

IN THE NAME AND ON BEHALF

OF

F-E RED S.R.L.

F-E RED S.R.L.

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

Euro 1,365,000,000 Class A Asset Backed Floating Rate Notes due October 2040  
Issue Price: 100 per cent.

OF  
FINECO LEASING S.P.A.

Application has been made to list on the official list of the Luxembourg stock exchange and to admit to trading on the Regulated Market "Bourse du Luxembourg" (the "Luxembourg Stock Exchange") the Euro 1,365,000,000 Class A Asset Backed Floating Rate Notes due October 2040 (the "Class A Notes" or the "Rated Notes") issued by F-E Red S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "Issuer"). In connection with the issue of the Rated Notes, the Issuer will also issue the Euro 340,231,215 Class B Asset Backed Floating Rate Notes due October 2040 (the "Class B Notes" or the "Junior Notes") and, together with the Rated Notes, the "Notes"). No application has been made to list on any stock exchange or admit to trading on any regulated market the Class B Notes. The Notes will be issued on 9 March 2009 (the "Issue Date").

This document (the "Prospectus") 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") and a prospectus for the purposes of article 5.3 of the Directive 2003/71/EC (the "Prospectus Directive"). The Junior Notes are not being offered pursuant to this Prospectus.

Capitalised words and expressions in this Prospectus shall, except otherwise specified or so far as the context otherwise requires, have the meanings set out herein and in the section entitled "Glossary of Terms" below.

The principal source of payment of interest and of repayment of principal on the Notes will be Collections and Recoveries made in respect of the Receivables arising from the Lease Contracts executed by the Originator and certain Lessees purchased and to be purchased by the Issuer from the Originator pursuant to the terms of the Transfer Agreement. The Initial Portfolio of Receivables has been purchased by the Issuer from the Originator on 13 February 2009 and the relevant Purchase Price will be funded through (i) the proceeds of the Notes, with reference to the Principal Component and (ii) the Issuer Available Funds used in accordance with the applicable Priority of Payments, with reference to the Interest Component. During the Revolving Period, subject to the terms and conditions of the Transfer Agreement, the Originator may assign and transfer to the Issuer, and the Issuer shall purchase from the Originator, Subsequent Portfolios of Receivables, the Purchase Price of which will be funded through the Issuer Available Funds used in accordance with the applicable Priority of Payments. The key features of the Receivables, the Lease Contracts and the Lessees are described under the section "The Aggregate Portfolio".

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 Aggregate Portfolio 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 amount deriving therefrom (to the extent identifiable) 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, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

Interest in respect of the Notes will accrue on a daily basis and will be payable in Euro quarterly in arrears on the First Payment Date, being 30 April 2009, and on each Payment Date thereafter, being (a) before the service of a Trigger Notice, 30 January, 30 April, 30 July and 30 October of each year (or, if such day is not a Business Day, the immediately following Business Day) and (b) following the service of a Trigger Notice, any Business Day specified in the Trigger Notice, in each case, in accordance with the applicable Priority of Payments. The rate of interest applicable to the Rated Notes for each Interest Period will be equal to EURIBOR (as determined in accordance with Condition 7 (Interest) for three month deposits (except in respect of the Initial Interest Period where an interpolated interest rate based on 1 and 2 month deposits in Euro will be substituted for the EURIBOR for three month deposits)), plus a margin of 0.8 per cent. *per annum* up to (and including) the Step-Up Date and 1.2 per cent. *per annum* thereafter.

The Rated Notes are expected to be rated "AAA" by Fitch Ratings Ltd ("Fitch") on the Issue Date. The Junior Notes will not be assigned any 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.

Before the relevant maturity date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances provided for by Condition 8 (Redemption, Purchase and Cancellation). Unless previously redeemed in full or cancelled in accordance with the Terms and Conditions, the Notes will be redeemed on the Final Maturity Date, being the Payment Date falling in October 2040. Save as provided in the Terms and Conditions, the Notes will start to amortise on the Payment Date falling in October 2010, subject to there being sufficient Issuer Available Funds, in accordance with the applicable Priority of Payments. The Notes, to the extent not redeemed in full by the Cancellation Date, shall be cancelled on such date. No payment of principal in respect of any of the Notes will be made to the Noteholders during the period comprised between (i) the Issue Date and (ii) the Payment Date falling in October 2010 (excluded) (the "Initial Period"), save in accordance with Condition 8.2 (Redemption, Purchase and Cancellation - Mandatory Redemption) and Condition 8.4 (Redemption, Purchase and Cancellation - Redemption for Taxation).

As at the date of this Prospectus, all payments of principal and interest in respect of the Notes will be made free and clear of any withholding or deduction for or on account of Italian taxes, unless such withholding or deduction is required to be made by Italian Decree No. 239 or otherwise by applicable law. If any withholding or deduction for or on account of tax is made in respect of any payment 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. 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, the Originator, the Servicer, the Subordinated Loan Provider, the Representative of the Noteholders, the Computation Agent, the Account Bank, the Custodian Bank, the Paying Agent, the Listing Agent, the Hedging Counterparty, the Corporate Servicer, the Sole Quotaholder, the Foundation Corporate Servicer, the Sole Lead Manager or the Sole Arranger. 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.

The Notes will be issued in bearer form and 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 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 (i) article 28 of Decree No. 213; and (ii) Regulation 22 February 2008. No physical document of title will be issued in respect of the Notes.

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".

SOLE ARRANGER

 UniCredit  
Markets & Investment Banking

SOLE LEAD MANAGER

 UniCredit  
Markets & Investment Banking

## **Responsibility statements**

None of the Issuer, the Servicer, the Representative of the Noteholders, the Computation Agent, the Account Bank, the Custodian Bank, the Paying Agent, the Listing Agent, the Hedging Counterparty, the Subordinated Loan Provider, the Corporate Servicer, the Foundation Corporate Servicer, the Sole Quotaholder, the Sole Lead Manager, the Sole Arranger or any other party to the Transaction Documents other than the Originator has undertaken or will undertake any investigation, search or other action to verify the details of the Receivables, the Lease Contracts or to establish the creditworthiness of the Lessees. In 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 Lease Contracts and the Lessees.

The Issuer accepts responsibility for the information contained in this Prospectus, other than the information for which each of Fineco Leasing, UniCredit, BNP Paribas Securities Services, Milan Branch and BNP Paribas Securities Services, Luxembourg Branch 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 in accordance with the facts and does not omit anything likely to affect the import of such information.

Fineco Leasing accepts responsibility for the information included in this Prospectus in the sections headed "The Originator", "The Aggregate Portfolio", "Credit and Collection Policies" and any other information contained in this Prospectus relating to itself, the Receivables, the Lease Contracts and the Lessees. To the best of the knowledge and belief of Fineco Leasing (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

UniCredit is the holding of the UniCredit Banking Group and Hedging Counterparty and accepts responsibility for the information contained in this Prospectus in the section entitled "The Hedging Counterparty" and any other information contained in this Prospectus relating to itself. To the best of the knowledge and belief of UniCredit (which has taken all reasonable care to ensure that such is the case), such information is in accordance to the facts and does not omit anything likely to affect the import of such information.

BNP Paribas Securities Services, Milan Branch and BNP Paribas Securities Services, Luxembourg Branch are members of the BNP Paribas Group and each of them accepts responsibility for the information contained in this Prospectus in the section entitled "The BNP Paribas Group" and any other information contained in this Prospectus relating to themselves. To the best of the knowledge and belief of BNP Paribas Securities Services, Milan Branch and BNP Paribas Securities Services, Luxembourg Branch (which have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Save for the parties accepting responsibility for the information included in this Prospectus as stated above, no other party to the Transaction Documents accepts responsibility for such information.

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

## **Representations about the Rated Notes**

No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, Fineco Leasing (in any capacity), the Sole Lead Manager, the Sole Arranger, the Representative of the Noteholders or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Rated Notes shall in any

*circumstances constitute a representation or create any implication that there has been no change, or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or Fineco Leasing or in the information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date hereof.*

### **Other business relations with Fineco Leasing**

*The Sole Arranger, the Sole Lead Manager, the Hedging Counterparty and their affiliates may, from time to time, enter into other business relations with Fineco Leasing including, but not limited to, the provision of lending and advisory services.*

### **Limited recourse**

*The Rated Notes constitute direct, secured, limited recourse obligations of the Issuer. In particular, the Rated Notes will not be obligations or responsibilities of, or guaranteed by, Fineco Leasing (in any capacity), the Lessees, the Representative of the Noteholders, the Computation Agent, the Account Bank, the Custodian Bank, the Paying Agent, the Listing Agent, the Hedging Counterparty, the Corporate Servicer, the Foundation Corporate Servicer, the Sole Quotaholder, the Sole Lead Manager or the Sole Arranger. 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 Rated Notes.*

*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 Aggregate Portfolio 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 amount deriving therefrom (to the extent identifiable) 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, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.*

*The Noteholders will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable Priority of Payments.*

### **Selling Restrictions**

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

*The Rated Notes have not been and will not be registered under the Securities Act or any other state securities laws and are subject to U.S. tax law requirements. Subject to certain exceptions, the Rated 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), except pursuant to an exemption from, or in a transaction not subject to, the securities registration requirements of the Securities Act.*

*The Rated Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other prospectus or any form of application, advertisement, other offering material or other information relating to the Issuer or the Rated 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.*

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

*Neither this Prospectus nor any other information supplied in connection with the issue of the Rated Notes should be considered as a recommendation or an invitation or an offer by the Issuer, Fineco Leasing or the Sole Lead Manager that any recipient of this Prospectus, or of any other information supplied in connection with the issue of the Rated Notes, should purchase any of the Rated Notes. Each investor contemplating purchasing any of the Rated Notes must make its own independent investigation and appraisal of the financial condition and affairs of the Issuer.*

*For a further description of certain restrictions on offers and sales of the Rated Notes and the distribution of this Prospectus, see the section entitled "Subscription and Sale".*

### **Interpretation**

*Certain monetary amounts and currency translations included in this Prospectus 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 Prospectus 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.*

*Words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the same meanings as those set out in the section entitled "Glossary of Terms" set out herein. These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as amended from time to time.*

### **Forward-Looking Statements**

*This Prospectus contains statements that constitute forward-looking statements. Words such as "believes", "anticipates", "expects", "estimates", "intends", "plans", "will", "may", "should" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. These statements include those regarding the intent, belief or current expectation of the Originator and its officers with respect to, among other things: (a) the financial condition of the Originator and the characteristics of its strategy, products or services; (b) the Originator's plans, objectives or goals, including those related to products or services; (c) statements of future economic performance and (d) assumptions underlying those statements.*

*Forward-looking statements are not guarantees of future performance and involve risks and uncertainties and actual results may differ from those in the forward-looking statements as a result of various factors. Accordingly, prospective purchasers of Rated Notes should not rely on such forward-looking statements. The information in this Prospectus, including the information set out in the section entitled "Risk Factors", "The Aggregate Portfolio" and "The Originator" identifies important factors that could cause such differences including, inter alia, a change in the overall economic conditions in Italy, change in the Originator's financial condition and the effect of new legislation or government regulations (or new interpretation of existing legislation or government regulations) in Italy. Such forward-looking statements speak only as at the date of this Prospectus. Accordingly, no party to the Transaction Documents undertakes any obligation to update or revise any of them whether as a result of new information, future events or otherwise. No party to the Transaction Documents makes any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved and such forward-looking statements represent, in each case, only one of the many possible scenarios and should not be viewed as the most likely standard scenario. Moreover, no assurance can be given that any of the historical information, trends or practices mentioned and described in the Prospectus are indicative of future results or events.*

## **Stabilisation**

***In connection with the issue of the Rated Notes, in the event that HVB acts as stabilisation manager (hereinafter, the "Stabilising Manager"), it (or any person acting on its behalf) may over-allot Rated Notes or effect transactions with a view to supporting the market price of the Rated Notes at a higher level than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any persons acting on its behalf) will undertake stabilisation activity. Any stabilisation activity may begin on or after the date on which adequate public disclosure of the terms of the offer of the Rated Notes is made and, if begun, may be concluded at any time, but it must end no later than the earlier of 30 days after the issue date of the Rated Notes and 60 days after the date of allotment of the Rated Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws, regulations and rules.***

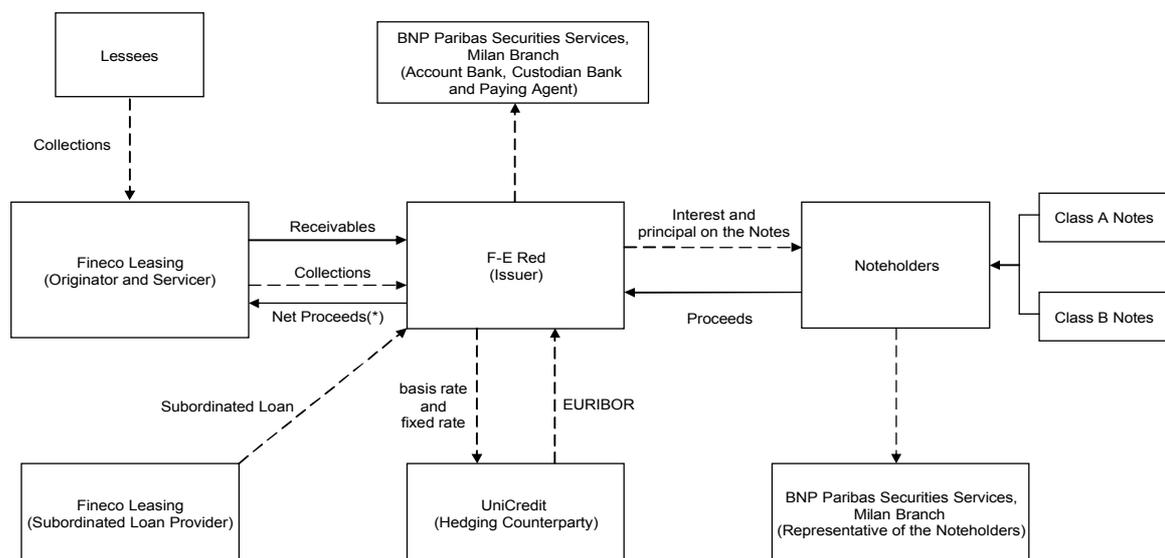
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## TRANSACTION OVERVIEW

The following information is a summary 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 Prospectus and in the Transaction Documents. Prospective investors should base their decisions on this Prospectus as a whole.

### 1. TRANSACTION DIAGRAM



(\*) Please see section "Use of Proceeds".

### 2. PRINCIPAL PARTIES

#### Issuer

F-E Red.

The Issuer has an issued quota capital of Euro 10,000, which is entirely held by the Sole Quotaholder.

For further details, see the section entitled "The Issuer".

#### Originator

Fineco Leasing.

For further details, see the section entitled "The Originator".

#### Servicer

Fineco Leasing. The Servicer will act as such pursuant to the Servicing Agreement. 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.

<b>Subordinated Loan Provider</b>	Fineco Leasing. The Subordinated Loan Provider will act as such pursuant to the Subordinated Loan Agreement.
<b>Computation Agent</b>	Zenith Service. The Computation Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Account Bank</b>	BNP Paribas Securities Services, Milan Branch. The Account Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Paying Agent</b>	BNP Paribas Securities Services, Milan Branch. The Paying Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Custodian Bank</b>	BNP Paribas Securities Services, Milan Branch. The Custodian Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Corporate Servicer</b>	SFM Italy. The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
<b>Hedging Counterparty</b>	UniCredit. The Hedging Counterparty will act as such pursuant to the Hedging Agreement.
<b>Representative of the Noteholders</b>	BNP Paribas Securities Services, Milan Branch. The Representative of the Noteholders will act as such pursuant to the Subscription Agreements, the Intercreditor Agreement and the other Transaction Documents.
<b>Sole Quotaholder</b>	Stichting Zetagroup.
<b>Foundation Corporate Servicer</b>	SFM Netherlands. The Foundation Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
<b>Listing Agent</b>	BNP Paribas Securities Services, Luxembourg Branch.
<b>Sole Arranger</b>	HVB London.
<b>Sole Lead Manager</b>	HVB.

### **3. PRINCIPAL FEATURES OF THE NOTES**

<b>The Notes</b>	The Notes will be issued by the Issuer on the Issue Date in the following classes:
<b>The Rated Notes</b>	Euro 1,365,000,000 Class A Asset Backed Floating Rate Notes due October 2040.
<b>The Junior Notes</b>	Euro 340,231,215 Class B Asset Backed Floating Rate Notes due October 2040.
<b>Issue Price</b>	The Notes will be issued at 100 per cent. of their principal

amount.

### **Interest on the Notes**

The Rated Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate equal to EURIBOR (as determined in accordance with Condition 7 (*Interest*) for three month deposits (except in respect of the Initial Interest Period where an interpolated interest rate based on 1 and 2 month deposits in Euro will be substituted for the EURIBOR for three month deposits)), plus a margin of 0.8 per cent. *per annum up to* (and including) the Step-Up Date and 1.2 per cent. *per annum* thereafter.

The Junior Notes will bear interest and be remunerated in accordance with Condition 7 (*Interest*).

Interest in respect of the Notes will accrue on a daily basis and will be payable in Euro in arrears on each Payment Date in respect of the Interest Period ending immediately prior thereto, in accordance with the applicable Priority of Payments. The First Payment Date will be 30 April 2009.

### **Form and denomination of the Notes**

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 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 (i) article 28 of Decree No. 213; and (ii) Regulation 22 February 2008. No physical document of title will be issued in respect of the Notes.

The Rated Notes will be issued in the denomination of Euro 50,000, whilst the Junior Notes will be issued in the denomination of Euro 73,883.

### **Status and subordination**

Both prior to and following the service of a Trigger Notice:

- (a) the Rated Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Junior Notes; and
- (b) the Junior Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but subordinated to the Rated Notes.

### **Withholding on the Notes**

As at the date of this Prospectus, payments of interest and other proceeds 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 expiration of the Initial Period, the Issuer will be obliged to pay an additional amount in Italy which, at the date of this Prospectus, is equal to 20 per cent. of all interest and other proceeds accrued on such principal amount repaid early up to the relevant repayment date. For further details, see the section entitled “*Taxation*”.

### **Mandatory Redemption**

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on the earlier of:

- (a) the Payment Date falling in October 2010; and
- (b) any Payment Date after the end of the Revolving Period and immediately following an amendment in the provisions of Decree No. 600, as a consequence of which the Issuer will no longer be required to pay an additional amount (determined as a percentage of interest and other proceeds accrued on the Notes) upon redemption in full (or in part) of the Notes prior to the expiration of the Initial Period,

and on each Payment Date thereafter, in accordance with Condition 8.2 (*Redemption, Purchase and Cancellation – Mandatory Redemption*), if and to the extent that on each such Payment Date there are sufficient Issuer Principal Available Funds which may be applied towards redemption of the Notes pursuant to the applicable Priority of Payments.

### **Optional Redemption**

The Issuer, having given not less than 30 days’ prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*), may redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole or in part, subject to the Junior Noteholders’ consent) at their Principal Amount Outstanding, together with interest accrued thereon up to (and including) the date fixed for redemption, in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), on any Payment Date falling on or after the Step-Up Date and in accordance with the Post-Trigger Priority of Payments, provided that:

- (a) no Trigger Event has occurred prior to or upon such date; and
- (b) 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 Notes (or the Rated Notes and none or part of the Junior Notes, subject to the Junior Noteholders' consent) and any amount required to be paid under the Post-Trigger Priority of Payments in priority thereto or *pari passu* therewith.

The Issuer may obtain the funds necessary to finance the early redemption of the Notes, in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), through the sale of the Aggregate Portfolio to the Originator pursuant to the Repurchase Option provided for by the Transfer Agreement. For further details, see the section entitled "*Description of the Transfer Agreement*".

## Redemption for Taxation

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) amounts payable in respect of the Rated Notes or the Aggregate Portfolio would be subject to withholding or deduction (other than a Decree 239 Deduction) 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; 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 all the Notes (or the Rated Notes and none or part of the Junior Notes, subject to the Junior Noteholders' consent) and any amounts required to be paid under the Post-Trigger Priority of Payments in priority thereto, or *pari passu* therewith,

(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 30 days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 17 (*Notices*), redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole or in part, subject to the Junior Noteholders' consent) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to and including the relevant Payment Date, in accordance with the Post-Trigger Priority of Payments and with Condition 8.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*).

No redemption for taxation shall occur prior to the end of the Initial Period, unless the Representative of the Noteholders determines that it would be prejudicial to the interest of the Noteholders not to proceed with such redemption prior to the end of the Initial Period.

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) direct the Issuer to, dispose of the Aggregate Portfolio or any part thereof to finance the early redemption of the Notes in accordance with Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), subject to the terms and conditions of the Intercreditor Agreement. For further details, see the section entitled "*Description of the Intercreditor Agreement*".

**Final Maturity Date**

Unless previously redeemed in full or cancelled in accordance with the Terms and Conditions, the Notes are due to be repaid in full at their Principal Amount Outstanding (together with interest accrued thereon) on the Final Maturity Date, being the Payment Date falling in October 2040.

**Cancellation Date**

The Notes shall be cancelled on the Cancellation Date, being 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 Aggregate Portfolio being available to the Issuer.

On the Cancellation 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.

**Source of Payment of the Notes**

The principal source of payment of interest and of repayment of principal on the Notes will be Collections and Recoveries made in respect of the Receivables arising from the Lease Contracts executed by the Originator and certain Lessees purchased and to be purchased by the Issuer from the Originator pursuant to the terms of the Transfer Agreement. The Initial Portfolio of Receivables has been purchased by the Issuer from the Originator on 13 February 2009 and the relevant Purchase Price will be

funded through (i) the proceeds of the Notes, with reference to the Principal Component and (ii) the Issuer Available Funds used in accordance with the applicable Priority of Payments, with reference to the Interest Component. During the Revolving Period, subject to the terms and conditions of the Transfer Agreement, the Originator may assign and transfer to the Issuer, and the Issuer shall purchase from the Originator, Subsequent Portfolios of Receivables, the Purchase Price of which will be funded through the Issuer Available Funds used in accordance with the applicable Priority of Payments. For further details on the Receivables, the Aggregate Portfolio and the Lessees, see the section entitled "*The Aggregate Portfolio*".

### **Segregation of the Aggregate Portfolio**

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 Aggregate Portfolio 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 amount deriving therefrom (to the extent identifiable) 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, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

The Aggregate 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 service of a Trigger Notice or upon failure by the Issuer to promptly exercise its rights under the Transaction Documents, to exercise 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 Aggregate 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 has been granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Deed of Pledge and the Deed of Assignment for the benefit of the Noteholders and the Other Issuer Creditors. For further details, see the

section entitled "*The Security Documents*".

### **Limited recourse**

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders are limited in recourse as set out below:

- (i) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the applicable Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;
- (ii) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder; and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with such sums payable to such Noteholder; and
- (iii) upon the Representative of the Noteholders giving notice in accordance with Condition 17 (*Notices*) that it has determined, in its sole opinion, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Servicer having confirmed the same in writing to the Representative of the Noteholders, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

### **Non Petition**

Only the Representative of the Noteholders may pursue the remedies available under general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from any of the Transaction Documents or enforce the Security; no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security, save as provided in the Rules of the Organisation of the Noteholders. In particular no Noteholder:

- (i) shall be entitled, save as expressly permitted by the Transaction Documents, to direct the

Representative of the Noteholders to enforce the Security or take any proceedings against the Issuer to enforce the Security;

- (ii) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it;
- (iii) shall be entitled, until the date falling one year and one day after the date on which the Notes and any other notes issued in the context of any Further Securitisation by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
- (iii) shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

#### **Listing and admission to trading**

Application has been made to list on the official list of the Luxembourg Stock Exchange and to admit to trading on the Regulated Market "*Bourse du Luxembourg*" the Rated Notes.

The Regulated Market "*Bourse du Luxembourg*" is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC.

No application has been made to list on any stock exchange or to admit to trading on any regulated market the Junior Notes.

#### **Rating**

The Rated Notes are expected, on issue, to be rated "AAA" by Fitch.

The Junior Notes will not be assigned any credit rating.

**A credit 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.**

#### **Purchase of the Notes**

The Issuer may not purchase any Notes at any time.

#### **Governing Law**

The Notes will be governed by Italian law.

## **4. ACCOUNTS**

## **Cash Accounts**

The Issuer has established with the Account Bank the Cash Accounts, being:

- (i) the Collection Account;
- (ii) the Transaction Account;
- (iii) the Cash Reserve Account;
- (iv) the Adjustment Reserve Account;
- (v) the Principal Accumulation Account;
- (vi) the Payments Account; and
- (vii) the Expenses Account.

## **Collection Account**

The Collection Account will be the Account into which all the Collections and Recoveries, respectively, received and recovered from time to time by the Servicer shall be credited, in accordance with the Servicing Agreement.

For further details, see the section entitled "*The Accounts*".

## **Transaction Account**

The Transaction Account will be the Account into which all the amounts received by the Issuer from any party to a Transaction Document (other than the Collections, the Recoveries and the amounts due and payable by the Hedging Counterparty under the Hedging Agreement) shall be credited.

For further details, see the section entitled "*The Accounts*".

## **Cash Reserve Account**

The Cash Reserve Account will be the Account into which the Cash Reserve Amount shall be credited, in accordance with the Subordinated Loan Agreement and the Cash Allocation, Management and Payment Agreement.

For further details, see the section entitled "*The Accounts*".

## **Adjustment Reserve Account**

The Adjustment Reserve Account will be the Account into which the Adjustment Reserve Amount shall be credited, in accordance with the Cash Allocation, Management and Payment Agreement.

For further details, see the section entitled "*The Accounts*".

## **Principal Accumulation Account**

The Principal Accumulation Account will be the Account into which certain amounts of the Issuer Available Funds (including any funds available for repayment of principal on the Notes during the Initial Period and the sums aimed at funding the payment of the amounts due as Purchase Price of any Subsequent Portfolio) shall be credited on each Settlement Date during the Revolving Period and on each Payment Date, in each case in accordance with the applicable Priority of Payments and the Cash Allocation,

Management and Payment Agreement.

For further details, see the section entitled "*The Accounts*".

#### **Payments Account**

The Payments Account will be the Account into which (i) the amounts due and payable by the Hedging Counterparty under the Hedging Agreement shall be credited (other than any Collateral Amount provided by the Hedging Counterparty save where any of such amounts may be paid into the Payments Account following a termination of the Hedging Agreement) and, following a termination of the Hedging Agreement, any Net Hedging Replacement Premium and (ii) the amounts standing to the credit of the Collection Account, the Transaction Account, the Cash Reserve Account and the Principal Accumulation Account shall be transferred so as to be applied to make the payments due by the Issuer on each Payment Date, in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement.

For further details, see the section entitled "*The Accounts*".

#### **Expenses Account**

The Expenses Account will be the Eligible Account into which the Retention Amount aimed at funding the Expenses during each Interest Period shall be credited, in accordance with the Subordinated Loan Agreement and the Cash Allocation, Management and Payment Agreement.

For further details, see the section entitled "*The Accounts*".

#### **Securities Account**

The Issuer has established with the Custodian Bank the Securities Account, being the Account into which the bonds, debentures or other kinds of notes or financial instruments purchased with monies standing to the credit of the Investment Accounts shall be deposited, in accordance with the Cash Allocation, Management and Payment Agreement.

For further details, see the section entitled "*The Accounts*".

#### **Quota Capital Account**

The Issuer has established the Quota Capital Account with Creberg, Milan Branch for the deposit of its quota capital equal to Euro 10,000.

### **5. CREDIT STRUCTURE**

#### **Issuer Available Funds**

The Issuer Available Funds shall comprise, in respect of any Settlement Date or any Payment Date, as the case may be:

- (i) during the Revolving Period, the aggregate amount of the Issuer Interest Available Funds and the Issuer Principal Available Funds;
- (ii) during the Amortisation Period, the aggregate amount of the Issuer Interest Available Funds and the Available Redemption Funds; and
- (iii) after the service of a Trigger Notice, the aggregate amount of (i) the Issuer Interest Available Funds and (ii) the Available Redemption Funds, minus (iii) if the Trigger Event is due to an Insolvency Event, any amounts to be paid to the persons who are not parties to the Intercreditor Agreement in accordance with the Italian Bankruptcy Law.

