible Accounts, the Expense Account, the Liquidity Reserve Account the Cash Collateral Account and the Securities Accounts, and "**Accounts**" means any one or all of them (as the case may be).

"**Account Bank**" means Cassa di Risparmio di Parma e Piacenza S.p.A. or any other person acting as account bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"**Account Bank Report**" means the monthly report setting out certain information with reference to each month, in respect of the amounts standing to the credit of each of the Eligible Accounts, the interest accrued thereon and taxes accrued and paid.

"**Account Bank Report Date**" means the tenth day of each month or, if such day is not a Business Day, the immediately following Business Day.

"**Accrued Interest**" means, as of any relevant date and in relation to any Receivable, the portion of the Interest Instalment falling due on the next Scheduled Instalment Date, accrued and not paid, as at that date.

"**Adjustment Purchase Price**" means in relation to any Receivable transferred to the Issuer pursuant to the Transfer Agreement, an amount calculated pursuant to, and in the circumstances referred to in, Clause 6 of the Transfer Agreement.

"**Advances**" means any advance of liquidity drawn by the Issuer pursuant to the Liquidity Agreement, including amounts drawn from the Liquidity Reserve Account.

"**Agents**" means, collectively, the Computation Agent and the Principal Paying Agent.

"**Arranger**" means Calyon, Milan Branch.

"**Article 65**" means Article 65 of the Italian Bankruptcy Law.

"**Bank of Italy Supervisory Regulations**" means the Supervisory Regulations for the Banks and/or the Supervisory Regulations for Financial Intermediaries, as the case may be.

"**Business Day**" means any day on which the banks are opened for business in Parma, Milan, Paris and Luxembourg and Trans-European Automated Real Time Gross Transfer System (TARGET) (or any successor thereto) is open.

"**CACEIS Bank Luxembourg**" means Caceis Bank Luxembourg, 5 Allée Scheffer, L -2520 Grand Duchy of Luxembourg.

"**Calculation Date**" means the seventh Business Day after each Semiannual Servicer's Report Date .

"**CALYON**" means CALYON S.A., a *société anonyme* incorporated under the laws of France, having its registered office in 9 Quai du Président Doumer, 92920 Paris La Défense, France.

"**CALYON, Milan Branch**" means CALYON S.A., a *société anonyme* incorporated under the laws of France, having its registered office in 9 Quai du Président Doumer, 92920 Paris La Défense, France, enrolled under number 304 187 701 in the *Registre du Commerce et des Sociétés du Nanterre*, acting through its Milan branch, with offices in Via Brera, 21, 20121 Milan, Italy, duly

and enrolled under number 5276 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

"Cancellation Date" means the earlier of: (i) the date on which the Notes have been redeemed in full, (ii) the Final Maturity Date and (iii) the date on which the Representative of the Noteholders has certified to the Issuer and the relevant Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Portfolio being available to the Issuer.

"Cariparma" means Cassa di Risparmio di Parma e Piacenza S.p.A. a bank incorporated under the laws of Italy, with registered seat in via Università 1, 43100 Parma, Italy, registered with the Companies' Register of Parma under no. 02113530345, and with the Albo delle Banche held by Banca d'Italia under article 13 of the Consolidated Banking Act with no. 5435, Leading bank of the Gruppo Bancario Cariparma Friuladria and subject to the "*attività di Direzione e Coordinamento*" by Crédit Agricole S.A..

"Cash Allocation Management and Payment Agreement" means the cash allocation management and payment agreement executed on the Signing Date between, *inter alios*, the Issuer, the Computation Agent, the Account Bank, the Cash Manager and the Principal Paying Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

Cash Collateral Account means the Euro denominated account with IBAN IT73I0623012700000036731454 established in the name of the Issuer with the Account Bank for the deposit of the cash collateral to be posted by the Hedging Counterparty in accordance with the Hedging Agreement;

"Cash Manager" means Cassa di Risparmio di Parma e Piacenza S.p.A. or any other person acting as cash manager pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Clearstream" means Clearstream Banking, société anonyme.

"Collateral Portfolio" means, on a given date, the aggregate of all Receivables owned by the Issuer which are not Defaulted Receivables as of that date, comprised in the Portfolio.

"Collateral Portfolio Outstanding Principal" means the sum of the Outstanding Principal of all the Receivables comprised in the Collateral Portfolio.

"Collateral Security" means the Guarantees and the Mortgages.

"Collected Insurance Premia" means the Insurance Premia accrued and paid by each relevant Debtor during the relevant Semiannual Collection Period.

"Collection Account" means the Euro denominated Account with IBAN IT66S0623012700000036718623 established in the name of the Issuer with the Account Bank for the deposit of all the Collections from time to time received or recovered in respect of the Portfolio by the Servicer in accordance with the provisions of the Servicing Agreement and the Cash Allocation, Management and Payment Agreement.

"Collection Period" means the Quarterly Collection Period or the Semiannual Collection Period as the case may be.

"Collections" means all amounts received by the Servicer in respect of the Receivables.

"Collateral Transfer Amount" means:

- (i) if the Collateral Transfer Date falls on an Early Termination Date, a portion of the Collateral Amounts equal to the Exposure (as defined in the Hedging Agreement) of the Issuer vis-à-vis the Hedging Counterparty under the Hedging Agreement; or
- (ii) if the Collateral Transfer Date falls on a date on which a Hedging Counterparty Default occurs, a portion of the Collateral Amounts equal to the amounts due but not paid by the Hedging Counterparty as a result of such Hedging Counterparty Default.

"Collateral Transfer Date" means:

- (i) any Early Termination Date (as defined in the Hedging Agreement); or
- (ii) any date on which a Hedging Counterparty Default has occurred, if a Payment Date falls on or prior to the relevant Early Termination Date.

"Computation Agent" means Calyon Milan Branch or any other person acting as computation agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Condition" means a condition of the Senior Notes Conditions and/or the Junior Conditions as the context may require.

"Confirmation" means the confirmation between the Hedging Counterparty and the Issuer evidencing the terms of the transactions under the Hedging Agreement.

"CONSOB" means *Commissione Nazionale per le Società e la Borsa*.

"Consolidated Banking Act" means Legislative Decree No. 385 of 1 September 1993, as subsequently amended and supplemented from time to time.

"Consolidated Financial Act" means the Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented from time to time.

"Corporate Servicer" means Zenith Services S.p.A. or any other person acting as corporate servicer pursuant to the Corporate Services Agreement from time to time.

"Corporate Services Agreement" means the corporate services agreement executed on 3 November 2009 between the Issuer and the Corporate Servicer.

"Credit and Collections Policies" means the procedures for the management, collection and recovery of Receivables attached as Schedule A to the Servicing Agreement.

"Criteria" means the objective criteria for the identification of the Receivables specified in Schedule A of the Transfer Agreement and described in section *"The Portfolio"* above.

"Debtor" means any borrower and any other person or entity who or which entered into a Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of

amounts due under a Loan Agreement, as a consequence of having granted any Guarantee to Cariparma or having assumed the borrower's obligation under an assumption (*accollo*), or otherwise.

"Decree No. 213" means Italian Legislative Decree No. 213 of 24 June 1998, as amended and supplemented from time to time.

"Decree No. 239" means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time and any related regulations.

"Decree 239 Deduction" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree No. 239.

"Decree No. 350" means Italian Law Decree No. 350 of 25 September 2001, converted into law with amendments by Law No. 409 of 23 November 2001, as amended and supplemented from time to time.

"Decree No. 351" means Italian Law Decree No. 351 of 25 September 2001, as amended and supplemented from time to time.

"Decree No. 435" means Italian Legislative Decree No. 435 of 21 November 1997, as amended and supplemented from time to time.

"Deed of Charge" means the English law deed of charge executed on the Signing Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto.

"Deed of Pledge" means the Italian law deed of pledge executed on the Signing Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto.

"Defaulted Receivables" means any Receivables where either (A) (i) 2 yearly instalments in respect of the Loans are past due and unpaid (ii) 3 semi-annual instalments in respect of the Loans are past due and unpaid or (iii) 4 quarterly instalments in respect of the Loans are past due and unpaid or (iv) 9 monthly instalments in respect of the Loans are past due and unpaid or (B) the relevant Debtor has been classified as being "*in sofferenza*" by the Servicer in accordance with the Collection Policies.

"Defaulting Party" has the meaning ascribed to it in the Hedging Agreement.

"Delinquent Instalment" means an Instalment which remains unpaid by the Debtor after the Scheduled Instalment Date.

"Delinquent Receivables" means any Receivable which is not a Defaulted Receivable and with respect to which there is one or more Delinquent Instalment(s).