### **Issuer Interest Available Funds**

The Issuer Interest Available Funds shall comprise, in respect of any Payment Date, the aggregate amount of:

- (i) all interest Collections received in respect of the Receivables paid into the Collection Account pursuant to the terms of the Servicing Agreement;
- (ii) all net amounts received from the Hedging Counterparty pursuant to the terms of the Hedging Agreement and credited to the Payments Account but excluding (a) any Collateral Amount provided by the Hedging Counterparty, and (b) any amount paid by the Hedging Counterparty upon a termination of the Hedging Agreement in respect of any termination payment (provided that, following any application of the amounts described in (a) and/or (b) above towards payment of any premium payable to a replacement hedging counterparty in consideration for it entering into a hedging agreement with the Issuer on the same terms as the Hedging Agreement, any remaining amounts shall form part of the Issuer Interest Available Funds in accordance with the terms of the Cash Allocation, Management and Payment Agreement);
- (iii) all amounts of interest accrued and available on each of the Cash Accounts and any interest amounts deriving from the redemption, realisation or liquidation of the Eligible Investments;
- (iv) any Issuer Principal Available Funds or Available Redemption Funds, as the case may be, standing to the credit of the Collection Account, the Payments Account and the Principal Accumulation Account which have been allocated as Issuer Interest Available Funds in accordance with the Priority of Payments; and

- (v) all Recoveries received in respect of the Receivables paid into the Collection Account pursuant to the terms of the Servicing Agreement;
- (vi) on each Payment Date
  - (a) until the earlier of (x) the Step-Up Date (included), (y) the first Payment Date (excluded) after the service of a Purchase Termination Notice and (z) the Payment Date, if any, (included) on which the Notes begin to amortise prior to the end of the Initial Period in accordance with the Terms and Conditions, to the extent that the sums under items (i) to (v) above have been insufficient to pay in full the amounts due and payable under items *First* to *Fifth* of the Revolving Interest Priority of Payments, the funds standing to the credit of the Cash Reserve Account which are necessary for payment in full of such amounts under items *First* to *Fifth* of the Revolving Interest Priority of Payments; and
  - (b) starting from the earlier of (x) the Payment Date (included) immediately succeeding the Step-Up Date, (y) the first Payment Date (included) after the service of a Purchase Termination Notice and (z) the second Payment Date, if any, (included) on which the Notes begin to amortise prior to the end of the Initial Period in accordance with the Terms and Conditions, all amounts standing to the credit of the Cash Reserve Account (net of the Cash Reserve Released Amount);
- (vii) any amount paid under item *First* of the Quarterly Revolving Principal Priority of Payments or item *First* of the Amortisation Principal Priority of Payments;
- (viii) following a termination of the Hedging Agreement, any Net Hedging Replacement Premium.

**Issuer Principal Available Funds**

The Issuer Principal Available Funds shall comprise, in respect of any Settlement Date or Payment Date, as the case may be, the aggregate amount of:

- (i) all principal Collections received in respect of the Receivables paid into the Collection Account pursuant to the terms of the Servicing Agreement and any amounts deriving from the redemption,

realisation or liquidation of the Eligible Investments in respect of principal Collections;

- (ii) any Principal Integration Amount;
- (iii) any Principal Deficiency Amount paid under item *Sixth* of the Revolving Interest Priority of Payments or under item *Sixth* of the Amortisation Interest Priority of Payments;
- (iv) the Cash Reserve Released Amount;
- (v) any amounts paid to the Principal Accumulation Account on the immediately preceding Payment Date under item *Second* of the Monthly Revolving Principal Priority of Payments, item *Third* of the Quarterly Revolving Principal Priority of Payments and items *Third* and *Eleventh* of the Amortisation Principal Priority of Payments;
- (vi) all amounts received by the Issuer from any party to a Transaction Document to which the Issuer is a party and credited to the Transaction Account; and
- (vii) on the Payment Date on which the Notes will be redeemed in full, the amount standing to the credit of the Expenses Account.

#### **Available Redemption Funds**

The Available Redemption Funds shall comprise in respect of any Payment Date:

- (i) during the Amortisation Period, the Issuer Principal Available Funds; and
- (ii) after the service of a Trigger Notice, any remaining Issuer Available Funds after all payments under items from *First* to *Fifth* of the Post-Trigger Priority of Payments have been made in full,

together with, in both cases, the proceeds from the redemption of Eligible Investments, to the extent that any Available Redemption Funds have been invested in Eligible Investments, other than the interests accrued on the Eligible Investments which shall form part of the Issuer Interest Available Funds.

#### **Trigger Events**

The Terms and Conditions provide the following Trigger Events:

- (i) *Non payment*: the Issuer defaults in the payment of any amount of interest and/or principal due in respect of the Most Senior Class of Notes 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 under (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 thirty days after the Representative of the Noteholders has 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 thirty days will be given); or
- (iii) *Breach of representations and warranties by the Issuer*: any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party is, or proves to have been, incorrect or erroneous in any material respect when made, or deemed to be made, or at any time thereafter, unless it has been remedied within fifteen days after the Representative of the Noteholders has served notice requiring remedy; or
- (iv) *Insolvency of the Issuer*: an Insolvency Event occurs in respect of the Issuer; or
- (v) *Unlawfulness*: it is or becomes unlawful 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, when compliance with such obligations is deemed by the Representative of the Noteholders to be material.

Upon the occurrence of a Trigger Event, the Representative of the Noteholders:

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

serve a Trigger Notice to the Issuer. Upon the service of a

Trigger Notice, the Issuer Available Funds shall be applied in accordance with Condition 6.3 (*Priority of Payments - Post-Trigger Priority of Payments*).

## Revolving Priority of Payments

### (1) *Issuer Interest Available Funds*

On each Payment Date during the Revolving Period, the Issuer Interest Available Funds shall be applied in making or providing for 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):

*First*, (i) 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 Expenses) and (ii) save for the Payment Date on which the Notes will be redeemed in full, 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;

*Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the fees, costs and expenses of, and all other amounts (including any indemnity amounts) due to the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Custodian Bank, the Corporate Servicer, the Foundation Corporate Servicer and the Servicer;

*Third*, to pay to the Hedging Counterparty the amounts due and payable under the Hedging Agreement (including any hedging termination payments upon early termination of the Hedging Agreement due to the Hedging Counterparty, provided that upon the occurrence of a Hedging Subordination Event the amount applied under this paragraph in respect of such termination payments shall not exceed the amount of any Net Hedging Replacement Premium);

*Fourth*, to credit the Adjustment Reserve Amount to the Adjustment Reserve Account;

*Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Rated Notes on such Payment Date;

*Sixth*, to allocate the Principal Deficiency Amount to the Issuer Principal Available Funds (including for avoidance of doubt, the Principal Deficiency

Amount which has not been so allocated on the preceding Payment Dates);

*Seventh*, to pay the Principal Integration Amount, to the extent that the Cumulative Default Ratio has been higher than the relevant Cumulative Default Trapping Trigger Ratio for at least one Payment Date;

*Eighth*, to credit to the Cash Reserve Account such an amount to bring the balance of such Account up to (but not in excess of) the Cash Reserve Amount;

*Ninth*, to pay to the Sole Lead Manager any amounts due as indemnity pursuant to the Rated Notes Subscription Agreement;

*Tenth*, to pay to the Hedging Counterparty any hedging termination payments due under the Hedging Agreement other than any amounts payable under item *Third* above;

*Eleventh*, to pay to Fineco Leasing, *pari passu* and *pro rata*, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as (i) Interest Component of the Purchase Price for any Portfolio and (ii) interest accrued on such Purchase Price for any Portfolio;

*Twelfth*, to pay to the Subordinated Loan Provider the interest due and payable but unpaid under the Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Thirteenth*, to repay to the Subordinated Loan Provider the principal due and payable but unpaid under the Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Fourteenth*, to pay to Fineco Leasing any indemnity and interest amounts due and payable pursuant to the Transaction Documents, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Fifteenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Sixteenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Junior Notes on such Payment Date (other than the Junior Notes Additional Remuneration);

*Seventeenth*, to pay any amounts due and payable as Junior Notes Additional Remuneration.

(2) *Issuer Principal Available Funds*

(A) On each Settlement Date during the Revolving Period, other than any Settlement Dates immediately preceding a Payment Date, the Issuer Principal 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):

*First*, to pay to Fineco Leasing, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as Principal Component of the Purchase Price for any Subsequent Portfolio; and

*Second*, to pay the residual amount to the Principal Accumulation Account.

(B) On each Payment Date during the Revolving Period, the Issuer Principal 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):

*First*, to pay any amount payable under items *First* through *Fifth* (inclusive) under section (1) above, to the extent that the Issuer Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

*Second*, to pay to Fineco Leasing, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as Principal Component of the Purchase Price for any Subsequent Portfolio; and

*Third*, to pay the residual amount (if any) to the Principal Accumulation Account.

**Amortisation Priority of Payments**

(1) *Issuer Interest Available Funds*

On each Payment Date during the Amortisation Period, the Issuer Interest Available Funds shall be

applied in making or providing for 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):

*First*, (i) 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 the Expenses) and (ii) save for the Payment Date on which the Notes will be redeemed in full, 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;

*Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the fees, costs and expenses of, and all other amounts (including any indemnity amounts) due to the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Custodian Bank, the Corporate Servicer, the Foundation Corporate Servicer and the Servicer;

*Third*, to pay to the Hedging Counterparty the amounts due and payable under the Hedging Agreement (including any hedging termination payments upon early termination of the Hedging Agreement due to the Hedging Counterparty, provided that upon the occurrence of a Hedging Subordination Event the amount applied under this paragraph in respect of such termination payments shall not exceed the amount of any Net Hedging Replacement Premium);

*Fourth*, to credit the Adjustment Reserve Amount to the Adjustment Reserve Account;

*Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Rated Notes on such Payment Date;

*Sixth*, to allocate the Principal Deficiency Amount to the Issuer Principal Available Funds (including for avoidance of doubt, the Principal Deficiency Amount which has not been so allocated on the preceding Payment Dates);

*Seventh*, to pay the Principal Integration Amount, to the extent that the Cumulative Default Ratio has been higher than the relevant Cumulative Default Trapping Trigger Ratio for at least one Payment Date;

*Eighth*, to credit to the Cash Reserve Account such an amount to bring the balance of such Account up to (but not in excess of) the Cash Reserve Amount;

*Ninth*, to allocate the Cash Reserve Released Amount to the Issuer Principal Available Funds;

*Tenth*, to pay to the Sole Lead Manager any amount due as indemnity pursuant to the Rated Notes Subscription Agreement;

*Eleventh*, to pay to the Hedging Counterparty any hedging termination payments due under the Hedging Agreement other than any amounts payable under item *Third* above;

*Twelfth*, to pay to Fineco Leasing, *pari passu* and *pro rata*, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as (i) Interest Component of the Purchase Price for any Portfolio and (ii) interest accrued on such Purchase Price for any Portfolio;

*Thirteenth*, to pay to the Subordinated Loan Provider the interest due and payable under the Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Fourteenth*, to repay to the Subordinated Loan Provider, the principal due and payable but unpaid under the Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Fifteenth*, to pay to Fineco Leasing any indemnity and interest amounts due and payable pursuant to the Transaction Documents, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Sixteenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Seventeenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Junior Notes on such Payment Date (other than the Junior Notes Additional

Remuneration); and

*Eighteenth*, to pay any amounts due and payable as Junior Notes Additional Remuneration.

(2) *Available Redemption Funds*

On each Payment Date during the Amortisation Period, the Available Redemption Funds shall be applied in making or providing for 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):

*First*, to pay any amount payable under items *First* to *Fifth* (inclusive) under section (1) above, to the extent that the Issuer Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

*Second*, on the first Payment Date falling after the end of the Revolving Period, to pay to Fineco Leasing, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as Principal Component of the Purchase Price for the Subsequent Portfolios (if any) purchased during the Interest Period ending on such Payment Date;

*Third* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of principal due and payable, if any, in respect of the Rated Notes on such Payment Date;

*Fourth*, to pay to Fineco Leasing, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as Principal Component of the Purchase Price for any Subsequent Portfolios;

*Fifth*, to pay to the Sole Lead Manager any amount due as indemnity pursuant to the Rated Notes Subscription Agreement;

*Sixth*, to pay to Fineco Leasing the Purchase Price Adjustment, if any;

*Seventh*, to repay to the Subordinated Loan Provider the principal due and payable but unpaid under the Subordinated Loan in accordance with the Subordinated Loan Agreement, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Eighth*, to pay to Fineco Leasing any amount due and payable under the Limited Recourse Loan;

*Ninth*, to pay to Fineco Leasing any principal amounts due and payable pursuant to the Transaction Documents, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Tenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (i) all amounts of principal then due and payable in respect of the Junior Notes on such Payment Date until the Principal Amount Outstanding of the Junior Notes is equal to Euro 30,000, and (ii) on the Cancellation Date, all amounts of principal due and payable, if any, on the Junior Notes;

*Eleventh*, to pay any residual amounts due to the rounding of the principal payments on the Notes into the Principal Accumulation Account; and

*Twelfth*, to pay the residual amount (if any) to the Issuer Interest Available Funds,

*provided however that*, subject to Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*) and Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), during the Initial Period any Issuer Available Funds which would be otherwise available on a Payment Date for repayment of principal on the Notes or for payment of items ranking below repayment of principal on the Notes shall not be used for such purposes and shall be deposited into the Principal Accumulation Account. Such funds, so deposited, will be invested in accordance with the terms of the Cash Allocation, Management and Payment Agreement and will be used to repay the principal on the Notes starting from the first Payment Date which falls immediately after the expiry of the Initial Period.

### **Post-Trigger Priority of Payments**

Following service of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making or providing for 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):

*First*, (i) 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 Expenses) and (ii) save for the Payment Date on which the Notes will be redeemed in full, 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;

*Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (i) the fees, costs and expenses of, and all other amounts (including any indemnity amounts) due to the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Custodian Bank, the Corporate Servicer, the Foundation Corporate Servicer and the Servicer and (ii) the remuneration due to any receiver appointed pursuant to the Deed of Assignment and any proper costs and expenses incurred by it;

*Third*, to pay to the Hedging Counterparty the amounts due and payable under the Hedging Agreement (including any hedging termination payments upon early termination of the Hedging Agreement due to the Hedging Counterparty, provided that upon the occurrence of a Hedging Subordination Event the amount applied under this paragraph in respect of such termination payments shall not exceed the amount of any Net Hedging Replacement Premium);

*Fourth*, to credit the Adjustment Reserve Amount to the Adjustment Reserve Account;

*Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Rated Notes on such date;

*Sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of principal then due and payable in respect of the Rated Notes on such date;

*Seventh*, to pay to the Sole Lead Manager any amount due as indemnity pursuant to the Rated Notes Subscription Agreement;

*Eighth*, to pay the Hedging Counterparty any hedging termination payments due under the Hedging Agreement other than any amounts payable under item *Third* above;

*Ninth*, to pay to Fineco Leasing, *pari passu* and *pro rata*, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as Purchase Price for any Portfolio and the relevant interest accrued thereon;

*Tenth*, to pay to Fineco Leasing the Purchase Price Adjustment, if any;

*Eleventh*, to pay to the Subordinated Loan Provider the interest due and payable but unpaid under the

Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Twelfth*, to repay to the Subordinated Loan Provider, the principal due and payable but unpaid under the Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Thirteenth*, to pay to Fineco Leasing any amount due and payable under the Limited Recourse Loan;

*Fourteenth*, to pay to Fineco Leasing any amounts (including indemnity amounts) due and payable pursuant to the Transaction Documents, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Fifteenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Sixteenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Junior Notes on such date (other than the Junior Notes Additional Remuneration);

*Seventeenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (i) all amounts of principal then due and payable in respect of the Junior Notes on such date until the Principal Amount Outstanding of the Junior Notes is equal to Euro 30,000, and (ii) on the Cancellation Date, all amounts of principal due and payable, if any, on the Junior Notes; and

*Eighteenth*, to pay any amounts due and payable as Junior Notes Additional Remuneration,

*provided however that*, subject to Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*) and Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), during the Initial Period any Issuer Available Funds which would be otherwise available on a Payment Date for repayment of principal on the Notes or for payment of items ranking below repayment of principal on the Notes shall not be used for such purposes and shall be deposited into the Principal Accumulation Account. Such funds, so deposited, will be invested in accordance with the terms of the Cash

Allocation, Management and Payment Agreement and will be used to repay the principal on the Notes starting from the first Payment Date which falls immediately after the expiry of the Initial Period.

## 6. TRANSFER AND ADMINISTRATION OF THE AGGREGATE PORTFOLIO

### Transfer of the Aggregate Portfolio

Under the Transfer Agreement, the Originator and the Issuer have agreed the terms and conditions for the assignment and transfer from the Originator to the Issuer of the Portfolios of the Receivables arising out of the Lease Contracts owed to the Originator by the Lessees thereunder.

Under the Transfer Agreement the Originator (i) has assigned and transferred to the Issuer, and the Issuer has purchased from the Originator, the Initial Portfolio on 13 February 2009 and (ii) may assign and transfer to the Issuer, and the Issuer shall purchase from the Originator, Subsequent Portfolios on a monthly basis during the Revolving Period, subject to the terms and conditions thereunder.

The Initial Portfolio has been and each Subsequent Portfolio will be assigned and transferred without recourse (*pro soluto*) and pursuant to articles 1 and 4 of the Securitisation Law.

The Receivables comprised in the Initial Portfolio have been identified on the basis of the Initial Criteria and the Receivables which will be comprised in each Subsequent Portfolio shall be identified on the basis of the Subsequent Criteria.

As consideration for the purchase of the Receivables comprised in each Portfolio, the Issuer shall pay to the Originator the Purchase Price, being equal to the aggregate sum of the Individual Purchase Prices of all the Receivables comprised in the relevant Portfolio. The Individual Purchase Price of each Receivable is equal to the sum of its Principal Component and its Interest Component, both calculated as of the relevant Valuation Date.

Subject to the terms and conditions of the Transfer Agreement, the Purchase Price of the Initial Portfolio will be paid by the Issuer to the Originator as follows:

- (a) the Principal Component will be paid on the Issue Date out of the proceeds of the Notes; and
- (b) the Interest Component will be paid starting from the First Payment Date and on each Payment Date

thereafter, out of the Issuer Available Funds in accordance with the applicable Priority of Payments.

Subject to the terms and conditions of the Transfer Agreement, the Purchase Price of each Subsequent Portfolio will be paid by the Issuer to the Originator out of the Issuer Available Funds in accordance with the applicable Priority of Payments as follows:

- (a) the Principal Component will be paid starting from the first Settlement Date or, if earlier, the first Payment Date succeeding the relevant Transfer Date and on each Payment Date and Settlement Date thereafter (other than any Settlement Dates immediately preceding a Payment Date); and
- (b) the Interest Component will be paid starting from the first Payment Date succeeding the relevant Transfer Date and on each Payment Date thereafter.

For further details, see the section entitled “*Description of the Transfer Agreement*”.

#### **Purchase Termination Events**

The Transfer Agreement provides the following Purchase Termination Events:

- (i) *Breach of obligations by the Originator:* the Originator defaults in the performance or observance of any of its obligations under any of the Transaction Documents to which it is party which is in the Representative of the Noteholders’ opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is in its opinion materially prejudicial to the interest of the Rated Noteholders (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 thirty days will be given); or
- (ii) *Breach of ratios:*
  - (a) the Aggregate Portfolio Delinquency Ratio for the immediately preceding Quarterly Collection Period exceeds, for two consecutive Payment Dates, the Trigger Delinquency Ratio; or

- (b) the Aggregate Portfolio Default Ratio for the immediately preceding Quarterly Collection Period exceeds, for two consecutive Payment Dates the Trigger Default Ratio; or
- (c) the Cumulative Default Ratio during the immediately preceding Quarterly Collection Period exceeds the applicable Cumulative Default Trigger Ratio for the Maximum Default Term; or
- (iii) *Non payment*: any amount due as Principal Deficiency Amount is not paid on any Payment Date; or
- (iv) *Breach of representations and warranties by the Originator*: any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or proves to have been incorrect or misleading when made, or deemed to be made, in any respect which is deemed material in the Representative of the Noteholders' opinion when made or repeated, and such breach has remained unremedied for ten days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is in its opinion materially prejudicial to the interest of the Rated Noteholders; or
- (v) *Insolvency of the Originator*: an Insolvency Event occurs in respect of the Originator; or
- (vi) *Termination of the Servicer*: the appointment of Fineco Leasing as Servicer pursuant to the Servicing Agreement is terminated and no substitute servicer is appointed immediately thereafter, save in the event that the Representative of the Noteholders notifies to the Issuer and the Originator that notwithstanding such termination it will be possible to transfer further Subsequent Portfolios.

Upon occurrence of a Purchase Termination Event during the Revolving Period, the Representative of the Noteholders shall serve a Purchase Termination Notice to the Issuer and the Originator. After the service of a Purchase Termination Notice by the Representative of the Noteholders, the Issuer may no longer purchase any Subsequent Portfolios and the Issuer Available Funds shall be applied in accordance with Condition 6.2 (*Priority of Payments – Amortisation Priority of Payments*).

## **Warranty and Indemnity Agreement**

Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, itself, the Receivables, the Lease Contracts and the Lessees 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 Aggregate Portfolio.

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

## **Servicing Agreement**

Pursuant to the Servicing Agreement, the Servicer has agreed to administer and service on behalf of the Issuer the Aggregate Portfolio and, in particular, to (i) collect and recover amounts due in respect of the Receivables; (ii) administer relationships with the Lessees; and (iii) carry out certain activities in relation to the Receivables in accordance with the Servicing Agreement and the Collection Policies.

Pursuant to the Servicing Agreement, the Servicer will act as the “*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*” in accordance with the Securitisation Law. In such capacity, the Servicer shall also be responsible for verifying that the operations comply with the law and this Prospectus pursuant to article 2, paragraph 3(c) and article 2, paragraph 6 of the Securitisation Law.

For further details, see the section entitled “*Description of the Servicing Agreement*”.

## **7. OTHER TRANSACTION DOCUMENTS**

### **Intercreditor Agreement**

Pursuant to the Intercreditor Agreement, the Issuer and the Other Issuer Creditors have agreed to, *inter alia*, (i) the application of the Issuer Available Funds, in accordance with the Priority of Payments; (ii) the limited recourse nature of the obligations of the Issuer; and (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Aggregate 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 Custodian Bank and the Paying Agent have agreed to provide the Issuer with certain agency services and certain calculation, notification and

reporting services, together with account handling and investment services in relation to monies and securities from time to time standing to the credit of the Accounts.

Pursuant to the BNP Guarantee, BNP Paribas S.A. has agreed to guarantee in favour of the Issuer certain obligations of BNP Paribas Securities Services, Milan Branch under the Cash Allocation, Management and Payment Agreement.

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*”.

#### **Letter of Undertakings**

Pursuant to the Letter of Undertakings, the Sole Quotaholder has given certain undertakings in relation to the management of the Issuer and the exercise of its rights as sole quotaholder of the Issuer.

For further details, see the section entitled “*Description of the Letter of Undertakings*”.

#### **Hedging Agreement**

In order to hedge its interest rate exposure in relation to the Rated 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) (together with the schedule thereto, the relevant confirmations and the CSA).

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 including the maintenance of corporate books and of accounting and tax registers, in compliance with reporting requirements relating to the Receivables and with other regulatory requirements imposed on the Issuer.

For further details, see the section entitled “*Description of the Corporate Services Agreement*”.

#### **Foundation Corporate Services**

**Agreement**

Pursuant to the Foundation Corporate Services Agreement, the Foundation Corporate Servicer has agreed to provide the Sole Quotaholder with a number of services including, *inter alia*, the provision of accounting and financial services and the management and administration of the Sole Quotaholder.

For further details, see the section entitled “*Description of the Foundation Corporate Services Agreement*”.

**Deed of Pledge**

Pursuant to the Italian law Deed of Pledge, the Issuer has:

- (i) pledged its monetary claims and rights deriving from certain Transaction Documents (except for the Receivables and the relevant Collections and Recoveries); and
- (ii) undertaken to pledge any Eligible Investment made in accordance with the Cash Allocation, Management and Payment Agreement,

in both cases, in favour of the Noteholders and the Other Issuer Creditors, acting through the Representative of the Noteholders, as security for the Secured Obligations.

For further details, see the section entitled “*Description of the Security Documents*”.

**Deed of Assignment**

Pursuant to the English law Deed of Assignment, as security for the Secured Obligations, the Issuer has assigned, in favour of the Representative of the Noteholders (for the benefit of the Noteholders and the Other Issuer Creditors), all of the Issuer’s rights, title, interest and benefit (present and future) in, to and under the Hedging Agreement and the BNP Guarantee, and all monies payable in respect thereof and all other rights, benefits and proceeds deriving therefrom.

For further details, see the section entitled “*Description of the Security Documents*”.

**Subordinated Loan Agreement**

Pursuant to the Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to grant the Issuer the Subordinated Loan in an amount of Euro 161,030,000. The Subordinated Loan will be advanced on the Issue Date and will be used by the Issuer to fund on such date the Cash Reserve Amount and the Retention Amount.

The Issuer shall repay the outstanding principal amount under the Subordinated Loan, subject to the terms and conditions of the Subordinated Loan Agreement. Such repayment will be made on each Payment Date out and within the limits of the Issuer Available Funds, in accordance with the applicable Priority of Payments.

For further details, see the section entitled “*Description of the Subordinated Loan Agreement*”.

## RISK FACTORS

*The following is a summary of certain aspects of the issue of the Rated 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 Prospectus and reach their own views prior to making an investment decision.*

### RISK FACTORS RELATED TO THE ISSUER

#### Securitisation Law

The Securitisation Law was enacted in Italy on April 1999. As at the date of this Prospectus, as far as the Issuer is aware, 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 companies which carry out collection and recovery activities in the context of a securitisation transaction; (ii) the Decree of the Italian Ministry of Treasury dated 4 April 2001 on the terms for the registration of the financial intermediaries in the Special Register held by the Bank of Italy pursuant to article 107 of the Consolidated Banking Act; and (iii) the Circular No. 8/E issued by *Agenzia delle Entrate* on 6 February 2003 on the tax treatment of the issuers (see paragraph “*Tax treatment of the Issuer*”). 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 Prospectus.

#### Issuer’s ability to meet its obligations under the Rated Notes

The ability of the Issuer to meet its obligations in respect of the Rated Notes will be dependent on the receipt by the Issuer of (i) Collections and Recoveries made on its behalf by the Servicer in respect of the Aggregate Portfolio, (ii) any payments required to be made by the Hedging Counterparty under the Hedging Agreement and (iii) any other amounts required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the relevant Transaction Documents. The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

Consequently, there is no assurance that, over the life of the Rated Notes or at the redemption date of the Rated 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 Rated Notes or to repay the Rated Notes in full.

#### Liquidity and Credit Risk

The Issuer is subject to the risk of delay arising between the receipt of payments due from the Lessees and each Scheduled Instalment Date. This risk is mitigated in respect of the Rated Notes through the Hedging Agreement and the establishment of a Cash Reserve.

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

The Issuer is also subject to the risk of default in payment by the Lessees and the subsequent failure to realise or to recover sufficient funds in respect of the Aggregate Portfolio in order to discharge all amounts due from those Lessees under the Lease Contracts. With respect to the Rated Notes, this risk is mitigated by the credit support provided by the Junior Notes and the establishment of the Cash Reserve.

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

### **No independent investigation in relation to the Receivables**

None of the Issuer, the Sole Arranger or the Sole Lead Manager nor any other party to the Transaction Documents (other than the Originator) has undertaken or will undertake any investigation, search or other action to verify the details of the Receivables assigned and transferred by the Originator to the Issuer, nor has any of such persons undertaken, nor will any of them undertake, any investigation, search or other action to establish the creditworthiness of any of the Lessees. There can be no assurance that the assumptions used in modelling the cash flows of the Receivables and the Aggregate Portfolio accurately reflect the status of the underlying Lease Contracts.

The Issuer will rely instead on the representations and warranties given by the Originator in the Warranty and Indemnity Agreement and in the Transfer Agreement. The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Receivable will be the requirement that the Originator indemnifies the Issuer for the damage deriving therefrom or advance to the Issuer the Limited Recourse Loan, in both cases, subject to the terms and conditions of the Warranty and Indemnity Agreement. There can be no assurance, however, that the Originator will have the financial resources to honour such obligations. For further details, see the section entitled "*Description of the Warranty and Indemnity Agreement*".