"ECOFIN" means the EU Council of Economic and Finance Ministers.

"Eligible Account" means each of the Principal Accumulation Account, the Collection Account, and the Payments Account and **"Eligible Accounts"** means all of them.

"Eligible Institution" means a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America, whose short-term unsecured and unsubordinated debt obligations are rated at least P-1 by Moody's or (ii) whose obligations under the Transaction Documents to which it is a party are guaranteed, provided that Moody's has been notified thereof, by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America, whose short-term, unsecured and unsubordinated debt obligations are rated at least P-1 by Moody's or such other rating as may be acceptable to the Rating Agency.

"Eligible Investments" means any senior, unsubordinated debt security, investment, commercial paper, deposit or other instrument which shall be denominated in Euro; and (except in the case of deposit) is in the form of (i) bonds, notes, commercial paper or other financial instruments having a rating from Moody's of "P-1/Aa3" with a maturity date falling not later than the next succeeding Eligible Investment Maturity Date or "P-1/A1" from Moody's with a maturity date lower than 3 months and falling not later than the next succeeding Eligible Investment Maturity Date or "P-1/A2" from Moody's with a maturity date lower than 1 month and falling not later than the next succeeding Eligible Investment Maturity Date and/or (ii) open ended liquidity funds denominated in Euro having a rating of "Aaa/MR1" from Moody's provided that in any event, any account, deposit, instrument or fund which consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives shall be excluded.

"Eligible Investments Maturity Date" means each day falling the second Business Day immediately preceding each Payment Date.

"EMU" means the European Economic and Monetary Union pursuant to the Treaty establishing the European Communities.

"EURIBOR" means:

- (g) (i) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable for 6 (six) months Euro deposits which appears on Reuters page EURIBOR01 (except in respect of the First Interest Period, where an interpolated interest rate based on interest rates for 8 (eight) and 9 (nine) months deposits in Euro, rounded up at the third decimal point, which appear on Reuters pages EURIBOR01 will apply) and (ii) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on the Reuters page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as determined by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or
- (h) such other page as may replace Reuters page EURIBOR01 (or such other page referred to under (a)(ii) above) on that service for the purpose of displaying such information; or
- (i) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the

Representative of the Noteholders) as may replace the Reuters page EURIBOR01 (or such other page referred to under (a)(ii) above) (the "**Screen Rate**") at or about 11.00 a.m. (Brussels time) on the Interest Determination Date; or

- (j) if the Screen Rate is unavailable at such time for 6 (six) months (or such other period referred to under (a)(ii) above) Euro deposits, then the rate of interest for the relevant Interest Period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Principal Paying Agent at its request and notified by the latter to the Computation Agent by each of the Reference Banks as the rate at which 6 (six) months (or such other period referred to under (a)(ii) above) Euro deposits in a similar representative amount are offered by that Reference Bank to leading banks in the Euro-zone inter-bank market at or about 11.00 a.m. (Brussels time) on that date; or
- (k) if on any Interest Determination Date, the Screen Rate is unavailable and only 2 (two) of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate of interest shall be determined in the manner specified in (d) above, on the basis of the offered quotations of those Reference Banks providing such quotations; or
- (l) if, on any Interest Determination Date, the Screen Rate is unavailable and only one of the Reference Banks provides the Principal Paying Agent with an offered quotation, the rate of interest for the relevant Interest Period shall be the EURIBOR in effect for the immediately preceding Interest Period to which either sub-paragraph (a) or (b) above shall have applied.

"**Euro**", "**€**" and "**cents**" refer to the single currency introduced in the Member States of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**European Union Insolvency Regulation**" means European Council Regulation (EC) No. 1346 of 29 May 2000 on insolvency proceeding, as amended and supplemented from time to time.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

"**Expense Account**" means the account established by the Issuer with IBAN IT57Y0623012700000036718926, into which the Retention Amount shall be credited and out of which the Expenses will be paid during each Semiannual Collection Period.

"**Expenses**" means any documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation, and any other documented costs and expenses required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

"**Expert**" means an internationally recognised accountancy or a legal firm or a company with expertise in the recovery of claims, in each case selected by the Issuer.

"External Auditor" means a firm of internationally recognised auditors appointed to produce a report in respect of the data provided by the Servicer in the Semiannual Servicer's Report of June of each calendar year.

"Extraordinary Resolution" means a resolution passed at a Meeting of the relevant Noteholders, duly convened and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders, by a majority of not less than three quarters of the votes cast.

"Final Maturity Date" means the Payment Date falling in January 2058.

"First Payment Date" means the Payment Date falling on 30 July 2010.

"First Securities Account" means the account established in the name of the Issuer with the Account Bank with No. 4788624, opened with the Account Bank for the deposit of the bonds, debentures or other kinds of notes or financial instruments purchased with the monies standing to the credit of the Collection Account.

"FSMA" means the Financial Services and Markets Act 2000.

"Guarantee" means any guarantee (but does not include any Mortgages), given to the Originator guaranteeing the repayment of the Receivables.

"Guarantor" means any person, other than a Mortgagor, who has granted a Guarantee.

"Hedging Agreement" means the hedging agreement dated the Signing Date between the Issuer and the Hedging Counterparty, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Hedging Counterparty" means Cariparma or any other person acting as hedging counterparty pursuant to the Hedging Agreement from time to time.

"Holder" of a Note means the beneficial owner of a Note.

"Individual Purchase Price" means the price of the Receivables relating to each Loan, as indicated in Schedule B of the Transfer Agreement, with the aggregate of the Individual Purchase Prices being equal to the Purchase Price.

"Initial Amortisation Date" means the first Payment Date falling at least 18 months plus one day or more after the Issue Date.

"Initial Interest Period" means the first Interest Period, that shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

"Insolvency Event" means in respect of any company or corporation that:

- (a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up,

reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or

- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (c) such company or corporation takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or
- (d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under Article 2484 of the Italian civil code occurs with respect to such company or corporation.

"Instalment" means with respect to each Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

"Insurance Policy" means an insurance policy taken out in relation to a Real Estate Asset and the related Loan.

"Insurance Premia" means any amount to be paid as insurance premia under an Insurance Policy.

"Intercreditor Agreement" means the agreement executed on the Signing Date between, *inter alios*, the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders) the Originator, the Servicer, the Account Bank, the Cash Manager, the Hedging Counterparty, the Corporate Servicer, the Principal Paying Agent and the Computation Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Interest Determination Date" means, with respect to the Initial Interest Period, the date falling two Business Days prior to the Issue Date and with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

"Interest Instalment" means, the interest component of each Instalment.

"Interest Payment Amount" has the meaning given to it in Condition 5.3 (*Interest - Determination of Rates of Interest and Calculation of Interest Payments*).

"Interest Period" means each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

"Investors Report" means the semiannual report issued by the Computation Agent on the Investors Report Date, setting out certain information with respect to the Senior Notes.

"Investors Report Date" means the seventh Business Day after each Semiannual Servicer's Report Date.

"ISDA" means the International Swaps and Derivatives Association, Inc.

"Issue Date" means 11 November 2009.

"Issue Price" means the following percentages of the principal amount of the Notes at which the Notes will be issued:

| Class | Issue Price |
|--------|---------------|
| Senior | 100 per cent; |
| Junior | 100 per cent; |

"Issuer" means MondoMutui Cariparma S.r.l. a limited liability company incorporated under Securitisation Law, with registered seat in Milan, Corso Monforte No. 36, fiscal code and registration number with the Companies Register of Milan 05783320962, registered under No. 39725 of the Elenco Generale held by Banca d'Italia under article 106 the Consolidated Banking Act .

"Issuer Available Funds" means, in respect of any Payment Date, the aggregate of:

- (j) all Collections received in respect of the Receivables during the immediately preceding Semiannual Collection Period;
- (k) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement and the Warranty and Indemnity Agreement and credited to the Payments Account during Semiannual Collection Period immediately preceding the relevant Payment Date;
- (l) all the proceeds deriving from the sale, if any, of the Portfolio and enforcement of the Issuer's Rights during Semiannual Collection Period immediately preceding the relevant Payment Date;
- (m) all amounts of interest accrued and paid on the Collection Account, the Payments Account and the Principal Accumulation Account during the Semiannual Collection Period immediately preceding the relevant Payment Date;
- (n) all amounts deriving from the Eligible Investments made under the terms of the Cash Allocation, Management and Payment Agreement due to be paid on the Eligible Investments Maturity Date immediately prior to the relevant Payment Date;

- (o) all amounts due and paid to the Issuer under the terms of the Hedging Agreement on such Payment Date and any funds paid to the Issuer by the Hedging Counterparty;
- (p) any Advances drawn by the Issuer pursuant to the Liquidity Agreement on such Payment Date;
- (q) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Semiannual Collection Period;
- (r) any and all other amounts standing to the credit of the Collection Account, the Payments Account and the Principal Accumulation Account following the payments required to be made from such accounts on the immediately preceding Payment Date.