### **Commingling Risk**

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections and the Recoveries held by the Servicer are lost or frozen. Such risk is mitigated through the provision of the Servicing Agreement pursuant to which all Collections and Recoveries held by the Servicer are transferred to the Collection Account within one Local Business Day from receipt thereof. For further details, see the section entitled "*Description of the Servicing Agreement*".

### **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 Rated 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 Rated Notes will depend on the ability of the Servicer to service the Aggregate 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 may be terminated by the Hedging Counterparty if, *inter alia*, a Trigger Event occurs. In addition, the ability of the Issuer to make payments under the Rated 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 Aggregate Portfolio. The performance by 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 Aggregate Portfolio in the event that the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative servicer is found it is not certain whether such alternative servicer would service the Aggregate Portfolio on the same terms as those provided for in the Servicing Agreement. Such risk is mitigated by the provision of the Servicing Agreement pursuant to which, if:

- (a) the rating given to UniCredit by Fitch falls below "BBB" or is withdrawn; or

(b) Fineco Leasing ceases to be part of the UniCredit Banking Group,

then the Issuer shall enter into a back-up servicing agreement with a Back-up Servicer which (i) meets the requirements for a substitute servicer, as provided for by the Servicing Agreement and (ii) shall be available, pursuant to such agreement, to act as substitute servicer of the Aggregate Portfolio.

### **Interest Rate Risk**

The Receivables include interest payments calculated at interest rates and times which are different from the interest rates and times applicable to interest in respect of the Rated Notes.

The Issuer expects to meet its floating rate payment obligations under the Rated Notes primarily from the payments relating to the Collections and Recoveries. However the interest component in respect of such payments may have no correlation to the EURIBOR rate from time to time applicable in respect of the Rated Notes.

In order to mitigate this interest rate risk and avoid the occurrence of a mismatch between such payments and the floating rate payment obligations of the Issuer under the Rated Notes, the Issuer has entered into the Hedging Agreement with the Hedging Counterparty, which shall at all times be (or its credit support provider shall at all times be) an institution rated in compliance with the Rating Agency's criteria, in accordance with the provisions of the Hedging Agreement. For further details, see the section "*Description of the Hedging Agreement*".

Pursuant to the Deed of Assignment, the Issuer, as security for the Secured Obligations, has, *inter alia*, assigned in favour of the Representative of the Noteholders (for the benefit of the Noteholders and the Other Issuer Creditors), all of the Issuer's rights, title, interest and benefit (present and future) in, to and under the Hedging Agreement and the BNP Guarantee, and all monies payable in respect thereof and all other rights, benefits and proceeds deriving therefrom. For further details, see the section entitled "*Description of the Security Documents - The Deed of Assignment*".

In the event of early termination of the Hedging Agreement, including any termination upon failure by the Hedging Counterparty to perform its obligations, there is no assurance that the Issuer will be able to meet its obligations under the Rated Notes in full or even in part.

Moreover, if either the Hedging Counterparty or the Issuer terminates the Hedging Agreement no assurance can be given that replacement interest rate hedging agreement will continue to provide the Issuer with the same level of protection as the Hedging Agreement. For further details, see the section entitled "*Description of the Hedging Agreement*".

### **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 in certain circumstances, any termination payment due to the Hedging Counterparty from the Issuer may rank in priority to payments due on the Rated 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 one or more, as appropriate, replacement hedging agreements), may also rank in priority to payments due on the Rated 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 Rated Notes.

### **Claims of Unsecured Creditors of the Issuer**

By virtue of the operation of article 3 of the Securitisation Law and of the Transaction Documents, the Issuer's rights, title and interest in and to the Aggregate Portfolio 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 only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. Amounts deriving from the Aggregate Portfolio will not be available to any other creditor of the Issuer.

Under Italian law, *prima facie*, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders on behalf of the Noteholders in accordance with the Terms and Conditions and the Other Issuer Creditors would have the right to claim in respect of the Receivables, even in the event of bankruptcy of the Issuer.

The Issuer is unlikely to have a large number of creditors unrelated to the Securitisation or any Further Securitisations because (i) the corporate object of the Issuer, as contained in its by-laws (*statuto*) is very limited, and (ii) 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. Therefore, the Issuer must comply with certain covenants provided for by the Terms and Conditions which contain restrictions on the activities which the Issuer may carry out (including incurring further substantial debt), with the result that the Issuer may only carry out limited transactions in connection with the Securitisation and, subject to the satisfaction of Condition 5.2 (*Covenants – Further Securitisations*), future securitisations. Accordingly, the Issuer is less likely to have creditors who would claim against it other than the ones related to the Further Securitisations, if any, the Noteholders and the Other Issuer Creditors (all of whom have agreed to non-petition provisions contained in the Transaction Documents) and the other third parties creditors in respect of any taxes, costs, fees or expenses incurred in relation to such securitisations and in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation. For further details, see the following paragraph entitled “*Further Securitisations*” of this section entitled “*Risk Factors*”.

To the extent that the Issuer incurs any ongoing taxes, costs, fees and expenses (whether or not related to the Securitisation), the Issuer has established the Expenses Account, to which the Retention Amount shall be credited on the Issue Date and refilled on each Payment Date in accordance with the applicable Priority of Payments and out of which payments of the aforementioned taxes, costs, fees and expenses shall be paid during any Interest Period.

Notwithstanding the foregoing, there can be no assurance that if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Rated Notes.

### **Further Securitisations**

The Issuer may carry out Further Securitisations in addition to the Securitisation described in this Prospectus, provided that the Issuer confirms in writing to the Representative of the Noteholders – or the Representative of the Noteholders is otherwise satisfied – that the conditions set out in the Terms and Conditions (Condition 5.2 (*Covenants – Further Securitisations*)) are fully satisfied.

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will by operation of law and of the Transaction Documents 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 the 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.

Only the Representative of the Noteholders may pursue the remedies available under general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from any of the Transaction Documents or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security, save as provided by the Rules of the Organisation of the Noteholders.

## **RISK FACTORS RELATED TO THE RATED NOTES**

### **Suitability**

Structured securities, such as the Rated Notes, are sophisticated instruments, which can involve a significant degree of risk. Prospective investors in the Rated Notes should ensure that they understand the nature of the Rated Notes and the extent of their exposure to the relevant risks. 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 an investment in the Rated Notes and that they consider the suitability of the Rated Notes as an investment in light of their own circumstances and financial condition and upon advice from such advisers as they may deem necessary.

Prospective investors in the Rated Notes should not rely on or construe any communication (written or oral) of the Issuer, the Originator, the Sole Arranger or the Sole Lead Manager as investment advice or as a recommendation to invest in the Rated Notes, it being understood that information and explanations related to the Terms and Conditions shall not be considered to be investment advice or a recommendation to invest in the Rated Notes.

No communication (written or oral) received from the Issuer, the Originator, the Sole Arranger or the Sole Lead Manager or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Rated Notes.

### **Source of Payments to Noteholders**

The Rated Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity. In particular, the Rated Notes will not be obligations or responsibilities of or guaranteed by any of the Originator, the Servicer, the Representative of the Noteholders, any of the Other Issuer Creditors or the Sole Arranger. None of 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 Rated Notes.

The Issuer will not as at the Issue Date have any significant assets for the purpose of meeting its obligations under the Securitisation, other than the Aggregate Portfolio, any amounts and/or securities standing to the credit of the Accounts and its rights under the Transaction Documents to which it is a party. Consequently, there is a risk that, over the life of the Rated Notes or at the redemption date of the Rated Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice or otherwise), the funds available to the Issuer may be insufficient to pay interest on the Rated Notes or to repay the Rated Notes in full.

### **Limited Recourse Nature of the Rated Notes**

The Rated Notes will be limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Rated Notes only if and to the extent that the Issuer has sufficient Issuer Available Funds to make such payment in accordance with the applicable Priority of Payments. If there are not sufficient Issuer Available Funds to pay in full all principal and interest and other amounts due in respect of the Rated 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.

### **Yield and Prepayment Considerations**

The yield to maturity of the Rated Notes will depend on, *inter alia*, the amount and timing of repayment of principal on the Receivables (including prepayments and proceeds from the sale of the Assets upon termination of the Lease Contracts) and on the actual date (if any) of exercise of the Optional Redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*). Such yield may be adversely affected by higher or lower than anticipated rates of prepayment, delinquency and default of the Receivables.

The rates of prepayment, delinquency and default of the Receivables cannot be predicted and are influenced by a wide variety of economic, social and other factors. Therefore, no assurance can be given as to the level of prepayments, delinquency and default that the relevant Lease Contract will experience. For further details, see the section entitled "*Expected Average Life of the Rated Notes*".

### **Expected maturity dates of the Rated Notes**

In accordance with the mandatory redemption provisions applicable to the Rated Notes, assuming the redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) occurs on the Step-Up Date, if the Issuer Available Funds are sufficient, full redemption of the Rated Notes is expected to be achieved on the Payment Date falling in October 2010. There can be no assurance, however, that redemption in full, or at all, will be achieved on such Payment Date since the above forecast is based on many unpredictable assumptions. For further details, see the section entitled "*Expected Average Life of the Rated Notes*".

In particular, redemption in full of the Rated Notes may be achieved prior to such dates as a result of the occurrence of circumstances in which the Lease Contracts may be terminated prior to the scheduled redemption date and, in addition, as a result of the circumstances in which the Originator has the option to repurchase the Receivables.

Although there may be certain payment obligations of the Originator in these events, there can be no assurance, however, that monies received therefrom in all of these circumstances would be sufficient to ensure that the Issuer has the necessary funds to meet its payment obligations in respect of the Rated Notes in whole or in part.

### **Subordination**

Both prior to and following the service of a Trigger Notice:

- (a) the Rated Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Junior Notes; and
- (b) the Junior Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but subordinated to the Rated Notes.

As a result, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by the Junior Noteholders, and then (to the extent that the Rated Notes have not been redeemed) by the Rated Noteholders.

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

### **Limited Enforcement Rights**

The protection and exercise of the Noteholders' rights against the Issuer and the enforcement of the security under the Rated Notes is one of the duties of the Representative of the Noteholders to the extent provided by the Transaction Documents. The Terms and Conditions and the Rules of the Organisation of the Noteholders limit the ability of each individual Noteholder to bring individual actions against the Issuer.

### **Ranking and Conflict between Other Issuer Creditors and Noteholders**

The Terms and Conditions, the Rules of the Organisation of the Noteholders and the Intercreditor Agreement contain provisions applicable where, as regards the exercise and performance of all powers, authorities, duties and discretion of the Representative of the Noteholders, there is a conflict between (i) the Noteholders and the Other Issuer Creditors or (ii) the Other Issuer Creditors or (iii) the holders of each Class of Notes.

In particular, under the Transaction Documents it is provided that the Representative of the Noteholders, as regards the exercise and performance of all powers, authorities, duties and discretion of the Representative of the Noteholders under such Transaction Documents (except where expressly provided otherwise), shall have regard to the interests of both the Noteholders and the Other Issuer Creditors *provided that* if, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Noteholders and of the Other Issuer Creditors, the Representative of the Noteholders shall have regard solely to the interests of the Noteholders.

In addition, if at any time there is, in the opinion of the Representative of the Noteholders, a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the applicable Priority of Payments for the payment of the amounts therein specified.

Finally, if there is, in the opinion of the Representative of the Noteholders, a conflict between the interests of the holders of different Classes of Notes, then the Representative of the Noteholders shall have regard only to the interests of the Most Senior Class of Noteholders.

### **Limited Secondary Market**

There is not at present an active and liquid secondary market for the Rated Notes. The Rated Notes will not be registered under the Securities Act and will be subject to significant restrictions on resale in the United States.

Although an application has been made to list on the official list of the Luxembourg Stock Exchange and to admit to trading on the Regulated Market "*Bourse du Luxembourg*" the Rated Notes, there can be no assurance that a secondary market for the Rated Notes will develop or, if a secondary market does develop in respect of the Rated Notes, that it will provide the holders of such Rated Notes with liquidity of investments or that it will continue until the final redemption or cancellation of such Rated Notes. Consequently, any purchaser of Rated Notes may be unable to sell such Rated Notes to any third party and it may therefore have to hold the Rated Notes until final redemption or cancellation thereof.

Limited liquidity in the secondary market may continue to have an adverse effect on the market value of the asset backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions persist, an investor in the Rated Notes may not be able to sell or acquire credit protection on its Rated Notes readily and market values of the Rated Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

### **Rated Notes as Eligible Collateral for ECB Liquidity and/or Open Market Transactions**

After the Issue Date an application may be made to a central bank in the Eurozone to record the Rated Notes as eligible collateral, within the meaning of the guidelines issued by the European Central Bank in November 2008 (*The Implementation of Monetary Policy in the Euro Area*), as subsequently amended and integrated from time to time (the “**ECB Guidelines**”) for liquidity and/or open market transactions carried out with such central bank. In this respect, it should be noted that in accordance with the ECB Guidelines and the central banks of the Euro-Zone policies, neither the European Central Bank nor such central banks will confirm the eligibility of the Rated Notes for the above purpose prior to their issuance and if the Rated Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Rated Notes at any time. The assessment and/or decision as to whether the Rated Notes qualify as eligible collateral for liquidity and/or open market transactions rests with the relevant central bank. None of the Issuer, the Originator, the Sole Arranger or the Sole Lead Manager or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Rated Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Rated Notes at any time.

## **RISK FACTORS RELATED TO THE UNDERLYING ASSETS**

### **Right to future Receivables**

Under the Transfer Agreement the Originator has transferred to the Issuer, in addition to the claims in respect of the lease rentals, of (a) any claim relating to any additional amount payable as lease rental pursuant to the Lease Contracts as a result of any amendment of such Lease Contracts (the “**Rental Increase Claims**”) and (b) the claims relating to any indemnities due in respect of the Lease Contracts and any penalty or other amount due by each Lessee in relation to the early termination of the relevant Lease Contract (the “**Indemnities Claims**”). Moreover, under the Transfer Agreement, if a Lease Contract is terminated, the Originator has transferred to the Issuer, by way of satisfaction, the claims relating to the purchase price due for the sale of the relevant Asset (the “**Price Claims**”).

In the event that the Originator is or becomes insolvent, the court may treat the Issuer’s claims to the Rental Increase Claims, the Indemnities Claims and the Price Claims as “future receivables”. The Issuer’s claims to any future receivables that have not yet arisen at the time of the Originator’s admission to the relevant insolvency proceedings might not be effective and enforceable against the insolvency receiver of the Originator.

### **Terms of the Lease Contracts**

The Lease Contracts entered into by the Originator with the Lessees were entered into on the standard terms of the Originator which include, *inter alia*, (i) prohibition for the Lessee to terminate the Lease Contract earlier than its stated expiration date, (ii) upon the expiration of each Lease Contract, right of the Lessee to purchase the relevant Assets by paying the Residual Instalment and (iii) obligation of the Lessee to maintain the Assets in good working order and conditions and to bear all costs of managing and maintaining the Assets.

Whilst there can be no guarantee that there are no terms included in any of the Lease Contracts that do not affect in some way the value of the Receivables or the enforceability of the Lease Contracts, the Originator has represented, in the Warranty and Indemnity Agreement, that the Lease Contracts conform to its standard form of lease contracts as from time to time adopted.

### **Benefit of the Leased Assets**

Under the financial lease contracts the lessor is the owner of the leased assets and the ownership over the leased assets is not transferred to the Issuer together with the Receivables. In spite of this, the Issuer can nevertheless obtain the benefit of the proceeds generated by the sale of the leased assets in the event that the original financial lease contract is terminated. This is provided through the assignment by the Originator

to the Issuer under the Transfer Agreement of any sale proceeds deriving from the sale of the leased assets up to an amount agreed thereunder.

If Fineco Leasing chooses not to sell the relevant leased asset but to lease it again by entering into a new lease contract, Fineco Leasing shall pay to the Issuer the above mentioned sum, subject to certain conditions specified in the Transfer Agreement.

It should however be noted that the benefit of the leased assets could not survive the bankruptcy or the compulsory liquidation of the lessor. For further details, see paragraph “*Rights to Future Receivables*” of this section entitled “*Risk Factors*”.

### **Effect on Lease Contracts of insolvency of Lessees or Originators**

Article 59 of Legislative Decree No. 5 of 9 January 2006 amended the Italian Bankruptcy Law by introducing a supplemental article 72-quater (“**Article 72-quater**”) specifically regulating the impact of the insolvency of a lessee or a lessor under financial lease agreements.

Pursuant to Article 72-quater, the effects of the insolvency of a lessee on a financial lease agreement are regulated by article 72 of the Italian Bankruptcy Law (“**Article 72**”).

Pursuant to Article 72, in case a contract is still unexecuted or has not been completely executed by either party, when either of such parties is declared bankrupt (i.e. the lessee), the execution of the contract remains suspended until the bankruptcy receiver (*curatore*), with the authorisation of the committee of creditors (*comitato dei creditori*), declares to either (i) succeed under the contract the bankrupt party (i.e. the lessee) by assuming all of the relevant contractual obligations, or (ii) terminate such contract.

However, the contracting party (i.e. the lessor) can request the official receiver (*giudice delegato*) to assign to the bankruptcy receiver a time limit of not more than 60 days (for making the declaration mentioned above), upon the expiry of which (without such declaration having been made), the contract is intended to be terminated.

Article 72-quater further provides that if the temporary continuation of the business is provided, the contract continues to be in force unless the bankruptcy receiver declares the termination of the contract.

In case of termination of the contract, the lessor is entitled to the restitution of the leased asset and is obliged to pay to the official receivership the difference, if any, between (i) the higher amount received by the lessor from the sale or from other disposal of the leased asset and (ii) the outstanding claims of the lessor in respect of principal under the lease contract; provided however that any instalments paid by the lessee prior to the insolvency are not subject to claw-back, in accordance with article 67, third paragraph, item (a) of the Italian Bankruptcy Law.

The lessor, in turn, has the right to prove his claim in bankruptcy for the difference between (i) his claim (under the lease contract) as of the date of the bankruptcy and (ii) the amount received from the new assignment of the leased asset.

With reference to the bankruptcy of companies authorised to carry out financial activity in the form of financial leases (such as the Originator), Article 72-quater provides that the contract continues; the lessee maintains the option to purchase, on the expiry of the contract, the leased asset, subject to the payment of the relevant instalments and the agreed purchase price.

## **RISK FACTORS RELATED TO TAX MATTERS**

### **Tax Treatment of the Issuer**

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 29 March 2000, as

subsequently confirmed by the regulations issued by the Bank of Italy on 14 February 2006 (*schema di bilancio delle società per la cartolarizzazione dei crediti*), the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Receivables will be treated as off-balance sheet assets, liabilities, costs and revenues. Based on the general rules applicable to the calculation of net taxable income of a company, such taxable income should be calculated on the basis of the accounting, i.e. on-balance sheet, earnings, subject to such adjustments as 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 transfer to the Issuer of the Aggregate Portfolio. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by *Agenzia delle Entrate per la Lombardia* on 6 February 2003) on the grounds that the net proceeds generated by the Receivables may not be considered as legally available to the Issuer— insofar as any and all amounts deriving from the underlying assets of each of the securitisations are specifically destined to satisfy the obligations of such Issuer to the holders of the notes issued in the context of each such securitisation, to the other creditors of the Issuer and certain third party creditors in respect of each such securitisation in compliance with applicable law.

It is, however, possible that the Ministry of Finance or another competent authority may issue further regulations, letters or rulings relating to the Securitisation Law which might alter or affect the tax position of the Issuer as described above in respect of all or certain of its revenues and/or items of income also through the non-deduction of costs and expenses.

As confirmed by the tax authority (Ruling No. 222 issued by Agenzia delle Entrate on 5 December 2003), the interest accrued on the Accounts will be subject to withholding tax on account of corporate income tax. As of the date of this Prospectus, such withholding tax is levied at the rate of 27 per cent. and is to be imposed at the time of payment.

#### **Withholding Tax under the Rated Notes**

Payments of interest under the Rated Notes may or may not be subject to withholding for or on account of tax. For example, according to Decree No. 239, any non-Italian residential beneficial owner of an interest payment relating to the Rated Notes who is (i) 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 of interest payable on the Rated Notes net of Italian substitute tax. For further details, see the section entitled "*Taxation*".

As at the date of this Prospectus 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 the Noteholders of amounts due pursuant to the Rated Notes, the Issuer will not be obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of substitute tax.

In the event that any Rated Notes are redeemed in whole or in part prior to the expiration of the Initial Period, the Issuer will be obliged to pay an additional amount equal to 20 per cent. of all interest accrued on such principal amount repaid early up to the relevant repayment date. For further details, see the section entitled "*Taxation*".

#### **European Withholding Tax Directive**

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted the EU Directive 2003/48/CE, a directive regarding the taxation of savings income which proposes that each EU Member State will be

required to provide to tax authorities of another EU Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State; however, Austria, Belgium and Luxembourg will instead apply a withholding system for a transitional period in relation to such payments. The Italian Government has implemented the aforesaid directive No. 2003/48/CE with the Legislative Decree No. 84 of 18 April 2005. For further details, see the section entitled “Taxation”.

## **GENERAL RISK FACTORS**

### **Claw Back of the Sales of the Receivables**

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Italian Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant originator is made within three months from the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within six months from the securitisation transaction.

### **Historical Information**

The historical financial and other information set out in the sections headed “*The Originator*”, “*Credit and Collection Policies*” and “*The Aggregate Portfolio*”, including in respect of the default rates, represents the historical experience of Fineco Leasing, which accepts responsibility for the fairness and accuracy of these sections. However, there can be no assurance that the future experience and performance of Fineco Leasing as Servicer will be similar to the experience shown in this Prospectus.

### **Servicing of the Aggregate Portfolio**

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

The Servicer has undertaken to prepare and submit to the Issuer quarterly and monthly reports in the form set out in the Servicing Agreement not later than each Quarterly Servicer’s Report Date and each Monthly Servicer’s Report Date, respectively, containing information as to, *inter alia*, the Collections made in respect of the Aggregate Portfolio during the preceding Quarterly Collection Period and Monthly Collection Period, respectively.

### **Rights of Set-off and Other Rights of the Lessees**

Under general principles of Italian law, the lessees are entitled to exercise rights of set-off in respect of amounts due under any lease contract against any amounts payable by the originator to the relevant lessee.

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 provisions, 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, the Lessees may exercise a right of set off against the Issuer on the basis of 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 Aggregate Portfolio as a result of the exercise by any Lessee of a right of set-off.

### **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 19 December 2008 and published in the Official Gazette of 31 December 2008, No. 304). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions), and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

In some judgements issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans (including financial leases) 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 – or a lease contract – (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 would become 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 (namely 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 Lease Contract 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 Rated Notes may be adversely affected as a result of a Lease Contract being found to be in contravention with the Usury

Law, thus allowing the relevant lessee 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 Lease Contract.

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

### **Compounding of Interest (*Anatocismo*)**

According to article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest can be capitalised after a period of not less than six months provided that the capitalisation has been agreed after the date on which it has become due and payable or from the date when the relevant legal proceedings are commenced in respect of that monetary claim or receivable. According to article 1283 of the Italian Civil Code, such provision may be derogated from only in the event that there are recognised customary practices (*usi*) to the contrary. Traditionally, capitalisation of interest (including the capitalisation of interest on bonds and other debt instruments) in Italy is a common market practice on the grounds that such practice should be characterised as a customary rule (*uso normativo*). According to certain recent judgements from Italian courts (including judgements No. 2374/99, 2593/2003 and No. 21095/2004 of the Italian Supreme Court (*Corte di Cassazione*)), such practice has been re-characterised as an agreed clause (*uso negoziale*) and as such, has been deemed not to permit derogation from the aforementioned provisions of the Italian Civil Code.

In this respect, it should be noted that article 25, paragraph 3, of Legislative Decree No. 342 of 4 August 1999 (“**Law No. 342**”) enacted by the Italian Government under a delegation granted pursuant to Law No. 142 of 19 February 1992 (the “**Legge Delega**”) has considered the capitalisation of accrued interest (*anatocismo*) made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of accrued interest will still be possible upon the terms established by a resolution of the Interministerial Committee of Credit and Saving (C.I.C.R.) issued on 22 February 2000. Law No. 342 has been challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the legislative powers delegated under the Legge Delega. On these grounds, by decision No. 425 dated 9 October 2000 issued by the Italian Constitutional Court, article 25, paragraph 3, of Law No. 342 has been declared as unconstitutional.

Prospective Noteholders should note that under the terms of the Warranty and Indemnity Agreement, the Originator has represented that all the Lease Contracts have been executed and performed in compliance with all applicable laws, provisions and regulations and has furthermore undertaken to indemnify the Issuer from and against, *inter alia*, all damages, loss, claims, liabilities, costs and expenses incurred by it arising from the non-compliance of the terms and conditions of any Lease Contract with the provisions of article 1283 of the Italian Civil Code.

### **Political and economic developments in the Republic of Italy and in the European Union**

The performance of the Italian economy has a significant impact on Fineco Leasing as its activities are principally concentrated in the Republic of Italy. A severe or extended downturn in the Republic of Italy’s economy would adversely affect the results of operations of the Originator and the financial condition of both the Lessees and the Originator which could in turn affect the ability of the latter to perform its obligations under the Transaction Documents to which it is a party.

### **Change of Law**

The structure of the Securitisation and, *inter alia*, the issue of the Rated Notes and the ratings assigned to the Rated Notes are based on Italian and English 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 or English law, tax or administrative practice will not

change after the Issue Date or that such change will not adversely impact the structure of the Securitisation and the treatment of the Rated Notes.

### **Projections, forecasts and estimates**

Forward-looking statements, including estimates, any other projections, forecasts and estimates in this Prospectus, 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 Prospectus 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 Prospectus to reflect events or circumstances occurring after the date of this Prospectus.

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

## THE AGGREGATE PORTFOLIO

### Introduction

The Aggregate Portfolio consists of the Receivables comprised in the Initial Portfolio and the Subsequent Portfolios, respectively, purchased and to be purchased by the Issuer from the Originator pursuant to the terms of the Transfer Agreement.

The Initial Portfolio, purchased by the Issuer from the Originator on 13 February 2009 (with economic effects from the Initial Valuation Date, being 1 February 2009 (at 00.00.01), comprised debt obligations owed by 12,892 Lessees, under 19,952 Lease Contracts.

### The Lease Contracts

All the Receivable comprised in the Aggregate Portfolio arise and will arise out of Lease Contracts which have been and will be entered into by Fineco Leasing primarily with small and medium size private businesses and other individual entrepreneurs.

Generally, such Lease Contracts are based on Fineco Leasing's standard form which incorporates certain standard terms and conditions and which contains a description of the relevant Asset, the relevant Instalments payments terms and any other agreed terms or conditions. The Lease Contracts are substantially similar in general form and content but each is unique to the Asset included in the Lease Contract to the extent of its specially negotiated terms and conditions, if any.

All of the Lease Contracts are "net leases" which require the relevant Lessee to maintain the relevant Asset in good working order or condition, to bear all other costs of operating and maintaining such Asset, inclusive of payment of taxes and insurance relating thereto and cannot be cancelled by the Lessee.

Moreover, the Lease Contracts expressly prohibit the Lessees from terminating the contract earlier than the stated expiration date. However, Fineco Leasing sometimes waives such prohibition when a Lessee specifically and reasonably requests termination, on the condition that it acts in such a way so as to not incur any adverse financial consequences. Historically only a small percentage of the Lease Contracts outstanding have been terminated by negotiated early settlement.

Upon the expiration of each Lease Contract, the relevant Lessee may, but is not under an obligation to, purchase the relevant Asset by paying the Residual. Such option is exercised by most Lessees.

All of the Lease Contract are governed by Italian law.

### The Assets

The Assets underlying the Lease Contracts out which the Receivable comprised in the Aggregate Portfolio arise and will arise, can be classified into the following three pools:

- (i) **Pool No. 1 (Motor Vehicles)** comprises Receivables arising from Lease Contracts relating to motor cars, commercial vehicles and heavy vehicles registered in the *Pubblico Registro Automobilistico*;
- (ii) **Pool No. 2 (Equipment)** comprises Receivables arising from Lease Contracts relating to tools and machinery, specifically built machinery and other industrial equipment not registered in any public register; and
- (iii) **Pool No. 3 (Real Estate Assets)** comprises Receivables arising from Lease Contracts relating to real estate assets.