"Issuer Creditors" means (i) the Noteholders; (ii) the Other Issuer Creditors; and (iii) any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Securitisation and to the corporate existence and good standing of the Issuer according to the applicable laws and legislation.

"Issuer's Rights" mean the Issuer's rights under the Transaction Documents.

"IRAP" means the regional tax on productive activities at a rate of 4.25 per cent.

"IRES" means *imposta sul reddito delle società* applied on the corporate taxable income.

"Italian Bankruptcy Law" means Italian Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented from time to time.

"Italy" means the Republic of Italy.

"Junior Noteholder" means the Holder of a Junior Note and **"Junior Noteholders"** means all of them.

"Junior Notes" means the € 390,256,126.00 Asset Backed Notes due 2058.

"Junior Notes Conditions" means the terms and conditions of the Junior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto.

"Junior Interest Payment Amount" means the amount of interest payable on the Junior Notes on each Payment Date as determined by the Principal Paying Agent.

"Junior Notes Subscription Agreement" means the subscription agreement in relation to the Junior Notes executed on the Signing Date between the Originator, as subscriber, the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Law No. 383" means Italian Law No. 383 of 18 October 2001, as subsequently amended and supplemented from time to time.

Liquidity Reserve Account means the Euro denominated account, with IBAN IT22S0623012700000036719027, established in the name of the Issuer with the Account Bank for the deposit of the Liquidity Reserve Amount.

"Listing Agent" means Caceis Bank Luxembourg.

"Loan Agreements" means the land mortgage loan agreements pursuant to which the Loans have been granted.

"Loans" means all loans granted by Cariparma to a borrower and secured by a mortgage, which qualifies as a *mutuo fondiario* for the purposes of Italian law and regulations in force as at the Transfer Date, the receivables in respect of which have been transferred by Cariparma to the Issuer pursuant to the Transfer Agreement.

"Management of the Defaulted Receivables" means any activities related to the management of the Defaulted Receivables.

"Mandate Agreement" means the mandate agreement executed on the Signing Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Master Definitions Agreement" means the master definitions agreement executed on the Signing Date between all the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Meeting" means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

"Moody's" means Moody's Investors Service Inc.

"Monte Titoli" means Monte Titoli S.p.A., a *società per azioni* incorporated and existing under Italian law, having its registered office at Via Mantenga 6, Milan.

"Monte Titoli Account Holders" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli including any depository banks appointed by Euroclear and Clearstream.

"Monte Titoli Mandate Agreement" means the agreement entered into on the Signing Date between the Issuer and Monte Titoli, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Mortgages" means the mortgage securities (*ipoteche*) created on the Real Estate Assets pursuant to Italian law in order to secure claims in respect of the Receivables.

"Mortgagor" means any person, either a borrower or a third party, who has granted a Mortgage in favour of Cariparma to secure the payment or repayment of any amounts payable in respect of a Loan, and/or his/her successor in interest.

"Most Senior Noteholders" means the holders of the Notes outstanding which ranks highest in accordance with the applicable Priority of Payments.

"Noteholders" means the Holders of the Senior Notes and the Junior Notes, collectively.

"Notes" means the Senior Notes and the Junior Notes, collectively.

"Official Gazette" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"Option" means the option provided for by Clause 21.3 of the Intercreditor Agreement pursuant to Article 1331 of the Civil Code, according to which the Originator may repurchase (in whole but not in part) the Portfolio then outstanding on any Payment Date falling in or after the Initial Amortisation Date.

"Organisation of the Noteholders" means the association of the Noteholders, organized pursuant to the Rules of the Organisation of the Noteholders.

"Original Loan Amount" means the amount advanced by the Originator to the Debtor in relation to each Loan Agreement at the date of inception of such Loan Agreement.

"Originator" means Cariparma.

"Other Issuer Creditors" means the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Corporate Servicer, the Principal Paying Agent, the Cash Manager, the Account Bank, the Liquidity Provider and the Hedging Counterparty.

"Outstanding Balance" means, on any given date and in relation to any Receivable, the sum of the Outstanding Principal and the Interest Instalments due but unpaid as at that day and any outstanding penalties for accrued and unpaid Instalments with respect thereto.

"Outstanding Principal" means, on any given date and in relation to any Receivable, the sum of (i) all Principal Instalments due and (ii) any Principal Instalments due but unpaid as at that date.

"Payments Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT63U0623012700000036718724 out of which all the payments to, *inter alios*, the Noteholders will be made and into which all amounts due to the Issuer under the Transaction Documents shall be paid other than the amounts collected in respect of the Receivables.

"Payment Date" means (i) prior to the delivery of a Trigger Notice, 31 January and 31 July of each year or, if any such day is not a Business Day, the immediately preceding Business Day, or (ii) following the delivery of a Trigger Notice each Day on which any payment is required to be made by the Representative of the Noteholders, provided that the First Payment Date will fall on 30 July 2010.

"Pension Fund Tax" means an annual substitutive tax of 11 per cent on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Senior Notes) applied to Italian resident pension funds subject

to the regime provided by Articles 14, 14-ter and 14-quater, paragraph 1 of Legislative Decree No. 124 of 21 April 1993.

"Premium" means the premium on the Junior Notes, equal to the Issuer Available Funds still available after making all payments ranking in priority to the Premium and may be equal to 0 (zero).

"Prepayment Fee" means the prepayment fee which each Debtor is subject to pay under the Loan Agreements in case of prepayment at any time (in whole or in part) of the relevant Loan.

"Portfolio" means the portfolio of Receivables purchased by the Issuer from Cariparma pursuant to the terms of the Transfer Agreement.

"Post Trigger Report" means the report setting out all the payments to be made under the Priority of Payments which shall be delivered, upon request of the Representative of the Noteholders, by the Computation Agent after a Trigger Notice has been served to the Issuer, the Representative of the Noteholders, the Other Issuer Creditors and the Rating Agencies, pursuant to the Cash Allocation, Management and Payment Agreement.

"Principal Accumulation Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT60W0623012700000036718825, in which on each Payment Date, in the period from the Issue Date to the Initial Amortisation Date (excluded), the principal payments due on the Notes in accordance with the Priority of Payments shall be transferred.

"Principal Amount Outstanding" means, with respect to any Note on any date, the principal amount thereof upon issue less the aggregate amount of all principal payments that have been made in respect of that Note prior to such date.

"Principal Instalment" means the principal component of each Instalment.

"Principal Paying Agent" means Calyon Milan Branch or any other person acting as principal paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Priority of Payments" means, collectively, the Priority of Payments prior to the delivery of a Trigger Notice and the Priority of Payments following the delivery of a Trigger Notice.

"Priority of Payments following the delivery of a Trigger Notice" means the order of priority in which the Issuer Available Funds shall be applied following the delivery of a Trigger Notice in accordance with Condition 4.2.

"Priority of Payments prior to the delivery of a Trigger Notice" means the order of priority in which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice in accordance with Condition 4.1.

"Privacy Law" means Italian Legislative Decree No. 196 of 30 June 2003, as the same may be amended, modified or supplemented from time to time, together with any legislative or regulatory measure implementing such Law, as supplemented by the provisions enacted from time to time by the *Autorità Garante per la Protezione dei Dati Personali*.

"Property Value" means the estimated value of each Real Estate Asset as stated in each Loan Agreement.

"Purchase Price" means the purchase price paid to the Originator by the Issuer as consideration for the acquisition of the Portfolio pursuant to the Transfer Agreement.

"Quarterly Collection Date" means 31 March, 30 June, 30 September and 31 December of each year (or, if any such day is not a Business Day, the immediately following Business Day).

"Quarterly Collection Period" means:

- (c) each period commencing on (but excluding) a Quarterly Collection Date and ending on (and including) the immediately following Quarterly Collection Date; and
- (d) in the case of the first Quarterly Collection Period, the period commencing on (but excluding) the Valuation Date and ending on (and including) and the Quarterly Collection Date falling on 31 December 2009.

"Quarterly Servicer's Report" means the quarterly report to be delivered by the Servicer to the parties indicated in the Servicing Agreement on each Quarterly Servicer's Report Date and containing details of the Collections during the immediately preceding Quarterly Collection Period, prepared substantially in the form set out in schedule 1 (*Modello di Rapporto del Servicer*), part I (*Modello di Rapporto Trimestrale del Servicer*) to the Servicing Agreement.