### Eligibility Criteria for the Initial Portfolio

The Receivables comprised in the Initial Portfolio arise out of Lease Contracts which, as of the Initial Valuation Date (unless otherwise specified), satisfied all the Initial Criteria, which are the following objective criteria:

- (a) Lease Contracts which have been executed by Fineco Leasing as lessor;
- (b) Lease Contracts which concern Real Estate Assets, Motor Vehicles or Equipment;
- (c) Lease Contracts which have been executed:
  - (i) with Lessees being companies that (i) had their registered offices in Italy and (ii) as of 31 December 2008 were not part of the UniCredit Banking Group; or
  - (ii) with Lessees being individuals that (i) before the Initial Valuation Date had informed Fineco Leasing to be resident in Italy and (ii) as of the Initial Valuation Date were not employees of Fineco Leasing or UniCredit Leasing S.p.A.;
- (d) Lease Contracts which concern Assets that have been delivered to the relevant Lessees and accepted by the same;
- (e) in case of Lease Contracts which concern Real Estate Assets:
  - (i) the construction of the relevant Asset has been completed; and
  - (ii) the relevant Asset is located in Italy;
- (f) in case of Lease Contracts which concern Motor Vehicles, such Assets have been registered in Italy in the *Pubblico Registro Automobilistico* (PRA);
- (g) Lease Contracts which do not concern Assets in respect of which any theft has been notified in writing by the relevant Lessees to Fineco Leasing before the Initial Valuation Date;
- (h) Lease Contracts which have not been entered into with public administrative bodies or similar entities;
- (i) Lease Contracts which do not concern Assets in respect of which a claw-back action (*revocatoria*) (whether ordinary or in relation to insolvency) was pending or has been threatened in writing and Fineco Leasing has informed the relevant Lessees of such action (or of the relevant threat);
- (j) Lease Contracts in respect of which the Instalments are denominated in Euro (or originally denominated in Italian Lire and, subsequently, redenominated in Euro);
- (k) Lease Contracts which bear a fixed interest rate or a floating interest rate;
- (l) in case of Lease Contracts bearing a floating interest rate:
  - (i) such floating interest rate is not subject to any cap or floor;
  - (ii) the spread over the relevant linked index is greater than or equal to 0.5% (zero point five per cent.) on an annual basis;
  - (iii) the relevant interest rate is based on 3 month Euribor (or on similar indexes replaced by Euribor);
- (m) Lease Contracts which provide that the relevant Instalments shall be paid by RID (*Rimessa Interbancaria Diretta*) system;

- (n) Lease Contracts in respect of which at least one due Instalment has been paid;
- (o) Lease Contracts in respect of which no Instalment has remained unpaid after the relevant due date for (i) more than 31 days or (ii) an amount greater than 100 (one hundred) Euro;
- (p) Lease Contracts which do not benefit from any type of financial contribution, with the exception of the financial contributions provided for by (i) Law No. 949 of 25 July 1952 and Law No. 240 of 21 May 1981; (ii) Law No. 488 of 19 December 1992; (iii) Law No. 598 of 27 October 1994; and (iv) Regional Law of Emilia Romagna No. 3 of 21 April 1999;
- (q) Lease Contracts which have not been granted in pool with other companies;
- (r) Lease Contracts in respect of which at least one Instalment was not yet due (in addition to the relevant Residual Instalment);
- (s) Lease Contracts in respect of which the last Instalment due (excluding the relevant Residual Instalment) falls earlier than 31 December 2028;
- (t) Lease Contracts in respect of which the last Instalment due (excluding the relevant Residual Instalment) falls later than 28 February 2009;
- (u) Lease Contracts in respect of which the principal component of the residual debt (excluding the principal component of relevant Residual Instalment) did not exceed the following amounts:
  - (i) in case of Lease Contracts concerning Motor Vehicles, Euro 250,000; or
  - (ii) in case of Lease Contracts concerning Equipment, Euro 1,500,000; or
  - (iii) in case of Lease Contracts concerning Real Estate Assets, Euro 10,000,000;
- (v) Lease Contracts in respect of which the provision of articles 125 and following of the Consolidated Banking Act and of the related provisions of the Legislative Decree No. 206 of 6 September 2005 (i.e. the Italian consumer code) were not applicable;
- (w) Lease Contracts in respect of which the relevant Receivables have not been already assigned by Fineco Leasing in the context of previous securitisation transactions, with notice of the relevant assignments having been published in the following Official Gazettes: No. 38 of 14 February 2002, No. 126 of 31 May 2002, No. 191 of 16 August 2002, No. 275 of 23 November 2002, No. 35 of 12 February 2003, No. 114 of 19 May 2003, No. 183 of 8 August 2003, No. 257 of 5 November 2003, No. 122 of 26 May 2004, No. 176 of 29 July 2004, No. 254 of 28 October 2004, No. 23 of 29 January 2005, No. 100 of 2 May 2005, No. 176 of 30 July 2005, No. 254 of 31 October 2005, No. 117 of 22 May 2006, No. 174 of 28 July 2006, No. 252 of 28 October 2006, No. 10 of 25 January 2007, No. 48 of 24 April 2007, No. 85 of 24 July 2007 e No. 124 of 23 October 2007;
- (x) Lease Contracts in respect of which the relevant Lessees have not proposed to Fineco Leasing the execution of any agreement providing for the temporary suspension of payment of the Instalments.

### **Eligibility Criteria for the Subsequent Portfolios**

#### The Common Criteria

The Receivables comprised in each Subsequent Portfolio arise and will arise out of Lease Contracts which, as of the relevant Valuation Date (unless otherwise specified) shall satisfy all the Common Criteria, which are the following objective criteria:

- (a) Lease Contracts which have been executed by Fineco Leasing as lessor;
- (b) Lease Contracts which concern Assets that have been delivered to the relevant Lessees and accepted by the same;
- (c) Lease Contracts which do not concern Assets in respect of which any theft has been notified in writing by the relevant Lessees to Fineco Leasing before the Valuation Date;
- (d) Lease Contracts which have not been entered into with public administrative bodies or similar entities;
- (e) Lease Contracts which have not been entered into with clerical institutions organised by religious confessions with which the Italian State has signed pacts, agreements or forms of intents or with non-profit organisations (NPOs or *ONLUS*);
- (f) Lease Contracts which do not concern Assets in respect of which a claw-back action (*revocatoria*) (whether ordinary or in relation to insolvency) was pending or has been threatened in writing and Fineco Leasing has informed the relevant Lessees of such action (or of the relevant threat);
- (g) Lease Contracts in respect of which the Instalments are denominated in Euro (or originally denominated in Italian Lire and, subsequently, redenominated in Euro);
- (h) Lease Contracts which provide that the relevant Instalments shall be paid by RID (*Rimessa Interbancaria Diretta*) system;
- (i) Lease Contracts in respect of which at least one due Instalment has been paid;
- (j) Lease Contracts which do not benefit from any type of financial contribution, with the exception of the financial contributions provided for by (i) Law No. 949 of 25 July 1952 and Law No. 240 of 21 May 1981; (ii) Law No. 488 of 19 December 1992; (iii) Law No. 598 of 27 October 1994; and (iv) Regional Law of Emilia Romagna No. 3 of 21 April 1999;
- (k) Lease Contracts which have not been granted in pool with other companies;
- (l) Lease Contracts in respect of which at least one Instalment was not yet due (in addition to the relevant Residual Instalment);
- (m) Lease Contracts in respect of which the last Instalment due (excluding the relevant Residual Instalment) falls earlier than 31 December 2030;
- (n) Lease Contracts in respect of which the provision of articles 125 and following of the Consolidated Banking Act and of the related provisions of the Legislative Decree No. 206 of 6 September 2005 (i.e. the Italian consumer code) were not applicable;
- (o) Lease Contracts in respect of which the relevant Receivables have not been already assigned by Fineco Leasing in the context of previous securitisation transactions, with notice of the relevant assignments having been published in the following Official Gazettes: No. 38 of 14 February 2002, No. 126 of 31 May 2002, No. 191 of 16 August 2002, No. 275 of 23 November 2002, No. 35 of 12 February 2003, No. 114 of 19 May 2003, No. 183 of 8 August 2003, No. 257 of 5 November 2003, No. 122 of 26 May 2004, No. 176 of 29 July 2004, No. 254 of 28 October 2004, No. 23 of 29 January 2005, No. 100 of 2 May 2005, No. 176 of 30 July 2005, No. 254 of 31 October 2005, No. 117 of 22 May 2006, No. 174 of 28 July 2006, No. 252 of 28 October 2006, No. 10 of 25 January 2007, No. 48 of 24 April 2007, No. 85 of 24 July 2007 e No. 124 of 23 October 2007;

- (p) Lease Contracts in respect of which the relevant Lessees have not proposed to Fineco Leasing the execution of any agreement providing for the temporary suspension of payment of the Instalments.

#### The Specific Criteria

##### *Specific Mandatory Criteria*

Without prejudice to the satisfaction of the Common Criteria, each Subsequent Portfolio shall be selected by the Originator on the basis of the Specific Mandatory Criteria, to be further completed and specified in the relevant Transfer Offer by the Originator, being the following objective criteria:

- (a) Lease Contracts which concern [*Real Estate Assets and/or Motor Vehicles and/or Equipment*];
- (b) [*in case of Lease Contracts which concern Real Estate Assets*:
- (i) *the construction of the relevant Asset has been completed;*
  - (ii) *the relevant Asset is located in Italy; and*
  - (iii) *the principal component of the relevant residual debt (excluding the principal component of relevant Residual Instalment) did not exceed Euro 5,000,000];*
- (c) [*in case of Lease Contracts which concern Motor Vehicles, such Assets have been registered in Italy in the Pubblico Registro Automobilistico (PRA)*];
- (d) Lease Contracts which have been executed:
- (i) with Lessees being companies that (i) had their registered offices in Italy and (ii) as of [*date*] were not part of the UniCredit Banking Group; or
  - (ii) with Lessees being individuals that (i) before the Valuation Date had informed Fineco Leasing to be resident in Italy, and (ii) as of the Valuation Date were not employees of Fineco Leasing or UniCredit Leasing S.p.A.;
- (e) Lease Contracts which bear a [*fixed interest rate/floating interest rate/fixed interest rate or floating interest rate*];
- (f) [*in case of Lease Contracts bearing a floating interest rate*:
- (i) *such floating interest rate is not subject to any cap or floor;*
  - (ii) *the relevant interest rate is based on 3 month Euribor (or on similar indexes replaced by Euribor)*];
- (g) Lease Contracts in respect of which no Instalment has remained unpaid after the relevant due date for (i) more than [*number not exceeding 31*] days or (ii) an amount greater than 100 (one hundred) Euro;
- (h) Lease Contracts in respect of which the relevant Receivables have not been already assigned by Fineco Leasing in the context of securitisation transactions, with notice of the relevant assignments having been published in the following Official Gazettes: [*details of publications*].

##### *Specific Elective Criteria*

Without prejudice to the satisfaction of the Common Criteria and of the Specific Mandatory Criteria, each Subsequent Portfolio may be selected by the Originator on the basis of the Specific Elective Criteria, to be

further completed and specified in the relevant Transfer Offer by the Originator, being the following objective criteria:

- (a) *[in case of Lease Contracts bearing a floating interest rate:*

  - (i) *[in case of Lease Contracts which concern Real Estate Assets, the spread over the relevant linked index is [greater than or equal to [spread]/comprised between [spread] and [spread]] on an annual basis];*
  - (ii) *[in case of Lease Contracts which concern Equipment, the spread over the relevant linked index is [greater than or equal to [spread]/comprised between [spread] and [spread]] on an annual basis];*
  - (iii) *[in case of Lease Contracts which concern Motor Vehicles, the spread over the relevant linked index is [greater than or equal to [spread]/comprised between [spread] and [spread]] on an annual basis];*

- (b) *[in case of Lease Contracts bearing a fixed interest rate:*

  - (i) *[in case of Lease Contracts which concern Real Estate Assets, the relevant interest rate is [not lower than [rate]/comprised between [rate] and [rate]] on an annual basis];*
  - (ii) *[in case of Lease Contracts which concern Equipment, the relevant interest rate is [not lower than [rate]/comprised between [rate] and [rate]] on an annual basis];*
  - (iii) *[in case of Lease Contracts which concern Motor Vehicles, the relevant interest rate is [not lower than [rate]/comprised between [rate] and [rate]] on an annual basis];*

- (c) Lease Contracts in respect of which the last Instalment due (excluding the relevant Residual Instalment) falls later than [date];
- (d) Lease Contracts in respect of which the principal component of the residual debt (excluding the principal component of relevant Residual Instalment) *[did not exceed/was comprised between]* the following amounts:
  - (i) *[in case of Lease Contracts concerning Real Estate Assets, Euro [[value]/[value] and [value]];or]*
  - (ii) *[in case of Lease Contracts concerning Equipment, Euro [[value]/[value] and [value]];or]*
  - (iii) *[in case of Lease Contracts concerning Motor Vehicles, Euro [[value]/[value] and [value]];];*
- (e) Lease Contracts which have been executed:
  - (i) *[in case of Lease Contracts concerning Real Estate Assets, between [date] and [date];or]*
  - (ii) *[in case of Lease Contracts concerning Equipment, between [date] and [date];or]*
  - (iii) *[in case of Lease Contracts concerning Motor Vehicles, between [date] and [date]];*
- (f) Lease Contracts in respect of which the last Instalment due (excluding the relevant Residual Instalment) falls earlier than:
  - (i) *[[date], in case of Lease Contracts concerning Real Estate Assets; or]*
  - (ii) *[[date], in case of Lease Contracts concerning Equipment; or]*

- (iii) *[[date], in case of Lease Contracts concerning Motor Vehicles]*.

#### The Additional Criteria

Without prejudice to the satisfaction of the Common Criteria and of the Specific Mandatory Criteria, each Subsequent Portfolio may be selected on the basis also of one or more of the Additional Criteria, which are further objective criteria which may be identified from time to time by the Issuer and the Originator and may supplement the Common Criteria and/or the Specific Criteria.

#### Conditions for the purchase of Subsequent Portfolios

Under the Transfer Agreement the assignment and transfer of each Subsequent Portfolio is subject to the satisfaction of the Subsequent Portfolio Sale Conditions, being the following:

- (a) with reference to each Pool, the Pool Delinquency Ratio for Receivables comprised in the Aggregate Portfolio has not exceeded, on the last day of the immediately preceding Monthly Collection Period, the Maximum Pool Delinquency Ratio;
- (b) with reference to each Pool, the Pool Default Ratio for Receivables comprised in the Aggregate Portfolio has not exceeded, on the last day of the immediately preceding Monthly Collection Period, the Maximum Pool Default Ratio;
- (c) following the purchase of the relevant Subsequent Portfolio, the gross contractual weighted average spread (calculated as of the Valuation Date of such Subsequent Portfolio) over the 3-month Euribor (as determined in the relevant Lease Contract) of the Receivables arising out of floating rate Lease Contracts comprised in the Aggregate Portfolio (excluding the Defaulted Receivables) shall not be lower than 2.2 per cent. for Pool No. 1, 2 per cent. for Pool No. 2 and 1.4 per cent. for Pool No. 3;
- (d) following the purchase of the relevant Subsequent Portfolio, the weighted average “margin” (calculated as of the Valuation Date of such Subsequent Portfolio) over the 3-month Euribor (as determined in the relevant Lease Contract) of the Receivables included in the Aggregate Portfolio (excluding the Defaulted Receivables) comprised in Pool No. 3 and arising out of floating rate Lease Contracts shall not be lower than 1.85 per cent., where “margin” means the product of (1) the gross contractual spread applied to the reference index of the relevant Lease Contract, multiplied by (2) the ratio between (x) and (y) where (x) means the sum of the Outstanding Principal Balance and the principal component of the Residual Instalment of the relevant Receivable and (y) means an amount equal to the Outstanding Principal Balance of the relevant Receivable;
- (e) following the purchase of the relevant Subsequent Portfolio, the difference between the weighted average of the yield of the Receivables arising out of fixed rate Lease Contracts comprised in the Aggregate Portfolio (excluding the Defaulted Receivables) and the rate of interest provided for in the Hedging Agreement (such weighted average and such rate of interest to be calculated as of the Valuation Date of such Subsequent Portfolio) shall be equal to or higher than the Minimum Fixed Rate Portfolio Yield Ratio;
- (f) following the purchase of the relevant Subsequent Portfolio, the aggregate Outstanding Principal Balance (calculated as of the Valuation Date of such Subsequent Portfolio) of the Receivables arising out of fixed rate Lease Contracts included in the Aggregate Portfolio (excluding the Defaulted Receivables) shall not be higher than 15 per cent. of the Aggregate Portfolio Outstanding Principal Balance (excluding the Defaulted Receivables);
- (g) following the purchase of the relevant Subsequent Portfolio, the Pool Outstanding Principal Balance of each Pool of the Aggregate Portfolio (calculated as of the Valuation Date of such Subsequent Portfolio) divided by the Aggregate Portfolio Outstanding Principal Balance (excluding

the Defaulted Receivables) shall not be higher than 25 per cent. for Pool No. 1, 20 per cent. for Pool No. 2 and 75 per cent. for Pool No. 3, and not lower than 55 per cent. for Pool No. 3;

- (h) following the purchase of the relevant Subsequent Portfolio, the aggregate Outstanding Principal Balance (calculated as of the Valuation Date of such Subsequent Portfolio) of the Receivables included in the Aggregate Portfolio (excluding the Defaulted Receivables) relating to any single Lessee does not account for more than 0.7 per cent. of the Aggregate Portfolio Outstanding Principal Balance (excluding the Defaulted Receivables);
- (i) following the purchase of the relevant Subsequent Portfolio, the aggregate Outstanding Principal Balance (calculated as of the Valuation Date of such Subsequent Portfolio) of the Receivables included in the Aggregate Portfolio (excluding the Defaulted Receivables) relating to the ten largest Lessees does not account for more than 5 per cent. of the Aggregate Portfolio Outstanding Principal Balance (excluding the Defaulted Receivables);
- (j) the weighted average ratio between (x) the principal component of the Residual Instalment, and (y) the Outstanding Principal Balance of the Receivables included in the relevant Subsequent Portfolio and comprised in Pool No. 3 (such amounts to be calculated as of the Valuation Date of such Subsequent Portfolio) shall be equal to or higher than 15 per cent.;
- (k) following the purchase of the relevant Subsequent Portfolio, the aggregate Outstanding Principal Balance (calculated as of the Valuation Date of such Subsequent Portfolio) of the Receivables included in the Aggregate Portfolio (excluding the Defaulted Receivables) which provide for monthly Instalments shall be at least equal to 95 per cent. of the Aggregate Portfolio Outstanding Principal Balance (excluding the Defaulted Receivables);
- (l) following the purchase of the relevant Subsequent Portfolio, the weighted average seasoning (calculated as of the Valuation Date of such Subsequent Portfolio) on the basis of the originally financed amount of the Receivables included in the Aggregate Portfolio (excluding the Defaulted Receivables) (i) comprised in Pool No. 2, and (ii) having an originally financed amount greater than Euro 1,000,000, shall not be lower than 30 months;
- (m) following the purchase of the relevant Subsequent Portfolio, the aggregate Outstanding Principal Balance (calculated as of the Valuation Date of such Subsequent Portfolio) of the Receivables included in the Aggregate Portfolio (excluding the Defaulted Receivables) (i) comprised in Pool No. 2, and (ii) having an Outstanding Principal Balance greater than Euro 1,000,000, shall not be higher than 1 per cent. of the Aggregate Portfolio Outstanding Principal Balance (excluding the Defaulted Receivables);
- (n) following the purchase of the relevant Subsequent Portfolio, the aggregate Outstanding Principal Balance (calculated as of the Valuation Date of such Subsequent Portfolio) of the Receivables included in the Aggregate Portfolio (excluding the Defaulted Receivables) relating to Lessees who are resident in Southern Italy shall not be higher than 12 per cent. of the Aggregate Portfolio Outstanding Principal Balance (excluding the Defaulted Receivables).

#### **Publication of transfer of the Initial Portfolio**

The transfer of the Initial Portfolio from Fineco to the Issuer has been (i) published in the Official Gazette No. 19 of 17 February 2009, and (ii) registered in the Issuer's Companies Register on 16 February 2009.

#### **Description of the Initial Portfolio**

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

- (a) the aggregate Outstanding Principal Balance of the Receivables comprised in the Initial Portfolio totalled Euro 1,705,231,431.38, and the outstanding amount due by each Lessee overall did not exceed Euro 9,705,337 (being 0.569 per cent. of the Portfolio Outstanding Principal Balance of the Initial Portfolio as of such date); and
- (b) the aggregate Outstanding Principal Balance of the Receivables owed by the first ten Lessees (by Outstanding Principal Balance) is equal to 4.403 per cent. of the Portfolio Outstanding Principal Balance of the Initial Portfolio as of such date.

**Details of the Initial Portfolio**

The following tables set out details of the Initial Portfolio derived from information provided by Fineco Leasing as Originator and Servicer on behalf of the Issuer. The information in the following tables reflects the position as at the Initial Valuation Date, unless otherwise specified. All amounts set out in the tables below are expressed in Euro.

**TABLE 1  
BREAKDOWN OF OUTSTANDING PRINCIPAL BY POOL**

POOL	Number of Contracts	Outstanding Principal *		Average Size
		Amount	%	
POOL NO. 1	14,324	355,382,471.97	20.84%	24,810.28
POOL NO. 2	3,572	209,448,686.49	12.28%	58,636.25
POOL NO. 3	2,056	1,140,400,272.92	66.88%	554,669.39
<b>Total</b>	<b>19,952</b>	<b>1,705,231,431.38</b>	<b>100.00%</b>	<b>85,466.69</b>

(\*) Note: Outstanding Principal is net of Residual Instalment

**TABLE 2  
BREAKDOWN OF OUTSTANDING PRINCIPAL BY FREQUENCY OF PAYMENT**

Frequency of payment	Number of Contracts	Outstanding Principal *	
		Amount	%
Monthly	19,722	1,655,448,033.07	97.08%
Bi-Monthly	36	688,088.41	0.04%
Quarterly	190	46,331,686.42	2.72%
Semi-annually	4	2,763,623.48	0.16%
<b>Total</b>	<b>19,952</b>	<b>1,705,231,431.38</b>	<b>100.00%</b>

(\*) Note: Outstanding Principal is net of Residual Instalment

**TABLE 3  
BREAKDOWN OF OUTSTANDING PRINCIPAL BY RESIDUAL LIFE**

Residual Life (in months)	Number of Contracts	Outstanding Principal *	
		Amount	%
00-12	1,497	10,598,170	0.62%
12-24	2,547	53,533,845	3.14%
24-30	2,065	54,387,595	3.19%
30-36	3,323	92,520,838	5.43%
36-48	5,709	209,298,743	12.27%
48-60	2,562	175,548,556	10.29%
60-96	722	202,080,447	11.85%
Over 96	1,527	907,263,237	53.20%
<b>Total</b>	<b>19,952</b>	<b>1,705,231,431.38</b>	<b>100.00%</b>

(\*) Note: Outstanding Principal is net of Residual Instalment

**TABLE 4  
BREAKDOWN OF OUTSTANDING PRINCIPAL BY TYPE OF INTEREST RATE**

Type of Interest	Number of Contracts	Outstanding Principal *		
		Amount	%	Average Size
Fixed	5,658	229,171,142.42	13.44%	40,503.91
Floating	14,294	1,476,060,288.96	86.56%	103,264.33
<b>Total</b>	<b>19,952</b>	<b>1,705,231,431.38</b>	<b>100.00%</b>	<b>85,466.69</b>

(\*) Note: Outstanding Principal is net of Residual Instalment

**TABLE 5  
BREAKDOWN BY OUTSTANDING PRINCIPAL**

Outstanding Principal (thousands)	Number of Contracts	Outstanding Principal *		
		Amount	%	Average Size
> 000 <= 026	11,603	153,471,331.65	9.00%	13,226.87
> 026 <= 052	3,753	135,427,594.56	7.94%	36,085.16
> 052 <= 103	2,235	161,786,176.93	9.49%	72,387.55
> 103 <= 258	1,233	196,016,323.95	11.49%	158,975.12
> 258 <= 516	490	174,464,286.59	10.23%	356,049.56
6) > 516	638	884,065,717.70	51.84%	1,385,682.94
<b>Total</b>	<b>19,952</b>	<b>1,705,231,431.38</b>	<b>100.00%</b>	<b>85,466.69</b>

(\*) Note: Outstanding Principal is net of Residual Instalment

**TABLE 6  
BREAKDOWN OF OUTSTANDING PRINCIPAL BY RESIDUAL VALUE**

Residual Value	Number of Contracts	Outstanding Principal *	
		Amount	%
a) 0% - 1%	11,915	603,167,587	35.37%
b) 1% - 5%	2,678	145,246,517	8.52%
c) 5% - 10%	1,314	204,550,721	12.00%
d) 10% - 15%	720	90,893,621	5.33%
e) 15% - 20%	1,562	270,844,505	15.88%
f) 20% - 25%	743	129,652,418	7.60%
g) over 25%	1,020	260,876,062	15.30%
<b>Total</b>	<b>19,952</b>	<b>1,705,231,431.38</b>	<b>100.00%</b>

(\*) Note: Outstanding Principal is net of Residual Instalment

**TABLE 7  
BREAKDOWN BY INDUSTRY**

Industry (based on RAE code)	Number of Contracts	Outstanding Principal *	
		Amount	%
Other sales and distribution services	4,913	541,904,872.11	31.78%
Wholesale and retail trade	3,211	248,368,729.22	14.57%
Building and construction industry	3,064	220,045,897.98	12.90%
Transportation services	3,745	178,633,339.77	10.48%
Metal goods excluding machinery and transport	1,131	132,955,848.17	7.80%
Industrial and agricultural machinery	505	63,959,499.54	3.75%
Rubber, plastics	267	46,828,920.60	2.75%
Textiles, footwear, clothing	296	38,068,531.24	2.23%
Paper, printing, publishing	196	31,872,677.49	1.87%
Transport	190	29,945,244.03	1.76%
Miscellaneous industrial products	376	28,754,340.93	1.69%
Electronics, electrical goods, EDP	278	27,910,122.55	1.64%
Non industrial	808	25,763,195.63	1.51%
Food, beverages, tobacco	288	24,996,585.75	1.47%
Mining, minerals	215	22,253,925.77	1.31%
Hotels and public services	264	17,727,521.31	1.04%
Metals	64	13,733,255.11	0.81%
Chemicals	70	9,399,087.09	0.55%
Communications	34	1,267,612.68	0.07%
Oil and gas	37	842,224.41	0.05%
<b>Total</b>	<b>19,952</b>	<b>1,705,231,431.38</b>	<b>100.00%</b>

(\*) Note: Outstanding Principal is net of Residual Instalment

**TABLE 8**  
**BREAKDOWN OF OUTSTANDING PRINCIPAL BY GEOGRAPHICAL AREA**

Geographical Area	Number of Contracts	Outstanding Principal* Amount	%
Emilia Romagna	823	93,664,077.06	5.49%
Friuli Venezia Giulia	196	10,593,181.24	0.62%
Liguria	460	27,438,039.50	1.61%
Lombardia	8,706	781,243,016.28	45.81%
Piemonte	942	74,577,187.20	4.37%
Trentino Alto Adige	783	42,965,301.68	2.52%
Valle d'Aosta	24	593,151.74	0.03%
Veneto	1,817	166,491,928.26	9.76%
<b>Northern Regions</b>	<b>13,751</b>	<b>1,197,565,882.96</b>	<b>70.23%</b>
Abruzzo	334	25,831,729.18	1.51%
Lazio	2,006	142,215,351.82	8.34%
Marche	753	62,239,831.18	3.65%
Molise	187	5,948,396.88	0.35%
Toscana	974	114,339,430.92	6.71%
Umbria	205	29,339,080.11	1.72%
<b>Central Regions</b>	<b>4,459</b>	<b>379,913,820.09</b>	<b>22.28%</b>
Basilicata	158	7,565,518.91	0.44%
Calabria	63	3,363,413.56	0.20%
Campania	1,147	87,957,652.74	5.16%
Puglia	151	9,196,188.56	0.54%
Sardegna	153	15,423,530.19	0.90%
Sicilia	70	4,245,424.37	0.25%
<b>Southern Regions</b>	<b>1,742</b>	<b>127,751,728.33</b>	<b>7.49%</b>
<b>Total</b>	<b>19,952</b>	<b>1,705,231,431.38</b>	<b>100.00%</b>

(\*) Note: Outstanding Principal is net of Residual Instalment

### Capacity to produce funds

In light of the above, and subject to the risks set out in the section entitled “Risk Factors”, the Receivables have characteristics that demonstrate capacity to produce funds to serve payments due and payable on the Rated Notes.