"Quarterly Servicer's Report Date" means the tenth Business Day falling after each Quarterly Collection Date.

"Quotaholders" means Stichting Pavia, Structured Finance Management – Italy S.r.l. and Cariparma.

"Quotaholders' Agreement" means the quotaholders' agreement entered into on the Signing Date, between, *inter alia*, the Quotaholders and the Issuer.

"Rate of Interest" shall have the meaning ascribed to it in Condition 5.2 (*Interest - Rate of Interest*).

"Rating Agency" means Moody's.

"Real Estate Assets" means the real estate properties which have been mortgaged in order to secure payment of the Receivables pursuant to the Loan Agreements.

"Receivables" means the indebtedness, payable by a Debtor under a Loan Agreement, including, without limitation, with respect to principal, interest, penalties for early termination, indemnities, reimbursement of costs and expenses and damages paid under any insurance policy covering risks with respect to the Real Estate Assets and the Debtors, together with the relevant Mortgages and the relevant Guarantees.

"Reference Banks" means three (3) major banks in the Euro-Zone inter-bank market selected by the Principal Paying Agent.

"Relevant Margin" has the meaning given to it in Condition 5.2 (*Interest - Rate of Interest*).

"Renegotiation Amount" means the aggregate of all the amounts paid to the Issuer pursuant to Clause 5.3 of the Servicing Agreement and pursuant to Clause 6.1.(ii).(d) of the Transfer Agreement.

"Representative of the Noteholders" means CACEIS Bank Luxembourg or any other person acting as representative of the Noteholders pursuant to the Subscription Agreements from time to time.

"Retention Amount" means an amount equal to € 30,000.00.

"Rules of the Organisation of the Noteholders" means the Rules of the Organisation of Noteholders attached as Exhibit 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"Scheduled Instalment Date" means any date on which payment is due pursuant to each Loan Agreement.

"Screen Rate" shall have the meaning ascribed to it Condition 5 (*Interest*).

"Second Securities Accounts" means the account established in the name of the Issuer with the Account Bank with No. 4788626, for the deposit of the bonds, debentures or other kinds of the notes or financial instruments purchased with the monies standing to the credit of the Principal Accumulation Account.

"Securities Accounts" means the First Securities Account and the Second Securities Account.

"Securities Accounts Report" means the semiannual report setting out certain information in respect of the Eligible Investments made during the preceding Semiannual Collection Period pursuant to the Cash Allocation, Management and Payment Agreement.

"Securities Accounts Report Date" means each day falling three Business Days prior to each Semiannual Calculation Date

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Securitisation" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes.

"Securitisation Law" means Italian Law No. 130 of 30 April 1999, as subsequently amended and supplemented from time to time.

"Security Interest" means any mortgage, charge pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

"Semiannual Collection Date" means 30 June and 31 December of each year (or, if any such day is not a Business Day, the immediately following Business Day).

"Semiannual Collection Period" means:

- (c) each period commencing on (but excluding) a Semiannual Collection Date and ending on (and including) the immediately following Semiannual Collection Date; and
- (d) in the case of the first Semiannual Collection Period, the period commencing on (but excluding) the Valuation Date and ending on (and including) the Semiannual Collection Date falling on 30 June 2010.

"Semiannual Payments Report" means the semiannual report setting out all the payments to be made on the following Payment Date under the relevant Priority of Payments which shall be delivered on each Semiannual Calculation Date by the Computation Agent to the Issuer, the Representative of the Noteholders, the Servicer, the Hedging Counterparty, the Account Bank, the Principal Paying Agent, the Corporate Servicer and the Rating Agency, pursuant to the Cash Allocation, Management and Payment Agreement.

"Semiannual Servicer's Report" means the semiannual report to be delivered by the Servicer to the parties indicated in the Servicing Agreement on each Semiannual Servicer's Report Date and containing details of the Collections during the immediately preceding Semiannual Collection Period, prepared substantially in the form set out in schedule 1 (*Modello di Rapporto del Servicer*), part II (*Modello di Rapporto Semestrale del Servicer*) to the Servicing Agreement.

"Semiannual Servicer's Report Date" means the tenth Business Day falling after each Semiannual Collection Date.

"Senior Noteholder" means the Holder of a Senior Note and **"Senior Noteholders"** means all of them.

"Senior Notes" means the € 3,945,400,000.00 Asset Backed Floating Rate Notes due 2058.

"Senior Notes Conditions" means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto.

"Senior Notes Subscriber" means Cassa di Risparmio di Parma e Piacenza S.p.A..

"Senior Interest Payment Amount" means the amount of interest payable on the Senior Notes on each Payment Date as determined by the Principal Paying Agent, in respect of the immediately preceding Interest Period pursuant to Condition 5.3 (*Interest - Determination of Rates of Interest and Calculation of Interest Payments*).

"Senior Notes Subscription Agreement" means the subscription agreement in relation to the Senior Notes executed on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Senior Notes Subscriber, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Servicer" means Cariparma or any other person acting as Servicer pursuant to the Servicing Agreement from time to time.

"Servicer Termination Event" means any event referred to in Clause 13.1 of the Servicing Agreement.

"Servicing Agreement" means the agreement entered into on 3 November 2009 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Servicing Fee" means:

- (a) for the management and collection of the Receivables (other than the recovery activities specified in paragraph (b) below): on each Payment Date an amount equal to 0.5 per cent (plus VAT, if applicable) of the Collections (excluding any Defaulted Receivable and the Collected Insurance Premia) made by the Servicer during the Semiannual Collection Period immediately preceding the relevant Payment Date; and
- (b) for the recovery activities: on each Payment Date in relation to the immediately preceding Semiannual Collection Period, an amount equal to 1 per cent (plus VAT, if applicable) of the Collections made by the Servicer in respect of the Defaulted Receivables during the Semiannual Collection Period immediately preceding the relevant Payment Date, net of (i) any expense comprised in such Collections; (ii) any sum received as consideration in case of transfer of such Receivables.

"Signing Date" means 10 November 2009.

"Sole Affected Party" has the meaning ascribed to it in the Hedging Agreement.

"Stichting Pavia" means Stichting Pavia.

"Stock Exchange" means the Luxembourg Stock Exchange.

"Successor Servicer" means the entity appointed by the Issuer and the Representative of the Noteholders as successor of the Servicer upon the occurrence of a Servicer Termination Event.

"Subscription Agreements" means the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement, collectively.

"Supervisory Regulations for the Banks" means the *"Istruzioni di Vigilanza per le banche"* issued by the Bank of Italy by Circular No. 229 of 21 April 1999, as amended and supplemented from time to time.

"Supervisory Regulations for Financial Intermediaries" means the *"Istruzioni di Vigilanza per gli Intermediari Finanziari"* issued by the Bank of Italy by Circular No. 216 of 5 August 1996, as amended and supplemented from time to time.

"Target Amortisation Amount" means the positive amount to be calculated on each Calculation Date in accordance with the following formula:

$$\text{TAA} = \text{Outstanding Notes} - \text{OPPR}$$

where:

"TAA" is the Target Amortisation Amount;

"Outstanding Notes" means the aggregate Principal Amount Outstanding of the Notes of each Class as at such Calculation Date; and

"OPPR" means the Outstanding Principal of all the Receivables as of the Semiannual Collection Date immediately preceding the relevant Calculation Date which, as at such Semiannual Collection Date, were not Defaulted Receivables.

"Tax Event" shall have the meaning ascribed to it in Condition 6.4 (*Redemption for tax reasons*).

"Terms and Conditions" means the Senior Notes Conditions and/or the Junior Notes Conditions as the context may require.

"Transaction Documents" means the Transfer Agreement, the Subscription Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Corporate Services Agreement, the Cash Allocation, Management and Payment Agreement, the Intercreditor Agreement, the Hedging Agreement, the Deed of Pledge, the Deed of Charge, the Mandate Agreement, the Quotaholders' Agreement, the Master Definitions Agreement and the Offering Circular.

"Transfer Agreement" means the transfer agreement dated 3 November 2009 between the Issuer and Cariparma, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"Transfer Date" means 3 November 2009.

"Trigger Event" means any of the events described in Condition 10 (*Trigger Events*).

"Trigger Notice" means the notice described in Condition 10 (*Trigger Events*).

"Valuation Date" means 31 October 2009.

"Warranty and Indemnity Agreement" means the warranty and indemnity agreement entered into on 3 November 2009 between Cariparma and the Issuer, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereof.

ISSUER
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**ORIGINATOR, SERVICER, ACCOUNT BANK
HEDGING COUNTERPARTY, LIQUIDITY
PROVIDER AND CASH MANAGER**

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AND LISTING AGENT**

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