## THE ORIGINATOR

### Overview

Fineco Leasing performs financial leasing activities on an exclusive basis by offering services related to three main categories of assets: vehicles, equipment and real estate assets. Fineco Leasing also carries out all activities connected to the basic leasing service and recently offers services related also to shipping and air craft leasing.

Fineco Leasing is a company limited by shares incorporated under the laws of Italy, with registered office at 42/A, Via Marsala, Brescia, Italy and is registered with the companies' registry in Brescia under registration number 01582970152; , enrolled under number 478 in the General Register and under number 19201 in the Special Register both held by the Bank of Italy pursuant to, respectively, article 106 and article 107 of the Consolidated Banking Act.

Fineco Leasing was established in December, 1980 on the initiative of a group of private entrepreneurs. In 1992, Bipop Carire, Società per Azioni ("**Bipop Carire**") became Fineco Leasing's major shareholder with 99.99% of Fineco Leasing's share capital. In the following years, Fineco Leasing began an expansion program, transforming from a small provincial company into a large nation-wide originator, and implementing a decentralisation policy with the support and creation of autonomous agencies.

From 1 July 2002, when Bipop Carire was transferred to Capitalia S.p.A, the shares previously owned by Bipop Carire were sold to Fineco Group S.p.A. (later called Fineco S.p.A.), an integrated financial services holding company, listed on the Milan Stock Exchange, 44.7% of which was owned by the Capitalia Banking Group.

At the end of 2005, following the guidelines announced in the strategic business plan for the period 2005-2007, Capitalia S.p.A acquired 100% of Fineco S.p.A. shares and merged it into Capitalia.

In 2007 Capitalia S.p.A. was merged into UniCredit S.p.A.. As result Fineco Leasing is now part of the UniCredit Banking Group. In the second half of 2008 Fineco Leasing was involved in an additional corporate restructuring ended with the spin-off of the residual 0.01% of the shares not belonging to the UniCredit Group. Therefore, as of today, the UniCredit Banking Group is the sole owner of Fineco Leasing.

### Business Activity

As at 31 December 2008, Fineco Leasing held a portfolio of assets worth Euro 4.8 billion, which were leased to nearly 52,500 customers; the assets are in line with the 2007 portfolio; in addition, assets of a value over approximately worth Euro 0.5 billion are under construction (mainly real estate), which will become financial leasing contracts at the end of their construction phase.

During year 2008, Fineco Leasing entered into 9,985 new contracts for a total amount of Euro 1,202 million.

The following table shows a breakdown of the lease contracts originated by Fineco Leasing during the financial year ending on 31 December 2008, by type of leased asset.

Type of leased asset	31/12/2008		31/12/2007	
	No. of Lease Contracts	Financed Amount (€/000)	No. of Lease Contracts	Financed Amount (€/000)
<i>Auto Vehicles</i>	7,519	297,749	7,995	298,777
<i>Equipment</i>	1,689	176,837	1,793	190,091

<i>Real Estate</i>	729	713,676	903	863,502
<i>Other</i>	48	13,442	53	15,970
<b>TOTAL</b>	<b>9,985</b>	<b>1,201,685</b>	<b>10,744</b>	<b>1,368,340</b>

The average life of the contracts entered into in 2008 is equal to 150 months (127 excluding contracts in respect of assets under construction). The average amount of each contract is equal to approximately Euro 120,350 (Euro 87,852 excluding contracts in respect of assets under construction).

### **Geographical Presence and Distribution Channels**

Fineco Leasing's activity during the financial year ending on 31 December 2008 was mainly based in Northern Italy, with approximately 69% of total leasing contracts being executed in this area, while nearly 22% of the leasing contracts were executed in Central Italy and only approximately 9% in Southern Italy and the Islands.

The table below shows the geographical distribution of the contracts that Fineco Leasing entered into in 2008:

<b>Area</b>	<b>Financed Amount (€/000)</b>
Northern Italy	822,451
Central Italy	267,050
Southern Italy and Islands	112,184
Total	1,201,685

Fineco Leasing's distribution strategy relies upon an external commercial network, which is divided into 35 General Agencies and 25 Leasing Points located across Italy. The network employs over 500 resources in terms of agents, sub-agents and Back Office personnel.

As mentioned above, the commercial network's geographical location highlights a greater concentration of Fineco Leasing's business activity in the regions of Northern Italy (Lombardy, Veneto, Emilia Romagna and Piedmont), an important presence in the central regions (Tuscany, Lazio, Marche) and a less significant presence in the South of Italy.

### **Employees**

The following table shows the average number Fineco Leasing's employees during 2007 and 2008.

<b>Year</b>	<b>2008</b>	<b>2007</b>
Managers	4	4
Executives	17	19
Officers and other employees	109	106
Total	130	129

As at 31 December 2008, Fineco Leasing had 130 employees.

## **Share Capital**

As at 31 December 2008, UniCredit held 100% of Fineco Leasing's share capital.

## **Board of Directors**

The Board of Directors of Fineco Leasing is currently composed as follows:

Chairman	Enrico Cotta Ramusino
Vice Chairman	Maurizio Caprari
Director	Armando Artoni
Director	Alberto Giordano
Director	Salvatore Greco

## **Balance sheet as at 31 December 2007**

The financial statement for 2007 has been prepared in conformity with the recognition and measurement criteria established by the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission under the procedure envisaged by Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002. The regulation has been fully transposed into Italian law following the enactment of Legislative Decree 38 of 28 February 2005, which came into force on 22 March 2005. The financial statement for 2007 has been prepared with application of IAS / IFR principles existing as at the 31 December 2007, including all SIC and IFRIC interpretations adopted by the European Commission.

## BALANCE SHEET

<b>Assets</b>		<b>31 December 2007</b>	<b>31 December 2006</b>
10.	Cash and highly liquid assets	653.534	2.048.011
20.	Financial assets held for trading	37.566	36.153
60.	Loans and receivables	5.538.823.668	5.509.602.872
70.	Derivates used for hedging	986.289	650.846
100.	Tangible assets	18.304.298	25.864.225
110.	Intangible assets	1.911.142	947.460
120.	Tax asset	53.107.461	34.940.903
	a) current	27.888.290	5.928.172
	b) deferred	25.219.171	29.012.731
140.	Other assets	53.922.094	88.828.091
	<b>TOTAL ASSETS</b>	<b>5.667.746.052</b>	<b>5.662.918.561</b>
<b>Liabilities an Shareholders' Equity</b>		<b>31-dic-07</b>	<b>31-dic-06</b>
10.	Due to banks and customers	5.289.752.878	5.278.092.497
30.	Financial liabilities hold for trading	2.577	15.867
50.	Derivates used for trading	66.270	48.690
70.	Tax liabilities	20.561.434	25.160.759
	a) current	20.550.684	25.148.161
	b) deferred	10.750	12.598
90.	Other liabilities	218.771.089	222.294.479
100.	Staff severance pay provision	591.734	611.826
110.	Provision for liabilities and contingencies	7.251.926	5.230.693
	<b>TOTAL LIABILITIES</b>	<b>5.536.997.908</b>	<b>5.531.454.811</b>
120.	Share Capital	62.952.000	62.952.000
160.	Reserves	13.214.798	11.554.640
170.	Revaluation reserves	30.286.952	30.286.952
180.	Income (loss) for the period	24.294.394	26.670.158
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>130.748.144</b>	<b>131.463.750</b>
	<b>TOTAL LIABILITIES AN SHAREHOLDERS' EQUITY</b>	<b>5.667.746.052</b>	<b>5.662.918.561</b>

## INCOME STATEMENT

Item		2007	2006
10.	Interest income and similar revenues	342.216.848	287.865.634
20.	Interest expense and similar changes	(251.123.061)	(186.824.774)
	<b>NET INTEREST INCOMBE</b>	<b>91.093.787</b>	<b>101.040.860</b>
30.	Commission incombe	3.402.329	3.699.701
40.	Commission expense	(13.841.935)	(10.455.538)
	<b>NET COMMISSIONS</b>	<b>(10.439.606)</b>	<b>(6.755.837)</b>
60.	Income (loss) on financial assets and liabilities held for trading	14.703	139.909
70.	Income (loss) from hedging activities	64.356	302.159
	<b>GROSS INCOMBE</b>	<b>80.733.240</b>	<b>94.727.091</b>
110.	Net value ajustements on:	(17.398.156)	(31.385.651)
	a) loans and receivables	(17.398.156)	(31.385.651)
120.	General and administrative expenses	(16.373.193)	(14.610.689)
	a) staff costs	(8.339.474)	(6.743.480)
	b) other administrative expenses	(8.033.719)	(7.867.209)
130.	Amortisation and depreciation of tangible fixed assets	(1.117.853)	(668.662)
140.	Amortisation and depreciation of intangible fixed assets	(140.792)	(304.122)
160.	Provision for risk and charges	(2.870.404)	(1.881.250)
170.	Other loss	(19.819.150)	(17.767.448)
180.	Other incombe	29.343.769	27.759.086
	<b>OPERATING INCOME</b>	<b>52.357.461</b>	<b>55.868.355</b>
210.	Tax expenses	(28.063.067)	(29.198.197)
	<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>24.294.394</b>	<b>26.670.158</b>

## Financial Highlights

As at End of year, 31 December,							
	2001	2002	2003	2004 (*)	2005 (*)	2006 (*)	2007 (*)
<b>Lease Portfolio</b>							
leased	3,039.4	3,889.3	4,439.0	4,717.1	4,818.7	4,678.3	4,733.6
to be leased (*)	637.6	600.1	793.3	715.2	767.5	743.8	723.2
<b>Total</b>	<b>3,677.0</b>	<b>4,489.4</b>	<b>5,231.3</b>	<b>5,432.3</b>	<b>5,586.2</b>	<b>5,422.1</b>	<b>5,456.8</b>
Interest Margin	67.2	33.0	57.4	105.3	104.0	101.0	91.1
<b>Net income</b>	<b>20.0</b>	<b>24.0</b>	<b>18.0</b>	<b>23.5</b>	<b>29.3</b>	<b>26.7</b>	<b>24.3</b>

\* not considering advance payments (if any) received from the lessees.

## CREDIT AND COLLECTION POLICIES

### ORIGINATION PROCEDURES

#### Underwriting Procedures

Fineco Leasing's underwriting procedures consist of the following main stages:

- stage 1: receipt of proposal in relation to a lease contract;
- stage 2: investigation (*Istruttoria*); and
- stage 3: approval (*Delibera*).

#### Stage 1

During Stage 1 the agency collects from the potential lessee basic documentation on the proposed transaction and works out the preliminary financial terms of the lease, as negotiated with the client. All this information is sent to Fineco Leasing, together with all associated documentation.

#### Stage 2

Fineco Leasing's credit department (the "**Credit Department**") is in charge of the investigation phase and performs the following main investigations:

- client credit analysis;
- technical evaluation of the asset to be purchased by Fineco Leasing and to be leased to the client;
- supplier analysis; and
- potential guarantors analysis.

The Credit Department usually assesses the client's, supplier's and guarantor's creditworthiness by checking the following documentation:

- Chamber of Commerce Certificates (*Certificati della Camera di Commercio Industria Artigianato e Agricoltura*);
- documentation certifying that the client is authorised to enter into contracts for the stated amounts (*poteri di firma*);
- for corporate clients, the financial statements of the last 3 years. The Credit Department re-classifies the client's financial statements, according to standards used by Fineco Leasing, if the proposed amount to be financed exceeds Euro 750,000 ;
- details available on the CERVED system (credit scoring system, corporate information); and
- information gathered from the "*Centrale dei Rischi*" of the Bank of Italy, the "*Centrale dei Rischi Associativa*" databases and CRIF database (this latter only for individual persons), to verify the counterparty's total exposure in relation to other financial institutions and other leasing companies.

The valuation of the asset takes into account the following two main aspects:

- verification of the value of the asset. This activity is performed by checking price lists, comparing the specific asset with similar ones, obtaining direct information from suppliers and mainly by appraisal performed by reliable external experts, who verify:

- all equipment worth more than Euro 25,000;
  - all second hand equipment worth more than Euro 15,000 (assessment carried out by an on-site visit);
  - each real estate asset; and
  - all the assets where there are valid reasons to doubt the price indicated;
- verification of the technical properties of the asset. For real estate assets, this activity requires verification of the registration of the asset in the land registry (*visura catastale*) together with an investigation to ascertain that there are no limitations as to full ownership of the property. In relation to equipment, an external technical consultant is asked to verify the asset's compliance with any applicable legislation.

In addition, an analysis in relation to the supplier is carried out and typically involves the following:

- an analysis of information available at the Chamber of Commerce;
- a check that the supplier is not listed in an internal "black-list", where the legal department registers those suppliers with which Fineco Leasing has had problems in prior relationships (frauds, supply of goods where the amount of defaults is higher than the average); and
- an analysis of the supplier's financial statements.

If the client and the supplier belong to the same group of companies, the application is usually rejected or very tight criteria are applied.

If guarantors are offered or required on the application, the creditworthiness of these counterparts is also investigated.

### **Stage 3**

Once the investigation is completed, the proposal is submitted to the relevant bodies for approval.

The table below shows current approval powers:

<b>Party</b>	<b>Amount</b> (overall exposure, taking into account also the outstanding balance of previous lease contracts)	<b>Expected loss</b> (to be applied only to rated counterparty)	<b>Maximum Scoring Class</b>
Board of Directors	In excess of Euro 30 million	In excess of Euro 210,000	No limit
Executive Committee	Up to a maximum of Euro 30 million	Up to a maximum of Euro 210,000	No limit
Credit Committee	Up to a maximum of Euro 8 million	Up to a maximum of Euro 55,000	No limit
Chief of Executive	Up to a maximum of Euro 1.3 million	Up to a maximum of Euro 9 million	No limit
General Manager	Up to a maximum of Euro 1,000,000	Up to a maximum of Euro 7,000	No limit
Credit Area Manager	Up to a maximum of Euro 750,000	Up to a maximum of Euro 5,000	17
Credit Department Officials	Up to a maximum of Euro 400,000	Up to a maximum of Euro 2,800	15

### **Insurance**

With respect to insurance on the leased assets, Fineco Leasing offers its standard insurance policy, which covers the following:

- real estate: civil liability, fire insurance, third party claims;
- equipment: fire and theft insurance, civil liability; and
- vehicles: fire and theft insurance.

The insurance premium is payable by the lessee by various methods.

In the event that the insurance policy is executed by the lessee, the policy is pledged in favour of Fineco Leasing as beneficiary until the leasing contract expires.

## CONTRACT MANAGEMENT PROCEDURES

During the life of the contract, in specific situations, it may become necessary or suitable to allow for variation of the original lease contract terms.

All actions to be taken, as clearly described in Fineco Leasing's internal procedure manual, are carefully evaluated, in compliance with prudent financial practice, in order to protect Fineco Leasing's interests.

Renegotiation and restructuring events permitted for F-E Red Receivables are described in the Servicing Agreement.

Regarding early termination of a Lease Contract, the minimum price for sale is equal to the total outstanding credit of the relevant lease contract, which is the sum of the outstanding principal amount plus possible arrears. In normal cases, Fineco Leasing also requires a penalty, to recover the part of the future interest which will not be collected due to the end of the contract. Assuming there are no arrears, the amount asked of the lessee is obtained by the present value of future instalments and residual value, at a rate comprised between (i) the Euribor rate multiplied by 0,10 and (ii) the relevant Lease Contract rate.

The following table shows in detail the limits on powers:

<b>Party</b>	<b>Amount (overall exposure)</b>	<b>Max Rate (to be used for present value)</b>
Board of Directors	In excess of Euro 30 million	Contract interest gross rate
Executive Committee	Up to a maximum of Euro 30 million	Contract interest gross rate
Credit Committee	Up to a maximum of Euro 15 million	Contract interest gross rate
Chief of Executive and General Manager	Up to a maximum of Euro 8 million	Contract interest gross rate
Credit Manager	Up to a maximum of Euro 4 million	Contract interest gross rate
Operation Manager	Up to a maximum of Euro 1 million	Contract interest gross rate
Other Officials	Up to a maximum of Euro 1 million	Euribor

## COLLECTION PROCEDURES

Fineco Leasing receives payments from the lessees primarily through automated debit systems (the RID system). Relevant authorisation for debiting the lessees' bank accounts through the RID system is obtained by Fineco Leasing at the time of entering into the lease contracts. Any change to the bank accounts from which lease payments are to be debited is subject to prior approval by Fineco Leasing. Fineco Leasing receives information on the payments via "home banking systems" and monitors the payments made by lessees under the lease contracts on a continuous and daily basis.

### Classification of Receivables

An instalment will be classified as "in arrears" (*insoluto*) if Fineco Leasing has not received the relevant

payment on or after the due date for such payment pursuant to the relevant lease contract, or if there is a default in relation to a previously recorded payment (for example, a cheque bounce or a RID payment defaults).

## **RECOVERY PROCEDURES**

### **Management of arrears**

Fineco Leasing receives information in relation to its bank account transactions on a daily basis through the “home banking” system. This information system processes the data received and automatically registers any arrears on the relevant lessee’s statement of account.

The Administration Department (*Funzione Contabilità Generale*) verifies that all arrears have been duly registered and, if necessary, reconciles any discrepancies.

Fineco Leasing’s information system produces a list of all instalments which are due but unpaid as at the previous day on a daily basis. The list is then analysed by the Legal Department. If the delay in payment is due to “technical” reasons, i.e. the delay was not the fault of the lessee, an agreement is generally reached with the lessee for payment of the instalment due plus, in certain cases, default interest and/or expenses incurred by Fineco Leasing.

If, however, the delay in payment is not due to “technical” reasons, a letter is sent to the lessee to solicit payment, giving the lessee fifteen days to make such payment. If the due instalments are not paid by the end of the fifteen day period, a further letter will be sent by registered post specifying that in the absence of payment within a further 8/15 days, legal action will be taken by Fineco Leasing.

During the initial thirty day period of any instalment in arrears, the recovery process is managed by the agency which entered into the relevant lease contract. Each agency receives from head office a daily list of all lease contracts entered into by the branch and in respect of which letters have been sent to solicit payments. The agency will then contact the lessee and take all appropriate action to investigate the reasons for the default and to obtain payment from the lessee.

Upon receipt by the agency of any instalment in arrears, including default interest, default payment expenses and recovery expenses incurred, this amount will be paid into Fineco Leasing’s account. Recovery expenses are paid over to the agency as compensation for its intervention.

### ***Delegation to external credit recovery agency***

If the instalments in arrears are not paid by the lessee within the initial thirty day period, the Legal Department, after having considered the information provided by the agency, contacts the lessee and/or the lessee’s bank with a view to resolving the situation before deciding whether to delegate the matter to an external recovery agency.

Such external recovery agency normally receives a mandate to recover the instalments in arrears over a thirty day period and is, furthermore, given authority to negotiate the return of the leased asset. The intervention of an external recovery agent may result in:

- the recovery of the instalments in arrears, including amounts for default interest, default payment expenses and recovery expenses incurred;
- the recovery of the leased asset: if the recovery of the leased asset has been agreed with the lessee, the file will be returned to Fineco Leasing’s Legal Department which arranges for the termination of the lease contract and other resulting steps. The leased asset is then valued and put on sale.

If neither of the above objectives is achieved, the recovery external agent submits a report on the lessee to Fineco Leasing Legal Department, with recommendations of suggested steps to be taken. If appropriate, such report may be submitted by the recovery agent prior to the expiry of its mandate, in order to speed up the termination of the related lease contract.

Fineco Leasing relies on several experienced external recovery agencies. Most of the external recovery agencies are also directly linked to Fineco Leasing's centralised information system, in order to ensure a full and timely exchange of information.

The external recovery agencies receive a fee calculated as a percentage of the recovered amount.

### **Legal procedures**

If the external recovery agency is not successful in recovering the instalments in arrears or the asset in question, the file is returned to Fineco Leasing's Legal Department which will, based on the information available, make a proposal of appropriate legal action to be taken to the competent body.

The lease contract is terminated upon the commencement of insolvency proceedings in relation to the lessee. Termination of the contract is resolved upon by the corporate bodies of Fineco Leasing with the necessary powers; the table below shows the current termination limits:

<b>Party</b>	<b>Amount (overall exposure)</b>
Board of Directors	In excess of Euro 12 million
Executive Committee	Up to a maximum of Euro 12 million
Credit Committee	Up to a maximum of Euro 10 million
Chief of Executive	Up to a maximum of Euro 6 million
General Manager	Up to a maximum of Euro 3 million
Legal Department Manager	Up to a maximum of Euro 1,500,000
Legal Department Official	Up to a maximum of Euro 500,000

The lessee and any obligor (including eventual guarantor) are promptly informed of the termination of the lease contract.

The file may be managed by external legal counsel or, alternatively, by the external recovery agency which has handled the initial recovery phase.

Following the termination of the lease contract, Fineco Leasing's principal objective is usually to recover the leased asset and accordingly, legal action will be taken by Fineco Leasing to obtain its recovery if the leased asset is not returned promptly by the lessee or otherwise made available to Fineco Leasing during the insolvency proceedings.

Legal action is taken on the basis of the specific situation of the client, the chances of recovering the asset, the existence or non-existence of security and, more generally, the particular circumstances of each case. Fineco Leasing may bring criminal charges, seek an injunction or begin general civil litigation against the obligor in accordance with the normal procedures provided by law. Such action is resolved upon by the appropriate corporate body with necessary powers, on the basis of the recommendations of the Legal Department.

If the necessary conditions are met, when the contract is terminated the client may be classified as "in default" (*in sofferenza*) under the applicable regulations of the Bank of Italy, with all relevant consequences.

The lease contract may be re-activated upon recovery of the overdue amounts and if there is satisfactory evidence of future performance of the obligations under the lease contract by the lessee.

Internal procedures also set out the competent body in charge of the following actions, based on the outstanding credit:

- allowance of extension of payment term;
- credit restructuring (definition of amount of the instalments, maturity date);
- provisions and write-off.

**Recovery and sale of the leased assets; loss recognition**

Upon the recovery of the leased asset, the asset is, where relevant, and unless the transportation and assembly costs are overly onerous, moved to a warehouse and appraised, with a view to subsequent disposal.

The sale of the leased asset must be authorised by corporate bodies with the necessary powers; the table below shows the current selling limits:

Party	Amount (loss amount)
Board of Directors	In excess of Euro 2 million loss
Executive Committee	In excess of Euro 2 million
Credit Committee	Up to a maximum of Euro 500,000
Chief of Executive	Up to a maximum of Euro 150,000
General Manager	Up to a maximum of Euro 100,000
Legal Department Manager	Up to a maximum of Euro 20,000
<i>In the event of a gain, the Legal Department Manager is in charge of assessing the fair price</i>	

Notwithstanding the occurrence of a loss, Fineco Leasing will take all appropriate steps to enforce its rights at a later stage if it becomes aware that a recovery is possible.

Fineco Leasing may also decide to lease the asset under a new lease contract instead of selling the asset.

**Default interest**

Default interest is calculated on instalments in arrears, in accordance with the conditions set out in the lease contract.

The information system updates the amount of any default interest on a daily basis and this is then invoiced to the lessee at the time of actual payment. Any default interest recovered is registered in compliance with the provisions set out in Article 1194 of the Italian Civil Code.

**Closure of file**

The file on each lease contract is closed when:

- all available actions have been exhausted; or
- the unpaid amount has been recovered (either from the lessee or upon the sale of the leased asset) and/or following ascertainment of the impossibility of obtaining payment (and consequential loss).

This is, however, without prejudice to Fineco Leasing’s rights to recover the relevant amount at a later stage if it becomes aware that a recovery is possible.

## THE ISSUER

The Issuer (previously named “SPV Project 73 S.r.l., then renamed “Eudea Sec S.r.l.” on 4 July 2007 and subsequently “Petronius S.r.l.” on 17 June 2008 before acquiring its current corporate name on 4 February 2009) was incorporated in the Republic of Italy as a special purpose vehicle pursuant to the Securitisation Law on 23 January 2007 as a limited liability company (*società a responsabilità limitata*). The registered office of the Issuer is in Via Romanino No. 1, 25122 Brescia, Italy. The Issuer is registered (i) in the Register of Companies of Brescia with No. 02850280989, (ii) in the General Register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act with No. 39414 and (iii) in the Special Register held by the Bank of Italy pursuant to article 107 of the Consolidated Banking Act with No. 33379.9, and its telephone number is +39 02 77880599. Since the date of its incorporation, the Issuer has not engaged in any business other than the purchase of the Initial Portfolio. No dividends have been declared or paid and no indebtedness has been incurred by the Issuer other than the Issuer’s costs and expenses of incorporation. The Issuer has no employees and no subsidiaries.

The Issuer operates under Italian law and under its by-laws it shall expire on 31 December 2050.

The authorised and issued capital of the Issuer is Euro 10,000, fully paid up and held by the Sole Quotaholder.

### 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*), carried out by means of purchase of monetary claims identifiable as a pool for a valuable consideration and financed through the issuance of notes pursuant to article 1, para. 1(b), of the Securitisation Law.

The Issuer was established as a multi-purpose vehicle and, accordingly, it may carry out further securitisation transactions in addition to the Securitisation, subject to the provisions of Condition 5.2 (*Covenants - Further Securitisations*).

Furthermore, the Issuer has covenanted to observe, *inter alia*, those restrictions provided for by Condition 5 (*Covenants*).

### Management

The Issuer is managed by a Board of Directors, composed by Mr. Luigi Passeri, Mr. Massimo Bosisio and Mr. Salvatore Pennisi, each of them domiciled (in their capacity as Directors of the Issuer) at Via Romanino No. 1, 25100 Brescia, Italy.

The Board of Directors has been appointed on 6 February 2009.

The following are the principal activities performed outside of the Issuer by its Directors:

- Mr. Luigi Passeri is a member of the Board of Directors - with certain executive delegations in respect of administrative activities - of (i) Structured Finance Management - Italy S.r.l., which will act as Corporate Servicer in the context of the transaction, and (ii) Zenith Service S.p.A., which will act as Computation Agent in the context of the transaction;
- Mr. Massimo Bosisio is a member of the Board of Directors - with certain executive delegations in respect of administrative activities - of Zenith Service S.p.A., which will act as Computation Agent in the context of the transaction; and
- Mr. Salvatore Pennisi is a member of the Board of Directors - with certain executive delegations in respect of administrative activities - of Zenith Service S.p.A., which will act as Computation Agent in the context of the transaction.

## Capitalisation and Indebtedness Statement

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

<b>Capital</b>	<b>Euro</b>
Issued, authorised and fully paid up capital	10,000
<b>Loan Capital</b>	
<b>Euro</b>	
Euro 1,365,000,000 Class A Asset Backed Floating Rate Notes due October 2040	1,365,000,000
Euro 340,231,215 Class B Asset Backed Floating Rate Notes due October 2040	340,231,215
Subordinated Loan	161,030,000
<i>Total Loan Capital</i>	<i>1,866,261,215</i>
<b>Total Capitalisation and Indebtedness</b>	<b>1,866,271,215</b>

Subject to the above, as at the date of this Prospectus, 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 other than the Notes mentioned in the table above.

## Documents Available for Inspection

Until full redemption or cancellation of the Notes, copies of the following documents may be inspected during normal business hours at the registered office of the Issuer and of the Representative of the Noteholders:

- (a) the memorandum and articles of association of the Issuer (*atto costitutivo* and *statuto*);
- (b) the Issuer's financial statements, the relevant auditor's report, and all reports, letters, and other documents, historical financial information, valuations and statements (if any) prepared by any expert at the Issuer's request, any part of which is included or referred to this Prospectus; and
- (c) the historical financial information of the Issuer for the financial year ended on 31 December 2007.

## Auditors' Report

The following is the text of a report received by the Sole Director of the Issuer from Mazars & Guérard S.p.A. (whose offices are at C.so di Porta Vigentina No. 35, Milan, Italy, external auditor to the Issuer, member of ASSIREVI (*Associazione Italiana Revisori Contabili*) and enrolled within the *albo speciale* for auditing companies (*società di revisione*) provided for by article 161 of the Consolidated Banking Act. The Issuer's accounting reference date is 31 December in each year.

*"Auditor's report on the financial statement*

*To the shareholders of Petronius S.r.l. (Ex Eudea Sec S.r.l.)*

1. We have audited the financial statements of Petronius S.r.l. (Ex Eudea Sec S.r.l.) as of December 31st, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. This report is not issued in accordance with the law, since the Company do not appoints any subject for the accounting control of 2477 Civil Code as conditions provided in the same article do not subsist.

2. We conducted our audit in accordance with the generally accepted Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Balance sheet and profit and loss do not present comparative figures, because this financial statement is the result of the first financial year.

3. In our opinion, the financial statements of Petronius S.r.l. as of December 31th, 2007 give a true and fair view of the financial position of the Company and of the results of its operations for the year then ended in accordance with the Italian regulations and accounting principles governing financial statements .

Milan, July 14, 2008

Mazars & Guérard S.p.A.  
Antoine Campagna  
Partner"

## THE HEDGING COUNTERPARTY

UniCredit will act as Hedging Counterparty under the Hedging Agreement. UniCredit is a joint stock company registered with the Bank of Italy, pursuant to article 13 of the Banking Act, as a bank, duly existing under the laws of the Republic of Italy. Its registered office is at Via A. Specchi, 16, Rome, Italy, and head office and principal centre of business is at Piazza Cordusio, Milan, Italy, and having fiscal code and VAT number 00348170101.

The UniCredit Banking Group is a global financial institution, with an established presence in 22 European countries and offices in a further 27 international markets. In particular, the UniCredit Banking Group is strategically positioned in its primary markets where it has become a market leader in several geographic areas such as Italy, South Germany, Austria and central-eastern Europe, where the UniCredit Banking Group is a market leader.

The UniCredit Banking Group focuses on full-service financial services and is engaged in a wide range of banking, financial and related activities (including deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches) throughout Italy, Germany, Austria and other Eastern and Central European countries.

At 30 June 2008, the UniCredit Banking Group served more than 40 million customers through its multi-channel distribution network comprising the 10,118 branches throughout 22 countries and a network of licensed financial consultants (*promotori finanziari*) operating in Italy, as well as internet and telephone banking capabilities.

At 30 June 2008, the UniCredit Banking Group had 177,571 (full time equivalent) employees. Based on total assets of € 1,059,767 million at that same date, the UniCredit Banking Group ranked second in Italy, third in Germany and was the largest bank in Austria, Poland, Croatia and Bulgaria. Current positioning of the UniCredit Banking Group is also the result of the business and corporate integrations carried out from 2005 to 2008 first with the HVB Group (and the Bank of Austria sub-group) and then with the Capitalia Group.

As the parent company of the UniCredit Banking Group, UniCredit undertakes management and co-ordination activities in respect of the Group to ensure the fulfilment of requirements laid down by the Bank of Italy in the interest of the UniCredit Banking Group's stability.

In July 2008 the UniCredit Banking Group adopted an organisational structure based on three different management and coordination areas, allocated to three different Deputy CEOs, to whom the divisions and departments, divided according to the business and geographical area covered, report.

## THE BNP PARIBAS GROUP

The BNP Paribas Group (the “**Group**”) (of which BNP Paribas S.A. is the parent company) is a European leader in banking and financial services. It has approximately 162,700 employees, 126,600 of whom are based in Europe. The Group occupies leading positions in three significant fields of activity: Corporate and Investment Banking, Asset Management & Services and Retail Banking. It has operations in 85 countries and has a strong presence in all the key global financial centres. Present throughout Europe, in all its business lines, France and Italy are its two domestic retail banking markets. BNP Paribas has a significant and growing presence in the United States and leading positions in Asia and in emerging markets.

The Group has three divisions: Retail Banking, Asset Management and Services and Corporate and Investment Banking, the latter two of which also constitute “core businesses”. Operationally, the Retail Banking division is itself comprised of three core businesses: French Retail Banking, International Retail Banking and Financial Services, and Italian Retail Banking (BNL bc). The Group has additional activities, including those of its listed real estate subsidiary, Klépierre, that are conducted outside of its core businesses.

At December 31, 2007, the Group had consolidated assets of €1,694.5 billion, consolidated loans and receivables due from customers of €445.1 billion and shareholders’ equity (Group share including income for 2007) of €53.8 billion. Pre-tax net income for the year ended December 31, 2007 was €11.1 billion. Net income, Group share, for the year ended December 31, 2007 was €7.8 billion. Net banking income, Group share, for the year ended December 31, 2007 was €31.0 billion.

## **USE OF PROCEEDS**

The estimated net proceeds from the issue of the Notes, being equal to Euro 1,705,231,215, will be applied by the Issuer on the Issue Date to pay to the Originator the sums due as Principal Component of the Purchase Price of the Initial Portfolio due on such date, pursuant to the terms of the Transfer Agreement.

## DESCRIPTION OF THE TRANSFER AGREEMENT

*The description of the Transfer Agreement set out below is a summary of certain features of the 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 the Representative of the Noteholders.*

### General

On 13 February 2009 the Originator and the Issuer entered into the Transfer Agreement under which they have agreed the terms and conditions for the assignment and transfer from the Originator to the Issuer of the Portfolios of the Receivables owed to the Originator by the Lessees thereunder, pursuant to the relevant Lease Contracts entered into between the Originator and such Lessees.

Each assignment and transfer of Receivables under the Transfer Agreement has been made (in case of the Initial Portfolio) and will be made (in case of each Subsequent Portfolio) without recourse (*pro soluto*) and regulated by articles 1 and 4 of the Securitisation Law.

In accordance with the provisions of the above mentioned articles 1 and 4 of the Securitisation Law, the assignment and transfer of each Portfolio will be made enforceable against the relevant Lessees assigned debtors upon completion of the following perfection formalities:

- (i) the publication of a notice of the assignment of the relevant Portfolio in the Official Gazette; and
- (ii) the registration of such assignment in the Issuer's Companies Register.

The completion of the above perfection formalities will trigger also the application of other provisions of the Securitisation Law aimed at securing and protecting the interests of the Issuer and of the Noteholders. The most important of such provisions are (a) the perfection of the statutory segregation over the relevant assigned Receivables in favour of the Noteholders; and (b) the automatic transfer in favour of the Issuer, of all the privileges and guarantees relating to such Receivables without the need of any other formality or annotation. For further details, see the section entitled "*Selected aspects of Italian Law*".

### Initial Portfolio and Subsequent Portfolios

Under the Transfer Agreement the Originator (i) has assigned and transferred to the Issuer, and the Issuer has purchased from the Originator, the Initial Portfolio on 13 February 2009 and (ii) may assign and transfer to the Issuer, and the Issuer shall purchase from the Originator, Subsequent Portfolios on a monthly basis during the Revolving Period, subject to the terms and conditions thereunder.

The assignment and transfer of any Subsequent Portfolio may take place on each month during the Revolving Period, subject to, *inter alia*, the Subsequent Portfolio Sale Conditions being satisfied. For further details, see the section entitled "*The Aggregate Portfolio*".

Moreover, if any of the Purchase Termination Events occurs and, thereafter, a Purchase Termination Notice is served by the Representative of the Noteholders in accordance with the Terms and Conditions, then the Revolving Period will be early terminated and, accordingly, the Originator may not assign and transfer to the Issuer, and the Issuer shall not purchase from the Originator, any further Subsequent Portfolios.

For further details, see Condition 13 (*Purchase Termination Events*) of section "*Terms and Conditions*".

### Purchase Price

As consideration for the purchase of the Receivables comprised in each Portfolio, the Issuer shall pay to the Originator the Purchase Price, being equal to the aggregate sum of the Individual Purchase Prices of all

the Receivables comprised in the relevant Portfolio. The Individual Purchase Price of each Receivable is equal to the sum of its Principal Component and its Interest Component, both calculated as of the relevant Valuation Date.

Subject to the terms and conditions of the Transfer Agreement, the Purchase Price of the Initial Portfolio, being equal to Euro 1,710,946,895.33, will be paid by the Issuer to the Originator as follows:

- (a) the Principal Component, being equal to Euro 1,705,231,430.41, will be paid on the Issue Date out of the proceeds of the Notes; and
- (b) the Interest Component, being equal to Euro 5,715,464.92, will be paid starting from the First Payment Date and on each Payment Date thereafter, out of the Issuer Available Funds in accordance with the applicable Priority of Payments.

Subject to the terms and conditions of the Transfer Agreement, the Purchase Price of each Subsequent Portfolio will be paid by the Issuer to the Originator out of the Issuer Available Funds in accordance with the applicable Priority of Payments as follows:

- (a) the Principal Component will be paid starting from the first Settlement Date or, if earlier, the first Payment Date succeeding the relevant Transfer Date and on each Payment Date and Settlement Date thereafter (other than any Settlement Dates immediately preceding a Payment Date); and
- (b) the Interest Component will be paid starting from the first Payment Date succeeding the relevant Transfer Date and on each Payment Date thereafter.

The payment of the Purchase Price of each Portfolio will, in any case, be subject to:

- (i) in respect of the Purchase Price of the Initial Portfolio and of the Interest Component of each Subsequent Portfolio, the notice of assignment of the Receivables comprised in the relevant Portfolio having been published in the Official Gazette and registered in the Issuer's Companies Register; and
- (ii) in respect of the Principal Component of each Subsequent Portfolio, the relevant Transfer Offer having been accepted by the Issuer, the notice of assignment of the Receivables comprised in the relevant Portfolio having been published in the Official Gazette and filed for registration in the Issuer's Companies Register.

Notice of the assignment of the Initial Portfolio to the Issuer from the Originator pursuant to the Transfer Agreement, was (i) published in the Official Gazette No. 19 of 17 February 2009 and (ii) registered in the Issuer's Companies Register on 16 February 2009.

### **Eligibility Criteria and Purchase Price Adjustment**

The claims arising in respect of the Receivables comprised in each Portfolio and the other rights inherent and accessory thereto represent (in case of the Initial Portfolio) and will represent (in case of each Subsequent Portfolio) monetary claims identifiable as a pool (*crediti pecuniari individuabili in blocco*), pursuant to and for the effects of the combined provisions of article 1 and article 4 of the Securitisation Law. In particular, the Receivables comprised in the Initial Portfolio have been identified on the basis of the Initial Criteria and the Receivables which will be comprised in each Subsequent Portfolio shall be identified on the basis of the Subsequent Criteria. For further details, see the section "*The Aggregate Portfolio*".

In accordance with such provisions, the Transfer Agreement provides that:

- (a) if, after the Transfer Date of a Portfolio, it transpires that any receivable included in the Initial Portfolio (or a Subsequent Portfolio, as the case may be) did not meet the relevant Eligibility

Criteria as of the relevant Valuation Date, then any such receivable will be deemed not to have been assigned and transferred to the Issuer pursuant to the Transfer Agreement; and

- (b) if, after the Transfer Date of a Portfolio, it transpires that any Receivable meeting the relevant Eligibility Criteria as of the relevant Valuation Date has not been included in the Initial Portfolio (or in a Subsequent Portfolio, as the case may be), then any such Receivable will be deemed to have been assigned and transferred to the Issuer pursuant to the Transfer Agreement.

The Purchase Price of the relevant Portfolio shall be then adjusted, in accordance with the provisions of the Transfer Agreement, provided that any amounts due and payable by the Issuer to the Originator, as Purchase Price Adjustment, will be paid out of the Issuer Available Funds, in accordance with the applicable Priority of Payments.

### **Sale of Assets and early termination of Lease Contracts**

In the event of an early termination of a Lease Contract, the Originator undertakes to transfer to the Issuer proceeds from the sale of the leased Asset under the relevant Lease Contract for an amount equal to the aggregate amount of (x) amounts due but unpaid by the Lessee as of the termination date of such Lease Contract; (y) the principal component of Instalments which would have fallen due after such termination; (w) any additional amount (other than Residual Instalment) collected by Fineco Leasing as a result of the termination pursuant to the terms of the relevant Lease Contract; and (z) the amount payable by the Issuer pursuant to article 1526 of the Italian Civil Code.

If the Originator chooses not to sell the relevant leased Asset but to lease it again by entering into a new lease contract, the Originator shall pay to the Issuer the above mentioned sum, provided that such amount does not exceed the Outstanding Principal Amount of the new lease contract in relation to the Asset of the Lease Contract which has been terminated.

Furthermore, the Originator will delegate powers to the Issuer to enable it to sell, during the two-year period preceding the Final Maturity Date, on the Originator's behalf and in the interest of the Issuer, any leased Asset relating to a Lease Contract in respect of which an early termination has occurred. The Issuer may exercise such powers of sale only if an expert in the market sector, appointed by mutual agreement of the parties, deems the sale price to be adequate. Proceeds from such sale of any leased Asset shall be applied pursuant to the provisions of the Warranty and Indemnity Agreement.

### **Instalment Variations**

In case of any amendment to a Lease Contract as a consequence of which the nominal value of the relevant Instalments is increased, the Issuer shall pay the Originator an amount equal to the relevant increase in principal of the Instalments on each Payment Date where there are sufficient Issuer Available Funds to cover such payment in accordance with the applicable Priority of Payments, starting from the first Payment Date after the Instalment Variation has occurred.

In case of any amendment to a Lease Contract as a consequence of which the nominal value of the relevant Instalments is decreased, the Originator shall pay the Issuer an indemnity in an amount equal to the relevant decrease in principal of the Instalments within the first Business Day following the end of the month during which the amendment of the Lease Contract has been agreed between the Originator and the relevant Lessee. If at any time the total amount due by the Originator to the Issuer due to the Instalment Variations is greater than Euro 1,000, the Originator shall transfer such amount to the Issuer on the immediately succeeding Business Day.

Under the Transfer Agreement, the Originator has undertaken to ensure that the Outstanding Principal Balance of the Receivables arising from Lease Contracts in respect of which (i) an amendment as a consequence of which the nominal value of the relevant Instalments is decreased has occurred, and (ii) the

Originator has not yet paid the Issuer the relevant amount due to it as indemnity, shall never be greater than 0.01 per cent. of the Outstanding Balance of the Initial Portfolio, as of the Initial Valuation Date.

### **Undertakings**

The Transfer Agreement also contains a number of undertakings by the Originator in respect of its activities relating to the Receivables. The Originator undertakes, *inter alia*, 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 whole or in part.

### **Repurchase Option**

Under the Transfer Agreement the Issuer irrevocably granted to the Originator the Repurchase Option, in accordance with article 1331 of the Italian Civil Code. Pursuant to the Repurchase Option the Originator may repurchase from the Issuer (in whole but not in part), as block and at once, all the Receivables comprised in the Aggregate Portfolio not already collected as of the date of exercise of such option, starting from the Step-Up Date and on each Payment Date thereafter.

The repurchase price due and payable by the Originator to the Issuer for the Receivables repurchased pursuant to the Repurchase Option shall be (i) equal to the aggregate Outstanding Amount of the Receivables comprised in the Aggregate Portfolio as of the date of repurchase, and (ii) in any event no less than the amount (together with any other Issuer Available Funds) needed by the Issuer for the discharge, on the immediately succeeding Payment Date, all of its outstanding liabilities in respect of the Notes of all Classes (or the Rated Notes only, subject to the Junior Noteholders having given their consent and waived the amounts due under the Junior Notes) and any amount required to be paid under the applicable Priority of Payments in priority to or *pari passu* with such Notes (or Rated Notes, as the case may be).

### **Governing Law**

The Transfer Agreement is governed by and shall 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 it 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 the Representative of the Noteholders.*

### General

On 13 February 2009 the Originator and the Issuer entered into the Servicing Agreement, pursuant to which the Issuer has appointed Fineco Leasing as Servicer of the Receivables and the Servicer has agreed to administer and service the Aggregate Portfolio on behalf of the Issuer and, in particular, to (i) collect and recover amounts due in respect of the Receivables; (ii) administer relationships with the Lessees; and (iii) carry out certain activities in relation to the Receivables, in accordance with the Servicing Agreement and the Collection Policies.

The receipt of cash collections in respect of the Receivables is the responsibility of the Servicer who will be the “*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*” pursuant to the Securitisation Law. In such capacity, Fineco shall verify that the operations comply with the law and this Prospectus pursuant to 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 Collections Policies, certain activities related to the management of the Defaulted Receivables, including activities in connection with the enforcement and recovery of such Defaulted Receivables.

### Obligations of the Servicer

Pursuant to the terms of the Servicing Agreement, the Servicer has undertaken, *inter alia*:

- (a) to supervise the compliance by the Lessees with their payment obligations provided for by the Lease Contracts;
- (b) to administer the relationships with the Lessees and the relevant Guarantors, providing *inter alia*, on behalf of the Issuer, any communication to the Lessees and other relevant parties pursuant to the Lease Contracts or the applicable law;
- (c) to exercise the rights relating to the Receivables and carry out all the actions against the Lessees and the relevant Guarantors which are necessary or appropriate in order to defend such rights;
- (d) to take all necessary acts to maintain the validity and enforceability of the Receivables and any relevant security;
- (e) to carry out the management, administration and collection of the Receivables, to manage the recovery of the Defaulted Receivables and to bring or participate in the relevant enforcement procedures in relation thereto in accordance with best professional skills;
- (f) to maintain effective accounting and auditing procedures so as to ensure the compliance with the provisions of the Servicing Agreement;
- (g) not to authorise, other than in certain limited circumstances specified in the Servicing Agreement, any waiver in respect of any Receivables or other security interest, lien or privilege pursuant to or in connection with the Lease Contracts and not to authorise any modification thereof which may be prejudicial to the Issuer's interests unless such waiver or modification is imposed by law, by judicial

or other authority or is authorised by the Issuer upon consultation with the Representative of the Noteholders;

- (h) with regards to the Italian anti-laundering laws (i) cooperate with the Corporate Servicer to enable it to prepare and maintain the sole database (*archivio unico informatico*), and (ii) perform on behalf of the Issuer all duties needed to comply with the other obligations provided by such laws;
- (i) manage an appropriate reporting system for prudent supervision (*segnalazioni di vigilanza prudenziale*) in relation to the Receivables; and
- (j) make the reports in relation to the Receivables required by the Securitisation Law and any other primary or secondary applicable legislation (including the Bank of Italy decree dated 3 November 2003 concerning "*Disposizioni per le società di cartolarizzazione*").

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.

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 thereof. 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.

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.

Furthermore, the Servicer will indemnify the Issuer from and against any and all damages and losses incurred or suffered by the Issuer as a consequence of a breach by the Servicer of any of its obligations, or the default in the performance thereof, under the Servicing Agreement.

### **Delegation of activities**

The Servicer is expressly authorised by the Issuer to delegate certain activities to third parties, *provided that* the Servicer will remain directly responsible for the performance of all duties and obligations delegated to any of such entities and will be liable for the conduct of all of them and without prejudice, in any event, to the monitoring responsibilities of the Servicer pursuant to article 2, paragraph 6 of the Securitisation Law.

### **Payment of Collections and Recoveries into the Collection Account**

Starting from the Issue Date, the Servicer shall credit all the Collections and the Recoveries received and recovered in relation to the Receivables into the Collection Account within the Local Business Day immediately succeeding the date on which the relevant payment is made by the relevant Lessee, Guarantor or any other person who has made such payment. Provided however that the Servicer will be entitled to delay the payment into the Collection Account of any Collections which it has not been able to quantify on a daily basis, due to the occurrence of extraordinary events causing a delay in the Collections transfer procedure and system. Any such Collections shall in any event be paid by the Servicer into the Collection Account within the Local Business Day immediately succeeding the date on which the relevant problem which has caused the delay has been addressed.

### **Reports**

On or before each Monthly Servicer Report Date or Quarterly Servicer Report Date, as the case may be the Servicer shall prepare and submit the Monthly Servicer Report and the Quarterly Servicer Report to the Issuer, the Originator, the Computation Agent, the Rating Agency, the Representative of the Noteholders, the Account Bank, the Paying Agent, the Hedging Counterparty and the Corporate Servicer. Such reports shall set out detailed information in relation to, *inter alia*, the Collections and the Recoveries in respect of the Receivables comprised in the Aggregate Portfolio.

Moreover, the Servicer has undertaken to add in the Monthly Servicer Report and the Quarterly Servicer Report such further information as each of the Issuer, the Computation Agent, the Rating Agency, the Originator, the Representative of the Noteholders, the Corporate Servicer and the Hedging Counterparty may reasonably request with respect to the Receivables, the performance of the Aggregate Portfolio and/or any insolvency and judicial proceedings in relation to the Receivables.

### **Back-Up Servicer**

Under the Servicing Agreement if:

- (a) the rating given to UniCredit by Fitch falls below “BBB” or is withdrawn; or
- (b) Fineco Leasing ceases to be part of the UniCredit Banking Group,

then the Issuer shall enter into a back-up servicing agreement with a Back-Up Servicer which (i) meets the requirements for a substitute servicer, as provided for by the Servicing Agreement and (ii) shall be available, pursuant to such agreement, to act as substitute servicer of the Aggregate Portfolio.

### **Renegotiations and amendments to the terms of the Lease Contracts**

The Servicer may, in compliance with the Collection Policies and the conservative financial market practice, renegotiate, agree to an early termination or otherwise amend the Instalment due dates under the Lease Contracts, *provided that* all the terms and conditions required under the Servicing Agreement are met.

### **Servicing Fee**

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

- (a) for the administration, management and collection of the Receivables and any other activities carried out under the Servicing Agreement (other than the recovery and compliance activities specified in paragraphs (b) and (c) below): on a quarterly basis on each Payment Date, a fee up to a maximum of 0.25 per cent. (plus VAT, if applicable) of the Collections received by the Servicer in respect of Performing Receivables during the Quarterly Collection Period immediately preceding the relevant Payment Date;
- (b) for the recovery activities: on a quarterly basis on each Payment Date, in relation to the immediately preceding Quarterly Collection Period, a fee up to a maximum of 0.4 per cent. (plus VAT, if applicable) of the Recoveries made by the Servicer in respect of the Defaulted Receivables during the Quarterly Collection Period immediately preceding the relevant Payment Date; and
- (c) for the activity of compliance (i.e. compliance with duties imposed by the applicable regulation and/or reporting and communication duties): on a quarterly basis on each Payment Date, a fee equal to Euro 10,000 (plus VAT, if applicable).

Pursuant to the Servicing Agreement any fees, costs and expenses incurred in connection with the recovery of the Defaulted Receivables shall be fully borne by the Servicer. On the contrary, the Issuer shall reimburse to the Servicer on each Payment Date in relation to the immediately preceding Quarterly Collection Period any out-of pocket expenses of any of the delegates of the Servicer to the extent that such

out-of pocket expenses are reasonable and in line with market prices (whilst any remunerations of such delegates shall be fully borne by the Servicer).

Under the Servicing Agreement, the Issuer and the Servicer are entitled to agree amendments to the relevant provisions relating to fees, costs and expenses, including, in particular, a reduction of the fees (subject to any lower fees being, in any event, fair).

### **Termination of the Appointment of the Servicer**

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

The Issuer may terminate the Servicer's appointment and appoint a successor Servicer if one of the events indicated in the Servicing Agreement occurs. Such events include, *inter alia*, the following:

- (i) an Insolvency Event occurring in respect of the Servicer;
- (ii) a failure on the part of the Servicer to observe or perform any of its undertakings under any Transaction Documents to which it is party and such failure is not remedied within 7 (seven) days after the receipt by the Servicer and the Representative of the Noteholders of a notice by the Issuer declaring that such failure is in its opinion materially prejudicial of the administration, collection and recovery activity in respect of the Receivables or of the interest of the Noteholders (except where such failure is not capable of remedy, in which case no term of seven days will be given);
- (iii) a failure on the part of the Servicer to pay into the Collection Account any amount due under the Servicing Agreement within 5 (five) Business Days from the day on which such amount is due (unless such failure is due to strike, technical interruption or other just cause)
- (iv) any of the representations and warranties given by the Servicer under any Transaction Document to which it is party proving to be false or inaccurate in any material respect and this could be materially prejudicial (at the sole discretion of the Representative of the Noteholders) to the Issuer or the interests of the Noteholders;
- (v) the performance by the Servicer of any of its duties under the Servicing Agreement or any other Transaction Document to which it is party becoming illegal; and
- (vi) the Servicer no longer meeting all legal and regulatory requirements to carry out its activities as Servicer of the Securitisation.

### **Governing Law**

The Servicing Agreement is governed by and shall 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 that 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 the Representative of the Noteholders.*

### General

On 13 February 2009 the Originator and the Issuer entered into the 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 Aggregate 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 Aggregate Portfolio.

The Warranty and Indemnity Agreement contains certain representations and warranties by Fineco Leasing in respect of the following categories:

- (1) Status of the Originator;
- (2) Legal ownership of the Receivables;
- (3) Transfer of the Receivables and Transaction Documents;
- (4) Lease Contracts;
- (5) Privacy Law;
- (6) Collateral Securities and Insurance Policies; and
- (7) Assets.

### Representations and Warranties of the Originator

Under the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties as of the Closing Date. Such representations and warranties will be deemed to be given, repeated and confirmed by the Originator, with reference to the facts and circumstances then subsisting, as of the following dates:

- (a) with reference to the Initial Portfolio, as of the Issue Date; and
- (b) with reference to each Subsequent Portfolio, as of the relevant Valuation Date, Transfer Date and Settlement Date and/or Payment Date.

Specifically, the Originator has represented and warranted, *inter alia*, as follows:

- (i) each Receivable is fully and unconditionally owned by and available to the Originator and is not subject to any lien (*pignoramento*), seizure (*sequestro*), pledge (*pegno*) or other charges and rights in favour of any third party;
- (ii) the Originator has selected the Receivables comprised in each Portfolio pursuant to the Eligibility Criteria for the Initial Portfolio, or for the Subsequent Portfolios, as the case may be, as set out under annex 1 of the Transfer Agreement, in respect of the Initial Portfolio, or under the relevant Transfer Offer, in respect of each Subsequent Portfolio;
- (iii) the list of Receivables attached to the Transfer Agreement (in respect of the Initial Portfolio) and the list of Receivables which will be attached to the relevant Transfer Offer (in respect of each Subsequent Portfolio) is an accurate list of all of the Receivables comprised in the relevant

Portfolio;

- (iv) all the data supplied by the Originator to the Issuer and/or its representatives, agents and advisors for the purpose or in connection with the Warranty and Indemnity Agreement, the Transfer Agreement and/or for the purpose of or in relation to the Securitisation, in relation to the Lease Contracts, the Receivables, the Instalments, the Assets, the Collateral Security or the application of the Eligibility Criteria, are true and accurate in every material respect for the purpose of the Securitisation and no material information in the possession of the Originator has been omitted;
- (v) each Lease Contract and each other agreement, deed or document relating thereto is valid and effective and constitutes valid, legal and binding obligations of each party thereto (including the relevant Lessee and any Guarantor) enforceable in accordance with its terms;
- (vi) each Lease Contract has been executed in compliance with all applicable laws, rules and regulations and each Lease Contract and Collateral Security has been duly renewed or maintained;
- (vii) the Originator is not in breach of any obligation arising from the Lease Contracts or any other agreement, deed or document relating thereto;
- (viii) each Lease Contract has been entered into, executed and performed in accordance with its terms by the Originator in compliance with all applicable laws, rules and regulations from time to time in force, including, without limitation, all laws, rules and regulations relating to financial leasing, usury and personal data protection;
- (ix) each Lease Contract and any other related agreement, deed or document was entered into and executed without any fraud (*frode*) or wilful misrepresentation (*dolo*) or undue influence by or on behalf of the Originator or its employees;
- (x) each Receivable is denominated in Euro. Each Receivable formerly denominated in any other currency has been redenominated in Euro and such redenomination is valid and enforceable against the relevant Lessee and/or Guarantor. None of the Lease Contracts contains any provision enabling conversion of the relevant Receivable in another currency;
- (xi) each Lease Contract and the ancillary agreements (if any) are governed by Italian law;
- (xii) there are no clauses or provisions in the Lease Contracts, or in any other agreement, deed or document connected thereto, pursuant to which the Originator is prevented from transferring, assigning or otherwise disposing of the Receivables (in whole or in part). The transfer of the Receivables to the Issuer pursuant to the Transfer Agreement shall not prejudice or affect in any manner whatsoever the obligation of the relevant Lessee and of any other obligor towards the Originator;
- (xiii) all the Receivables are classified as being *in bonis* pursuant to the Bank of Italy Supervisory Regulations;
- (xiv) no Lease Contract had any Instalment which has remained due and unpaid for more than 31 days or for more than Euro 100. Save as specified, none of the Lessees are in breach of any term or obligation under the relevant Lease Contract;
- (xv) the books, records, data and documents relating to the Lease Contracts, to the Receivables and to all the Instalments and any other amounts to be paid or repaid thereunder have been duly maintained and are complete, proper and up to date in all material respects, and all such books, records, data and documents are kept by the Originator;
- (xvi) the Originator has not, up to (but excluding) the date of execution of the Transfer Agreement in

relation to the Initial Portfolio or, as the case may be, the relevant Valuation Date in relation to any Subsequent Portfolios, waived or discharged any Lessee and/or Guarantor from its obligations, nor subordinated its own rights to claims of other creditors thereof, except to the extent of payments made in satisfaction of the relevant Receivables or except where and to the extent it is required in accordance with prudent practice in order to safeguard the position of the Originator as owner of the relevant Receivables;

- (xvii) each Collateral Security is valid and enforceable, has been duly granted and created and is enforceable against third parties. Such Collateral Security has been relied upon by the Originator and meets all requirements under all applicable laws and regulations;
- (xviii) the Receivables are not secured by any collateral security which has not been transferred to the Issuer pursuant to the Transfer Agreement;
- (xix) all Collateral Security has been granted at the time of the execution of the relevant Lease Contract or at the time of any integration thereof or at the time of delivery of the relevant Asset;
- (xx) the Assets are covered by insurance policies entered into by the Originator or by the Lessee but held for the benefit of the Originator;
- (xxi) the transfer by the Originator to the Issuer of its rights under the insurance policies does not in any manner prejudice the validity of the policies;
- (xxii) no claims have been made for adverse possession (including *usucapione*) in respect of any of the Assets nor are there any prejudicial registrations, annotations (*iscrizioni* or *trascrizioni pregiudizievoli*) or third party claims or pending proceedings for the total or partial expropriation (*espropriazione*) of such Assets;
- (xxiii) all leased real estate Assets are duly registered with the competent land offices, in compliance with all applicable laws and regulations;
- (xxiv) all leased real estate Assets are located in Italy or, in the case of movable registered assets, registered in Italy in the *Pubblico Registro Automobilistico*.

### **Limited Recourse Loan**

Pursuant to the Warranty and Indemnity Agreement, in the event of any breach by the Originator of any of its representations and warranties made under such agreement in relation to any Receivable included in the Aggregate Portfolio (and to the extent such breach is not cured by the Originator within 10 days from receipt of a written notice from the Issuer to that effect), then the Originator shall advance to the Issuer, upon its first demand, within 10 Business Days from such demand, the Limited Recourse Loan equal to:

- (a) the Outstanding Amount of the relevant Receivable as of the Advance Date; plus
- (b) the costs and expenses (including without limitation, the legal fees and the disbursements plus VAT, if applicable) afforded by the Issuer in relation to such Receivable until the Advance Date; plus
- (c) the damages and the losses incurred by the Issuer as a consequence of any claim raised by any third party in respect of the relevant Receivable up to the Advance Date; plus
- (d) interests which would have accrued on the Outstanding Principal Balance of the relevant Receivable (calculated as of the Advance Date) at a rate equal to:
  - (i) 0.8 per cent. *plus* the positive difference (if any) between the EURIBOR and the interest rate applicable to the Transaction Account, in the event that any such breach of

representations and warranties has occurred during the Initial Period, or

- (ii) 1.2 per cent. *plus* the positive difference (if any) between the EURIBOR and the interest rate applicable to the Transaction Account, in the event that any such breach of representations and warranties has occurred after the end of the Initial Period.

Such interests shall be calculated on an ACT/360 basis from the Advance Date to (i) the Step-Up Date, if the Advance Date falls within the Initial Period, or (ii) the Payment Date immediately succeeding the Advance Date, if such Advance Date falls after the end of the initial Period.

The Limited Recourse Loan will constitute a non-interest bearing limited recourse advance made by the Originator to the Issuer which shall be repayable by the Issuer to the Originator only if and to the extent that the Receivable in respect of which the relevant Limited Recourse Loan is granted is collected or recovered by the Issuer.

### **Indemnity**

Furthermore, Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its directors or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*:

- (a) the breach by the Originator of any provisions contained in the Warranty and Indemnity Agreement or any other Transaction Document to which the Originator is a party;
- (b) any representations and/or warranties made by the Originator thereunder, being false, incomplete or incorrect; or
- (c) failure to collect or recover the Receivables as a consequence of action or counterclaims or claims for set-off (including, without limitation, any claim pursuant to usury regulations or article 1283 of the Italian Civil Code) against the Originator by a Lessee and/or Guarantor (if any) and/or the receiver of the Lessee and/or the Guarantor, as the case may be.

The Issuer shall submit to the Originator any claim for indemnity in writing, stating the grounds and amount of such claim and the Originator may, within 30 Business Days from the receipt of such claim, submit any objection thereto and in the absence of any objection, the amount claimed by the Issuer shall be deemed accepted by the Originator. Where the objection by the Originator is not resolved within 30 Business Days, and if the objection regards a question of fact or quantification of the claim, the parties may appoint a primary international accounting firm or other expert to determine the amount of damages, losses, claims, liabilities, costs and expenses due to the Issuer under the Warranty and Indemnity Agreement and such determination shall be final and binding on the parties. On the other hand, if the objection regards a question of law or if the parties fail to agree on the nature of the objection, either party may submit the matter to the competent court.

### **Counterclaims by the Lessees**

If a Counterclaim is raised, being a counterclaim raised by a Lessee and/or a Guarantor or the insolvency receiver of any Lessee or a Guarantor in respect of any Receivable in the circumstances referred to in the Warranty and Indemnity Agreement, then the Originator shall give a notice thereof to the Issuer. Under such notice the Originator shall also specify the amount of the Counterclaim and whether it is in the Originator's view legally founded or legally unfounded (in full or in part).

Following service of the notice, the Originator shall pay to the Issuer an amount equal to the amount of the above Counterclaim, together with interest accrued thereon from and including (i) the date on which such amount should have been paid by the relevant Lessee (and/or any Guarantor) to but excluding (ii) the date

on which such amount is actually paid to the Issuer at an annual rate equal to the EURIBOR applicable during such period plus a margin higher than or equal to (x) 0.8 per cent. until the Step-Up Date, and (y) 1.2 per cent. thereafter.

Such payment shall be deemed to constitute:

- (i) with reference to a Counterclaim (or the part of it) which is, in the Originator's view legally founded, a payment on account of the indemnity obligation of the Originator; and
- (ii) with reference to a Counterclaim (or the part of it) which is, in the Originator's view legally unfounded, a limited recourse advance made by the Originator to the Issuer which shall not accrue interest and which shall be repayable by the Issuer to the Originator if and to the extent that the amounts which are the subject of the relevant Counterclaim are actually paid to the Issuer by the relevant Lessee (and/or any Guarantor).

### **Termination of the Lease Contracts upon breach by Lessees**

Pursuant to the Warranty and Indemnity Agreement, in the event that the Issuer is required, in accordance with article 1526 of the Italian Civil Code (relating to the termination of the agreements upon breach by the purchaser), by a court order (including a temporary enforcement order) or a settlement agreement, to repay, in whole or in part, any amount received in relation to a Receivable, the Originator has undertaken to make an advance to the Issuer that is equivalent to such amount within 10 Business Days after the receipt of the relevant request from the Issuer. Any amount so advanced by the Originator to the Issuer shall be repaid by the Issuer out of the proceeds from the sale of the relevant Asset after payment out of such proceeds of the expenses incurred in connection with such sale. To the extent that the sale proceeds are insufficient to repay such advance, any residual amounts shall be paid out of the Issuer Available Funds in accordance with the applicable Priority of Payments.

### **Governing Law**

The Warranty and Indemnity 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 the Representative of the Noteholders.*

### General

Pursuant to the Cash Allocation, Management and Payment Agreement entered into on or about the Issue Date, the Computation Agent, the Account Bank, the Servicer, the Paying Agent and the Custodian Bank have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling and investment services in relation to monies and securities from time to time standing to the credit of the Accounts.

### 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 Cash Accounts and (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. For further details, see the section entitled "*The Accounts*".

On or prior to each Monthly Account Report Date, the Account Bank has agreed to prepare the Monthly Account Report (i) setting out certain information in relation to the Cash Accounts and (ii) to be delivered to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer and the Computation Agent.

BNP Paribas Securities Services, Milan Branch shall be entitled to act as Account Bank so long as:

- (a) it is an Eligible Institution, or
- (b) BNP Paribas S.A. is an Eligible Institution and has satisfactorily guaranteed the payment obligations of BNP Paribas Securities Services, Milan Branch, which arise from the Cash Allocation, Management and Payment Agreement.

In this respect, pursuant to the BNP Guarantee, BNP Paribas S.A. has agreed to guarantee in favour of the Issuer certain obligations of BNP Paribas Securities Services, Milan Branch under the Cash Allocation, Management and Payment Agreement.

Any substitute Account Bank shall be an Eligible Institution.

### Custodian Bank

The Custodian 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 Securities Account and (ii) provide the Issuer with certain investment services. For further details, see the section entitled "*The Accounts*".

The Custodian Bank, has agreed to invest on behalf of the Issuer amounts standing to the credit of the Investment Accounts in Eligible Investments, in accordance with the Cash Allocation, Management and Payment Agreement. Any Eligible Investment purchased by the Custodian Bank for the account of the Issuer which is represented by bonds, debentures or other kinds of notes or financial instruments shall be deposited by the Custodian Bank into the Securities Account.

On or prior to each Monthly Account Report Date, the Custodian Bank has agreed to prepare the Monthly Securities Account Report (i) setting out certain information in relation to the Securities Account and (ii) to

be delivered to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer, the Account Bank and the Computation Agent.

### **Computation Agent**

The Computation Agent has agreed to provide the Issuer with certain other calculation, monitoring and reporting services.

The Computation Agent has agreed to prepare, *inter alia*, the following reports:

- (a) prior to the service of a Trigger Notice and subject to any Principal Component of the Purchase Price for a Subsequent Portfolio being due and payable on the following Settlement Date, on or prior to each Monthly Payment Report Date, the Monthly Payments Report setting out, *inter alia*, the Issuer Principal Available Funds and the relevant amount which will be paid to the Originator on each such Settlement Date as Principal Component of the Purchase Price for the relevant Subsequent Portfolio;
- (b) prior to the service of a Trigger Notice, on or prior to each Payment Report Date, the Quarterly Payments Report setting out, *inter alia*, the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the applicable Priority of Payments;
- (c) on or prior to each Investors Report Date, the Investors Report setting out certain information with respect to the Notes; and
- (d) following the service of a Trigger Notice, on or prior each Payment Report Date or upon request of the Representative of the Noteholders, the Post Trigger Report setting out, *inter alia*, the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the Post-Trigger Priority of Payments.

### **Paying Agent**

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

No later than the first day of each Interest Period, the Paying Agent shall prepare the Paying Agent Report setting out the relevant Rate of Interest and EURIBOR applicable to each such Interest Period in respect of the Notes, together with the relevant Interest Payment Amounts.

### **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 the Representative of the Noteholders.*

### General

On or about the Issue Date, the Issuer, the Representative of the Noteholders, the Originator, the Servicer, the Hedging Counterparty, the Account Bank, the Paying Agent, the Corporate Servicer, the Foundation Corporate Servicer, the Computation Agent, the Custodian Bank, the Subordinated Loan Provider, the Junior Notes Subscriber, the Sole Lead Manager and the Sole Quotaholder have entered into the Intercreditor Agreement, pursuant to which provision is made, *inter alia*, as to (i) the application of the Issuer Available Funds in accordance with applicable Priority of Payments and (ii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's rights in respect of the Aggregate Portfolio and the Transaction Documents.

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, the Issuer shall, upon the service of a Trigger Notice, 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 Aggregate Portfolio.

### Disposal of the Aggregate Portfolio following the occurrence of a Trigger Event

Pursuant to the Intercreditor Agreement, following the service of a Trigger Notice and in accordance with the Terms and Conditions, 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) direct the Issuer, to dispose of the Aggregate Portfolio or any part thereof, if:

- (a) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the Rated Noteholders and amounts ranking in priority thereto or *pari passu* therewith or, if such amount would not be realised, the Issuer or the Representative of the Noteholders received a certificate issued by a reputable bank or financial institution stating that the purchase price for the Aggregate Portfolio is adequate (based upon such bank or financial institution's evaluation of the Aggregate Portfolio);
- (b) the relevant purchaser has obtained all the necessary approvals and authorisations for the purchase;
- (c) the relevant purchaser has produced the following documents dated not more than twenty days before the date on which the Aggregate Portfolio or the relevant part thereof is expected to be disposed:
  - (i) a certificate signed by its legal representative stating that such purchaser is solvent;
  - (ii) a good standing certificate issued by the Companies Register of such purchaser;

- (iii) a certificate, issued by the Court competent for the territory in which the registered office of such purchase is based, stating that no application for commencement of any insolvency proceedings against such purchaser has been made in the last five years or any similar documentation available for such purpose in the jurisdiction of the relevant purchaser.

In addition, the Representative of the Noteholders may, at its discretion, carry out any further research or investigation for obtaining satisfactory evidence of the solvency of the relevant purchaser.

### **Disposal of the Aggregate Portfolio following the occurrence of a Tax Event**

Pursuant to the Intercreditor Agreement, 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 Most Senior Class of Noteholders) direct the Issuer to dispose of the Aggregate Portfolio to finance the early redemption of the Notes of all Classes under Condition 8.4 (Redemption for Taxation) if:

- (a) (i) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the Noteholders of all Classes (or the Rated Noteholders only, subject to the Junior Noteholders prior written consent) and amounts ranking in priority thereto or pari passu therewith, or (ii) if such amount would not be realised, a certificate issued by a reputable bank or financial institution stating that the purchase price for the Aggregate Portfolio (or the relevant part thereof) is adequate (based upon such bank or financial institution's evaluation of the Aggregate Portfolio) has been obtained by the Issuer or by the Representative of the Noteholders and the Issuer satisfies the Representative of the Noteholders that, in addition to the sums deriving from the sale of the Aggregate Portfolio, it will have sufficient other funds in order to discharge in full all amounts owing to the Noteholders of all Classes (or the Rated Noteholders only, subject to the Junior Noteholders' prior written consent) and amounts ranking in priority thereto or pari passu therewith;
- (b) the relevant purchaser has obtained all the necessary approvals and authorisations for the purchase; and
- (c) the relevant purchaser has produced the following documents dated not more than twenty days before the date on which the Aggregate Portfolio or the relevant part thereof is expected to be disposed:
  - (i) a certificate signed by its legal representative stating that such purchaser is solvent;
  - (ii) a good standing certificate issued by the Companies Register of such purchaser;
  - (iii) a certificate, issued by the Court competent for the territory in which the registered office of such purchase is based, stating that no application for commencement of any insolvency proceedings against such purchaser has been made in the last five years or any similar documentation available for such purpose in the jurisdiction of the relevant purchaser.

In addition, the Representative of the Noteholders may, at its discretion, carry out any further research or investigation for obtaining satisfactory evidence of the solvency of the relevant purchaser.

### **Governing Law**

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

## DESCRIPTION OF THE SUBORDINATED LOAN AGREEMENT

*The description of the Subordinated Loan Agreement set out below is a summary of certain features of this guarantee and is qualified by reference to the detailed provisions of the Subordinated Loan Agreement. Prospective Noteholders may inspect a copy of the Subordinated Loan Agreement at the registered office of the Representative of the Noteholders.*

### **General**

Pursuant to the Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to grant the Issuer on the Issue Date the Subordinated Loan in an amount of Euro 161,030,000. The Subordinated Loan will be used by the Issuer to fund on the Issue Date the Cash Reserve Amount and the Retention Amount.

As consideration for the granting of the Subordinated Loan, the Issuer shall pay to the Subordinated Loan Provider interest on the outstanding principal amount of such Subordinated Loan at a rate equal to the EURIBOR applicable to the Notes *per annum* plus 1 per cent.. Such interest will be paid by the Issuer on each Payment Date out of the Issuer Available Funds, in accordance with the applicable Priority of Payments.

The Issuer shall repay the outstanding principal amount under the Subordinated Loan, subject to the terms and conditions of the Subordinated Loan Agreement. Such repayment will be made on each Payment Date out and within the limits of the Issuer Available Funds, in accordance with the applicable Priority of Payments and the provisions of the Subordinated Loan Agreement.

Any amounts remaining outstanding in respect of principal or interest under the Subordinated Loan on the Cancellation Date shall be reduced to zero, cancelled and deemed to be released by the Subordinated Loan Provider and the latter shall have no further claim against the Issuer in respect of such unpaid amounts.

### **Governing Law**

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

## DESCRIPTION OF THE SECURITY DOCUMENTS

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

### **Deed of Pledge**

On or about the Issue Date, the Issuer, the Account Bank, the Custodian Bank and the Representative of the Noteholders have entered into the Deed of Pledge pursuant to which the Issuer has:

- (i) pledged its monetary claims and rights deriving from certain Transaction Documents (except for the Receivables and the relevant Collections and Recoveries); and
- (ii) undertaken to pledge any Eligible Investment made in accordance with the Cash Allocation, Management and Payment Agreement,

in both cases, in favour of the Noteholders and the Other Issuer Creditors, acting through the Representative of the Noteholders.

#### *Governing Law*

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

### **Deed of Assignment**

On or about the Issue Date, the Issuer and the Representative of the Noteholders have entered into the Deed of Assignment in order to create security over the rights of the Issuer arising out of the Hedging Agreement and the BNP Guarantee.

Pursuant to the Deed of Assignment, as security for the Secured Obligations, the Issuer has assigned, in favour of the Representative of the Noteholders (for the benefit of the Noteholders and the Other Issuer Creditors), all of the Issuer's rights, title, interest and benefit (present and future) in, to and under the Hedging Agreement and the BNP Guarantee, and all monies payable in respect thereof and all other rights, benefits and proceeds deriving therefrom.

#### *Governing Law*

The Deed of Assignment 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 the Representative of the Noteholders.*

### **General**

On or about the Issue Date, the Issuer and the Representative of the Noteholders have entered into the Mandate Agreement, pursuant to which 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.

### **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 the Representative of the Noteholders.*

### **General**

On or about the Issue Date, the Issuer has entered into the Hedging Agreement with the Hedging Counterparty, in order to protect itself against certain interest rate risks arising in respect of its floating rate interest obligations under the Rated Notes.

The Hedging Agreement contains certain termination events and events of default which will entitle either party to early terminate the Hedging Agreement. Otherwise, the Hedging Agreement will terminate on the earlier of (i) the Final Maturity Date; and (ii) the date on which the Rated Notes are redeemed in full in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*).

If the rating of the Hedging Counterparty falls below certain ratings, the Hedging Counterparty will be required within a specified time limit to take certain remedying measures including one of the following: (a) to arrange for a replacement counterparty with an appropriate rating to enter into a substantially identical Hedging Agreement, or (b) to arrange for an appropriately rated entity to guarantee the Hedging Counterparty's obligations under the Hedging Agreement, or (c) to execute and deliver collateral to the Issuer to support its obligations under the Hedging Agreement.

If the rating of the Hedging Counterparty falls further below certain ratings, the Hedging Counterparty will be required within a specified time limit to either: (a) to arrange for a replacement counterparty with an appropriate rating to enter into a substantially identical Hedging Agreement, or (b) to arrange for an appropriately rated entity to guarantee the Hedging Counterparty's obligations under the Hedging Agreement.

### **Governing Law**

The Hedging Agreement is governed by 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 the Representative of the Noteholders.*

### **General**

On or about the Issue Date, the Issuer, the Corporate Servicer and the Representative of the Noteholders have entered into the Corporate Services Agreement, pursuant to which the Corporate Servicer will provide the Issuer with a number of services, including, *inter alia*:

- (a) the keeping and updating of various corporate and accounting books and records including, for example, inventories, statutory records, preparation of annual and interim financial statements in accordance with applicable legislation;
- (b) various corporate services such as secretarial services, assistance to the auditors, communications to the Representative of the Noteholders pursuant to the Transaction Documents; and
- (c) miscellaneous services of a fiscal nature including tax returns and declarations and the keeping of fiscal records.

The Issuer may terminate the appointment of the Corporate Servicer in certain circumstances including, *inter alia*, in the event of breach by the Corporate Servicer of its obligations or representations and warranties under the Corporate Services Agreement.

### **Governing Law**

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

## DESCRIPTION OF THE FOUNDATION CORPORATE SERVICES AGREEMENT

*The description of the Foundation 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 Foundation Corporate Services Agreement. Prospective Noteholders may inspect a copy of the Foundation Corporate Services Agreement at the registered office of the Representative of the Noteholders.*

### **General**

On or about the Issue Date, the Issuer, the Sole Quotaholder, the Representative of the Noteholders and the Foundation Corporate Servicer have entered into the Foundation Corporate Services Agreement, pursuant to which the Foundation Corporate Servicer will provide the Sole Quotaholder with a number of services, including, *inter alia*, the provision of accounting and financial services and the management and administration of the Sole Quotaholder.

### **Governing Law**

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

## DESCRIPTION OF THE LETTER OF UNDERTAKINGS

*The description of the Letter of Undertakings set out below is a summary of certain features of the Letter of Undertakings and is qualified by reference to the detailed provisions of the Letter of Undertakings. Prospective Noteholders may inspect a copy of the Letter of Undertakings at the registered office of the Representative of the Noteholders.*

### **General**

On or about the Issue Date, the Issuer, the Originator, the Sole Quotaholder and the Representative of the Noteholders have entered into the Letter of Undertakings, pursuant to the which the Sole Quotaholder has given certain undertakings to the Representative of the Noteholders in relation to the management of the Issuer and the exercise of its rights as sole quotaholder of the Issuer and has agreed not to dispose of, or charge or pledge, the quotas of the Issuer subject to, *inter alia*, the prior written consent of the Representative of the Noteholders.

### **Governing Law**

The Letter of Undertakings is governed by and shall be construed in accordance with Italian law.

## THE ACCOUNTS

The Issuer shall at all times maintain the following deposit accounts:

- (i) the Collection Account, being the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which all the Collections and Recoveries from time to time, respectively, received and recovered by the Servicer shall be credited, in accordance with the Servicing Agreement;
- (ii) the Transaction Account, being the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which all the amounts received by the Issuer from any party to a Transaction Document (other than the Collections, the Recoveries and the amounts due and payable by the Hedging Counterparty under the Hedging Agreement) shall be credited;
- (iii) the Cash Reserve Account, being the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which the Cash Reserve Amount shall be credited, in accordance with the Subordinated Loan Agreement and the Cash Allocation, Management and Payment Agreement. The Issuer will fund the Cash Reserve Amount out of the Subordinated Loan, advanced by the Subordinated Loan Provider, on the Issue Date. To the extent that the amount standing to the credit of the Cash Reserve Account on any Payment Date is lower than the Cash Reserve Amount, the Issuer will credit Issuer Interest Available Funds, in accordance with the applicable Priority of Payments, to the Cash Reserve Account to bring the balance of such Account up to (but not in excess of) the Cash Reserve Amount;
- (iv) the Adjustment Reserve Account, being the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which the Adjustment Reserve Amount shall be credited, in accordance with the Cash Allocation, Management and Payment Agreement;
- (v) the Principal Accumulation Account, being the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which certain amounts of the Issuer Available Funds (including any funds available for repayment of principal on the Notes during the Initial Period and the sums aimed at funding the payment of the amounts due as Purchase Price of any Subsequent Portfolio) shall be credited on each Settlement Date during the Revolving Period and on each Payment Date, in each case in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement;
- (vi) the Payments Account, being the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which (i) the amounts due and payable by the Hedging Counterparty under the Hedging Agreement (other than any Collateral Amount provided by the Hedging Counterparty save where any of such amounts may be paid into the Payments Account following a termination of the Hedging Agreement) and, following a termination of the Hedging Agreement, any Net Hedging Replacement Premium shall be credited and (ii) the amounts standing to the credit of the Collection Account, the Transaction Account, the Cash Reserve Account and the Principal Accumulation Account shall be transferred so as to be applied to make the payments due by the Issuer on each Payment Date, in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement; and
- (vii) the Expenses Account, being the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which the Retention Amount aimed at funding the Expenses during each Interest Period shall be credited, in accordance with the Subordinated Loan Agreement and the Cash Allocation, Management and Payment

Agreement. The Retention Amount will be funded out of the Subordinated Loan, advanced by the Subordinated Loan Provider, on the Issue Date,

collectively, the "**Cash Accounts**", and

- (viii) the Securities Account, being the securities Eligible Account established in the name of the Issuer with the Custodian Bank or any other Eligible Institution into which the bonds, debentures or other kinds of notes or financial instruments purchased with monies standing to the credit of the Investment Accounts (being the Collection Account, the Principal Accumulation Account, the Transaction Account and the Cash Reserve Account) shall be deposited, in accordance with the Cash Allocation, Management and Payment Agreement,

together with the Cash Accounts, the "**Accounts**".

Furthermore, the Issuer has opened Quota Capital Account with Creberg, Milan Branch, being the Euro denominated account for the deposit of its quota capital equal to Euro 10,000.

## EXPECTED MATURITY AND AVERAGE LIFE OF THE RATED 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 Rated Notes will be influenced by, *inter alia*, the actual rate of collection of the Receivables. The weighted average life of the Rated Notes cannot be predicted as the actual rate at which the Receivables will be collected and a number of other relevant factors are unknown.

Calculations as to the weighted average life and the expected maturity of the Rated 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 and whether the Issuer exercises its option for an early redemption of the Notes in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) .

The following tables show the weighted average life and the expected maturity of the Rated Notes and has been prepared based on the characteristics of the Receivables included in the Initial Portfolio and on the following additional assumptions in respect of the Securitisation:

- (i) no Trigger Event occurs;
- (ii) the fees referred to in the relevant Transaction Documents are not increased;
- (iii) no default by the parties to the Transaction Documents occurs;
- (iv) the Issuer will exercise the option to redeem the Notes in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) on the Step-Up Date;
- (v) the Rated Notes commence amortisation on the Payment Date falling in October 2010;
- (vi) no defaults and no delinquencies in payments in relation to the Lease Contracts occur; and
- (vii) interest rates related to the Receivables are stable in respect of their current levels.

The actual characteristics and performance of the Receivables are likely to differ from the assumptions used in constructing the tables set forth below, which are hypothetical in nature and 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 Rated Notes to differ (also materially) from the corresponding information in the following table.

Subject to the foregoing discussion and assumptions, the following tables indicate the weighted average life and expected maturity of the Rated Notes.

	Weighted Average Life (years)	Expected Maturity
Rated Notes	1.64	October 2010

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the “**Terms and Conditions**”). In these Terms and Conditions, references to the “holder” of a Note or to the “Noteholders” are to the ultimate owners of the 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) Regulation 22 February 2008.*

The Euro 1,365,000,000 Class A Asset Backed Floating Rate Notes due October 2040 (the “**Class A Notes**” or the “**Rated Notes**”) and the Euro 340,231,215 Class B Asset Backed Floating Rate Notes due October 2040 (the “**Class B Notes**” or the “**Junior Notes**” and, together with the Rated Notes, the “**Notes**”) have been issued by F-E Red S.r.l. (the “**Issuer**”) on 9 March 2009 (the “**Issue Date**”) to finance the purchase of the Initial Portfolio and of any Subsequent Portfolios from Fineco Leasing S.p.A. (“**Fineco Leasing**”).

The principal source of payment of interest and of repayment of principal on the Notes will be Collections and Recoveries made in respect of the Receivables arising from the Lease Contracts executed by the Originator and certain Lessees purchased and to be purchased by the Issuer from the Originator pursuant to the terms of the Transfer Agreement. The Initial Portfolio of Receivables has been purchased by the Issuer from the Originator on 13 February 2009 and the relevant Purchase Price will be funded through (i) the proceeds of the Notes, with reference to the Principal Component and (ii) the Issuer Available Funds used in accordance with the applicable Priority of Payments, with reference to the Interest Component. During the Revolving Period, subject to the terms and conditions of the Transfer Agreement, the Originator may assign and transfer to the Issuer, and the Issuer shall purchase from the Originator, Subsequent Portfolios of Receivables, the Purchase Price of which will be funded through the Issuer Available Funds used in accordance with the applicable Priority of Payments.

Any reference in these Terms and Conditions to a “**Class**” of Notes or a “**Class**” of holders of Notes shall be a reference to the Class A Notes and the Class B Notes, as the case may be, or to the respective holders thereof and any reference to any agreement or document shall be a reference to such agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented.

### 1. INTRODUCTION

#### 1.1 Definitions

Capitalised words and expressions in these Terms and Conditions shall, unless otherwise specified or unless the context otherwise requires, have the meanings set out in Condition 2 (*Interpretation and Definitions*).

#### 1.2 Noteholders deemed to have notice of the Transaction Documents

The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of, the Transaction Documents.

#### 1.3 Provisions of the Terms and Conditions subject to the Transaction Documents

Certain provisions of these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Transactions Documents.

#### 1.4 Transaction Documents

1.4.1 By the Rated Notes Subscription Agreement, the Issuer has agreed to issue the Rated Notes and the Sole Lead Manager has agreed to subscribe for such Rated Notes, subject

to the terms and conditions set out thereunder, and has also appointed BNP Paribas Securities Services, Milan Branch, which has accepted, as Representative of the Noteholders.

- 1.4.2 By the Junior Notes Subscription Agreement, the Issuer has agreed to issue the Junior Notes and the Junior Notes Subscriber has agreed to subscribe for such Junior Notes, subject to the terms and conditions set out thereunder, and has also appointed BNP Paribas Securities Services, Milan Branch, which has accepted, as Representative of the Noteholders.
- 1.4.3 By the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Aggregate 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 Aggregate Portfolio.
- 1.4.4 By the Servicing Agreement, the Servicer has agreed to administer, service, collect and recover amounts in respect of the Aggregate Portfolio on behalf of the Issuer. The Servicer will act as the “*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*” pursuant to the Securitisation Law and, in such capacity, shall be responsible for verifying that the operations comply with the law and the Prospectus pursuant to article 2, paragraph 3(c) and article 2, paragraph 6 of the Securitisation Law.
- 1.4.5 By the Corporate Services Agreement, the Corporate Servicer has agreed to provide the Issuer with certain corporate administrative services, in compliance with any reporting requirements relating to the Receivables and with other requirements imposed on the Issuer.
- 1.4.6 By the Foundation Corporate Services Agreement, the Foundation Corporate Servicer has agreed to provide the Sole Quotaholder with certain corporate administrative services.
- 1.4.7 By the Cash Allocation, Management and Payment Agreement, the parties thereto (other than the Issuer) have agreed to provide the Issuer with certain calculation, notification, reporting and agency services, together with account handling and investment 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 contains also provisions for the payment of principal and interest in respect of the Notes.
- 1.4.8 By the Intercreditor Agreement, provision has been made as to, *inter alia*, (i) the application of the Issuer Available Funds in accordance with the Priority of Payments, (ii) the limited recourse nature of the obligations of the Issuer, and (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Aggregate Portfolio.
- 1.4.9 By the Hedging Agreement, 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 Notes.
- 1.4.10 By the Italian law Deed of Pledge, the Issuer has:
  - (i) pledged its monetary claims and rights deriving from certain Transaction Documents (except for the Receivables and the relevant Collections and Recoveries); and

- (ii) undertaken to pledge any Eligible Investment made in accordance with the Cash Allocation, Management and Payment Agreement,

in both cases, in favour of the Noteholders and the Other Issuer Creditors, acting through the Representative of the Noteholders, as security for the Secured Obligations.

- 1.4.11 By the English law Deed of Assignment, as security for the Secured Obligations, the Issuer has assigned, in favour of the Representative of the Noteholders (for the benefit of the Noteholders and the Other Issuer Creditors), all of the Issuer's rights, title, interest and benefit (present and future) in, to and under the Hedging Agreement and the BNP Guarantee, and all monies payable in respect thereof and all other rights, benefits and proceeds deriving therefrom.
- 1.4.12 By the Mandate Agreement, the Representative of the Noteholders shall be authorised, subject to a Trigger Notice being served or upon 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.
- 1.4.13 By the Letter of Undertakings, the Sole Quotaholder has given certain undertakings to the Representative of the Noteholders in relation to the management of the Issuer and the exercise of its rights as sole quotaholder of the Issuer.
- 1.4.14 By the Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to grant the Issuer the Subordinated Loan in an amount of Euro 161,030,000. The Subordinated Loan will be advanced on the Issue Date and will be used by the Issuer to fund on such date the Cash Reserve Amount and the Retention Amount.
- 1.4.15 By the Master Definitions Agreement, the definitions of certain terms used in the Transaction Documents have been set forth.
- 1.4.16 By the Monte Titoli Mandate Agreement, Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Notes.

#### 1.5 *Transaction Documents available for inspection*

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, Via Ansperto No. 5, 20123 Milan, Italy.

#### 1.6 *Rules of the Organisation of the Noteholders*

The Noteholders are deemed to have notice of, are bound by, and shall have the benefit of, *inter alia*, the terms of the Rules of the Organisation of the Noteholders which are attached to these Terms and Conditions as Exhibit 1 and which are deemed to form part of these Terms and Conditions. The rights and powers of the Noteholders may only be exercised in accordance with the Rules of the Organisation of the Noteholders.

#### 1.7 *Representative of the Noteholders*

Each Noteholder recognises that the Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and accepts to be bound by the terms of the Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.

## 2. **INTERPRETATION AND DEFINITIONS**

## 2.1 *Interpretation*

In these Terms and Conditions, unless otherwise specified or unless the context otherwise requires:

- (a) the exhibit hereto constitutes an integral and essential part of these Terms and 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 Terms and Conditions.

## 2.2 *Definitions*

In these Terms and Conditions the following expressions shall, unless otherwise specified or unless the context otherwise requires, have the following meanings:

**Account** means each of the Adjustment Reserve Account, the Cash Reserve Account, the Collection Account, the Expenses Account, the Payments Account, the Principal Accumulation Account, the Securities Account and the Transaction Account and **Accounts** means all of them.

**Account Bank** means BNP Paribas Securities Services, Milan Branch or any other person, being an Eligible Institution, acting as account bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**Accrued Interest** means, on any given date and with respect to any Receivable, the aggregate of the accrued portion of the interest part of the next Instalment due under the Lease Contracts.

**Additional Criteria** means the further objective criteria for the identification of the Receivables comprised in the Subsequent Portfolios which from time to time may be identified by the Issuer and the Originator and may supplement the Common Criteria and/or the Specific Criteria, pursuant to the Transfer Agreement.

**Additional Screen Rate** shall have the meaning ascribed to it in Condition 7 (*Interest*).

**Additional Termination Event** has the meaning ascribed to it in the Hedging Agreement.

**Adjustment** means, in respect of any Receivable arising out of a floating rate Lease Contract, the sums due to the Issuer from the relevant Lessee or the sums that the Issuer owes to such Lessee, as a result of application of the clauses which provide for the adjustment of the Instalments due to quarterly indexation contained in the relevant Lease Contract.

**Adjustment Reserve Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution, into which the Adjustment Reserve Amount shall be credited, in accordance with the Cash Allocation, Management and Payment Agreement.

**Adjustment Reserve Amount** means in respect to any Payment Date (A) the sum of the Negative Adjustment relating to the preceding Interest Period in respect of all the Receivables comprised in the Aggregate Portfolio or (B) following the relevant communication of the Servicer pursuant to the Cash Allocation, Management and Payment Agreement, the difference, if positive, between (i) the sum of the Negative Adjustment accrued and not reimbursed as at the relevant Payment Date in respect of all the Receivables comprised in the Aggregate Portfolio and (ii) the sum of the Positive Adjustment accrued and unpaid as at such Payment Date in respect of all such Receivables.

**Advance Date** means the date on which the Limited Recourse Loan is granted by the Originator to the Issuer pursuant to the Warranty and Indemnity Agreement.

**Agency** means the Revenue Agency – Regional Direction of Lombardy.

**Aggregate Portfolio** means, on any given date, all the Receivables comprised in the Initial Portfolio and in all the Subsequent Portfolios sold by the Originator to the Issuer up to any such date, pursuant to the Transfer Agreement.

**Aggregate Portfolio Default Ratio** means the ratio, calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period, obtained by dividing: (A) the Outstanding Principal Balance of the Receivables comprised in Pool No. 1, Pool No. 2 and Pool No. 3 which are classified as Defaulted Receivables as of the last day of the relevant Monthly Collection Period or Quarterly Collection Period, by (B) the Aggregate Portfolio Outstanding Principal Balance (both calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period).

**Aggregate Portfolio Delinquency Ratio** means the ratio, calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period, obtained by dividing: (A) the Outstanding Principal Balance of the Receivables comprised in Pool No. 1, Pool No. 2 and Pool No. 3 which are classified as Delinquent Receivables as of the last day of the relevant Monthly Collection Period or Quarterly Collection Period, by (B) the Aggregate Portfolio Outstanding Principal Balance (excluding the Defaulted Receivables) (both calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period).

**Aggregate Portfolio Outstanding Principal Balance** means, on any given date, the sum of the Outstanding Principal Balance of all Receivables comprised in the Aggregate Portfolio.

**Amortisation Interest Priority of Payments** means the order of priority in which the Issuer Interest Available Funds shall be applied on each Payment Date during the Amortisation Period, in accordance with Condition 6.2.1.

**Amortisation Period:** means the period (A) commencing after the end of the Revolving Period and (B) ending on the earlier of (i) the Cancellation Date and (ii) the date on which a Trigger Notice has been served on the Issuer.

**Amortisation Principal Priority of Payments** means the order of priority in which the Available Redemption Funds shall be applied on each Payment Date during the Amortisation Period, in accordance with Condition 6.2.2.

**Amortisation Priority of Payments** means, collectively, the Amortisation Principal Priority of Payments and the Amortisation Interest Priority of Payments.

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

**Asset** means any Motor Vehicle, Equipment or Real Estate Asset which is leased under any Lease Contract and **Assets** means all of them.

**Available Redemption Funds** means in respect of any Payment Date:

- (i) during the Amortisation Period, the Issuer Principal Available Funds; and
- (ii) after the service of a Trigger Notice, any remaining Issuer Available Funds after all payments under items from *First* to *Fifth* of the Post-Trigger Priority of Payments have been made in full,

together with, in both cases, the proceeds from the redemption of Eligible Investments, to the extent that any Available Redemption Funds have been invested in Eligible Investments other than the interests accrued on the Eligible Investments which shall form part of the Issuer Interest Available Funds.

**Back-Up Servicer** means the entity appointed as back-up servicer pursuant to the terms and conditions of the Servicing Agreement.

**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.

**Bill of Sale** means the bill of sale of each Portfolio (attached to the Transfer Agreement, as far for the Initial Portfolio, and to the relevant Transfer Offer, as far for each Subsequent Portfolio) setting out the list of all the Lease Contracts out of which the Receivables comprised in the relevant Portfolio arise, together with further information in respect of each of such Receivables including, *inter alia*, the Individual Purchase Price, the nominal value of the Instalments, the Outstanding Principal Balance, the Accrued Interest and the principal component of the Residual Instalment.

**BNP Guarantee** means the guarantee executed on or about the Issue Date and granted by BNP Paribas S.A. in favour of the Issuer in respect of certain obligations of BNP Paribas Securities Services, Milan Branch under the Cash Allocation, Management and Payment Agreement, 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.

**BNP Paribas Securities Services, Luxembourg Branch** means the Luxembourg branch of BNP Paribas Securities Services S.A., a company incorporated under the laws of France, having its registered office at 3 Rue d'Antin, 75002 Paris, with office at 33, rue de Gasperich, Howald - Hesperange, L – 2085 Luxembourg, Grand Duchy of Luxembourg.

**BNP Paribas Securities Services, Milan Branch** means the Milan branch of BNP Paribas Securities Services S.A., a company incorporated under the laws of France, having its registered office at 3 Rue d'Antin, 75002 Paris, with office at Via Ansperto No. 5, 20123 Milan, Italy.

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

**Calculation Agent** means Zenith Service or any other person acting as calculation agent pursuant to the Hedging Agreement from time to time.

**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 Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer at which date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes, shall be finally and definitively cancelled.

**Cash Account** means each of the Adjustment Reserve Account, the Cash Reserve Account, the Collection Account, the Payments Account, the Expenses Account, the Transaction Account and the Principal Accumulation Account and **Cash Accounts** means all of them.

**Cash Allocation, Management and Payment Agreement** means the cash allocation, management and payment agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Computation Agent, the Account Bank, the Originator, the Custodian Bank, the Subordinated Loan Provider, the Servicer, the Paying Agent, the Corporate Servicer 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.

**Cash Reserve** means the amounts standing from time to time to the credit of the Cash Reserve

Account and any Eligible Investments made with the sums standing to the credit of such Account.

**Cash Reserve Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which the Cash Reserve Amount shall be credited, in accordance with the Subordinated Loan Agreement and the Cash Allocation, Management and Payment Agreement.

**Cash Reserve Amount** means an amount equal to (i) Euro 161,000,000, prior to the date (excluded) on which the Rated Notes have been fully redeemed and (ii) zero, starting from the date (included) on which the Rated Notes are fully redeemed.

**Cash Reserve Released Amount** means an amount equal to (i) zero, prior to the date (excluded) on which the Rated Notes have been fully redeemed and (ii) Euro 161,000,000, starting from the date (included) on which the Rated Notes are fully redeemed.

**Class** shall be a reference to a class of Notes, being the Class A Notes or the Class B Notes and **Classes** shall be construed accordingly.

**Class A Noteholder** means any Holder of a Class A Note and **Class A Noteholders** means all of them.

**Class A Notes** means the Euro 1,365,000,000 Class A Asset Backed Floating Rate Notes due October 2040.

**Class B Noteholder** means the Holder of a Class B Note and **Class B Noteholders** means all of them.

**Class B Notes** means the Euro 340,231,215 Class B Asset Backed Floating Rate Notes due October 2040.

**Clearstream** means Clearstream Banking, *société anonyme* with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

**Closing Date** means 13 February 2009.

**Collateral Account** means collectively, one or more accounts to be opened in the name of the Issuer with an Eligible Institution in respect of the Hedging Agreement if any Collateral Amounts are posted as collateral pursuant to the CSA for the Hedging Agreement.

**Collateral Amount** means any payments made to or deposits of securities made with the Issuer as collateral pursuant to the CSA entered into pursuant to the Hedging Agreement.

**Collateral Security** means any security interest granted to the Originator in order to secure the payment of the amounts due under the Lease Contracts.

**Collection Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which all the Collections and Recoveries, respectively, received and recovered from time to time by the Servicer shall be credited, in accordance with the Servicing Agreement.

**Collection Date** means 1 January, 1 April, 1 July and 1 October of each year.

**Collection Policies** means the procedures for the management, collection and recovery of the Receivables attached to the Servicing Agreement.

**Collections** means all the amounts paid to, and received by, Fineco Leasing in its capacity as

Servicer in respect of the Instalments due under the Receivables (which are not Defaulted Receivables) and any other amounts whatsoever paid in respect of such Receivables, including without limitations, the penalties and the indemnities payable by the Lessee upon withdrawal from termination of the Lease Contracts.

**Common Criteria** means the objective criteria for the identification of the Receivables comprised in the Subsequent Portfolios provided for by the Transfer Agreement, which shall be satisfied by all the Receivables comprised in any Subsequent Portfolio as of the relevant Valuation Date or as of such other date provided in the relevant Transfer Offer.

**Computation Agent** means Zenith Service 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 these Terms and Conditions.

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

**CONSOB Resolution No. 11768** means CONSOB Resolution No. 11768 of 23 December 1998, as amended by CONSOB Resolutions No. 12497 of 20 April 2000 and No. 13085 of 18 April 2001, as subsequently amended and supplemented from time to time.

**CONSOB Resolution No. 16191** means CONSOB Resolution No. 16191 of 29 October 2007, as subsequently amended and supplemented from time to time.

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

**Corporate Servicer** means SFM Italy or any other person acting as corporate servicer pursuant to the Corporate Services Agreement from time to time.

**Corporate Services** means the services which the Corporate Servicer will provide to the Issuer pursuant to the Corporate Services Agreement.

**Corporate Services Agreement** means the corporate services agreement entered into on or about the Issue Date between the Issuer, the Corporate Servicer 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.

**Counterclaim** means any counterclaim raised by a Lessee and/or a Guarantor or the insolvency receiver of any Lessee in respect of any Receivable in the circumstances referred to in the relevant Warranty and Indemnity Agreement.

**Creberg, Milan Banch** means the Milan branch of Credito Bergamasco, a limited liability joint stock company incorporated under the laws of the Republic of Italy, whose registered office is at Largo Porta Nuova No. 2, Bergamo, Italy, fiscal code, VAT and enrolment with the Bergamo Companies Register No. 00218400166, with offices at Piazza Missori No. 3, 20123 Milan, Italy.

**CSA** means the ISDA 1995 Credit Support Annex (Bilateral Form – Transfer - English Law) forming part of the Hedging Agreement.

**Cumulative Default Ratio** means, on the last day of any Monthly Collection Period or Quarterly Collection Period, the ratio obtained by dividing: (A) the Outstanding Principal Balance of the Receivables (calculated as of the date on which such Receivables have been classified as Defaulted Receivables by the Servicer) which have become Defaulted Receivables between the Initial Valuation Date and the last day of the relevant Monthly Collection Period or Quarterly Collection Period, as the case may be, by (B) the Aggregate Portfolio Outstanding Principal

Balance as of the Initial Valuation Date.

**Cumulative Default Trigger Ratio** means, with reference to each Quarterly Collection Period, the respective percentages set out in the following table:

Quarterly Collection Period after the Issue Date	Cumulative Default Trigger Ratio
1 <sup>st</sup>	0.39%
2 <sup>nd</sup>	0.85%
3 <sup>rd</sup>	1.30%
4 <sup>th</sup>	1.69%
5 <sup>th</sup>	2.15%
6 <sup>th</sup> and thereafter	2.47%

**Cumulative Default Trigger Trapping Ratio** means, with reference to each Quarterly Collection Period, the respective percentages set out in the following table:

Quarterly Collection Period after the Issue Date	Cumulative Default Trigger Trapping Ratio
1 <sup>st</sup>	0.31%
2 <sup>nd</sup>	0.63%
3 <sup>rd</sup>	1.13%
4 <sup>th</sup>	1.94%
5 <sup>th</sup>	2.50%
6 <sup>th</sup>	3.19%
7 <sup>th</sup>	3.88%
8 <sup>th</sup>	4.88%
9 <sup>th</sup>	5.88%
10 <sup>th</sup>	7.13%
11 <sup>th</sup>	8.38%
12 <sup>th</sup>	9.63%
13 <sup>th</sup>	10.88%
14 <sup>th</sup>	11.88%
15 <sup>th</sup>	12.38%
16 <sup>th</sup>	12.88%
17 <sup>th</sup>	13.13%
18 <sup>th</sup>	14.00%

19 <sup>th</sup>	15.00%
20 <sup>th</sup> and thereafter	16.00%

**Custodian Bank** means BNP Paribas Securities Services, Milan Branch or any other person, being an Eligible Institution, acting as custodian bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

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

**Decree No. 93** means Italian Law Decree No. 93 of 27 May 2008.

**Decree No. 7** means Italian Law Decree No. 7 of 31 January 2007, converted into law No. 40 of 2 April 2007 as amended and supplemented from time to time.

**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 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 Assignment** means the English law deed of assignment entered into on or about the Issue 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 therein contained and including any agreement or other document expressed to be supplemental thereto.

**Deed of Pledge** means the Italian law deed of pledge entered into on or about the Issue Date between the Issuer, the Account Bank, the Custodian Bank 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 therein contained and including any agreement or other document expressed to be supplemental thereto.

**Defaulted Lease** means any lease arising from a Lease Contract in respect of which there is a Defaulted Receivable and **Defaulted Leases** means all of them.

**Defaulted Receivable** means any Receivable in respect of which: (a) the relevant Lease Contract has been terminated, or (b) in the case of a Lease Contract under which Instalments are paid (i) on a monthly basis, there are seven or more Delinquent Instalments; (ii) on a bi-monthly basis, there are five or more Delinquent Instalments; (iii) on a quarterly basis, there are four or more Delinquent Instalments; or (iv) on a semi-annual basis, there are three or more Delinquent Instalments and **Defaulted Receivables** means all of them.

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

**Delinquent Instalment** means any Instalment that remains unpaid for 30 days or more after its scheduled payment date.

**Delinquent Lease** mean any lease arising from a Lease Contract in respect of which there is a Delinquent Receivable and **Delinquent Leases** means all of them.

**Delinquent Receivable** means any Receivable, other than a Defaulted Receivable, in respect of which there is at least one Delinquent Instalment and **Delinquent Receivables** means all of them.

**Documents** means all documents relating to the Receivables comprised in the Aggregate Portfolio.

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

**Eligibility Criteria** means the Initial Criteria or the Subsequent Criteria, as the case may be.

**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 (i) the short-term unsecured and unsubordinated debt obligations of which are rated at least "F1" by Fitch and the long-term unsecured and unsubordinated debt obligations of which are rated at least "A" by Fitch, or (ii) whose obligations under the Transaction Documents to which it is a party are guaranteed, in a manner satisfactory for Fitch, by a depository institution organised under the laws of any state which is a member of the European Union or of the United States the short-term unsecured and unsubordinated debt obligations of which are rated at least "F1" by Fitch and the long-term unsecured and unsubordinated debt obligations of which are rated at least "A" by Fitch, or (iii) which is otherwise considered by Fitch to be an Eligible Institution.

**Eligible Investments** means any investment consisting of a Euro denominated senior, unsubordinated debt security, bank account, deposit or other debt instruments providing a fixed principal amount at maturity (and assuring the return of the principal invested in full at maturity or in any case at the relevant liquidation date) issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, or held at an institution rated at least "A"/"F1" from Fitch in respect of investment with a maximum maturity of 30 days and "AA-"/"F1+" in respect of investment with a maximum maturity between 30 and 365 days and, in the case of money market fund, any such investment shall have rating at least equal to "AAA/V1+" by Fitch, provided that in any event any debt security, bank account, deposit or other instrument or fund do not 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.

**EMU** means the European Economic and Monetary Union introduced pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

**Equipment** means any plant or machinery, which is leased under any Lease Contract.

**EURIBOR** shall have the meaning ascribed to it in Condition 7 (*Interest*).

**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., with registered office at 1 Boulevard du Roi Albert II, B - 1210 Brussels, 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).

**Event of Default** has the meaning ascribed to it in the Hedging Agreement.

**Expenses** means any documented fees, costs, expenses and taxes required to be paid by the Issuer to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation, and any other documented fees, costs, expenses and taxes required to be paid by the Issuer in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

**Expenses Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank into which the Retention Amount aimed at funding the Expenses during each Interest Period shall be credited, in accordance with the Cash Allocation, Management and Payment Agreement.

**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.

**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 to resolve on the objects set out therein.

**F-E Red** means F-E Red S.r.l., a limited liability company with a sole quotaholder incorporated under the laws of the Republic of Italy, whose registered office is at Via Romanino No. 1, 25122 Brescia, Italy, VAT and enrolment with the Brescia Companies Register No. 02850280989, enrolled in the General Register and in the Special Register both held by the Bank of Italy pursuant, respectively, to article 106 and article 107 of the Consolidated Banking Act and having as its sole corporate object the carrying out of securitisation transactions pursuant to article 3 of the Securitisation Law.

**Final Maturity Date** means the Payment Date falling in October 2040.

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

**Fineco Leasing** means Fineco Leasing S.p.A. a joint stock company incorporated under the laws of the Republic of Italy, whose registered office is at Via Marsala No. 42/A, 25122 Brescia, Italy, belonging to the UniCredit Banking Group, subject to direction and co-ordination of UniCredit S.p.A. holding company part of the *Fondo Interbancario di Tutela dei Depositi* and of the *Fondo Nazionale di Garanzia*, VAT and enrolment with the Brescia Companies Register No. 01582970172, enrolled in the General Register and in the Special Register both held by the Bank of Italy pursuant, respectively, to article 106 and article 107 of the Consolidated Banking Act.

**First Payment Date** means 30 April 2009.

**Fitch** means Fitch Ratings Ltd.

**Foundation Corporate Servicer** means SFM Netherlands or any other person acting as foundation corporate servicer pursuant to the Foundation Corporate Services Agreement from time

to time.

**Foundation Corporate Services Agreement** means the foundation corporate services agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Sole Quotaholder and the Foundation Corporate 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.

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

**Further Securitisation** means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 5.2 (*Further Securitisations*).

**Guarantee** means any guarantee, given to the Originator, guaranteeing the repayment of the Receivables.

**Guarantor** means any person who has granted a Guarantee.

**Hedging Agreement** means the hedging agreement entered into on or about the Issue Date between, *inter alios*, 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 UniCredit or any other person acting as hedging counterparty pursuant to the Hedging Agreement from time to time.

**Hedging Subordination Event** means an Event of Default with respect to the Hedging Counterparty or an Additional Termination Event which has occurred in connection with a Rating Event and the Hedging Counterparty is the Defaulting Party or the sole Affected Party, as the case may be.

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

**HVB** means Bayerische Hypo- und Vereinsbank Aktiengesellschaft, a public company limited by shares incorporated under the laws of Germany registered in the commercial register of the local court of Munich under No. HRB42148, with registered office in Kardinal-Faulhaber-Straße No. 1, 80333 Munich, Germany.

**HVB London** means Bayerische Hypo- und Vereinsbank AG, London Branch, the branch office of Bayerische Hypo- und Vereinsbank AG, with registered branch number BR001757 and whose registered address is Moor House, 120 London Wall, London EC2Y 5ET, United Kingdom.

**Index Rate** means for each Receivable the index rate applicable under the applicable variable rate Lease Contract.

**Initial Criteria** means the objective criteria for the identification of the Receivables comprised in the Initial Portfolio provided for by the Transfer Agreement, which were to be satisfied by all such Receivables as of the Initial Valuation Date or as of such other date provided by the Transfer Agreement.

**Individual Purchase Price** means the purchase price due to the Issuer by the Originator in respect of each Receivable assigned pursuant to the Transfer Agreement, being equal to the sum of its Principal Component and its Interest Component.

**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.

**Initial Period** means the period commencing on the Issue Date and ending on the Payment Date falling in October 2010 (excluded).

**Initial Portfolio** means the first portfolio of Receivables sold by the Originator to the Issuer on 13 February 2009, pursuant to the Transfer Agreement.

**Initial Portfolio Outstanding Principal Balance** means the sum of the Outstanding Principal Balance of all Receivables comprised in the Initial Portfolio.

**Initial Valuation Date** means 1 February 2009 (at 00.00.01).

**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 in respect of each Lease Contract out of which a Receivable arises, each monetary amount from time to time due by the Lessee under the relevant Lease Contract.

**Insurance Policy** means any contract under which an Asset related to a Lease Contract is insured.

**Intercreditor Agreement** means the agreement entered into on or about the Issue Date between

the Issuer and the Other Issuer Creditors, 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 Component** means, in respect of:

- (a) each Receivable, the interest component of its Individual Purchase Price, being equal to its Accrued Interest as of the relevant Valuation Date; and
- (b) each Portfolio, the interest component of its Purchase Price, being equal to the sum of the Interest Component of all the Receivables comprised in the relevant Portfolio.

**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 7.7 (*Interest - Calculation of Interest Payment Amounts*).

**Interest Period** means each period beginning on (and including) a Payment Date and ending on (but excluding) the next following Payment Date.

**Investment Accounts** means each of the Collection Account, the Transaction Account, the Principal Accumulation Account and the Cash Reserve Account.

**Investors Report** means the quarterly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Computation Agent, (ii) setting out certain information in relation to the Notes, and (iii) to be distributed on or prior to each Investors Report Date.

**Investors Report Date** means the fifteenth Business Day following each Payment Date.

**IRAP** means the regional tax on productive activities at a rate of 3.9 per cent..

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

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

**Issue Date** means 9 March 2009.

**Issue Price** means 100 per cent.

**Issuer** means F-E Red.

**Issuer Available Funds** means in respect of any Settlement Date or any Payment Date, as the case may be:

- (i) during the Revolving Period, the aggregate amount of the Issuer Interest Available Funds and the Issuer Principal Available Funds;
- (ii) during the Amortisation Period, the aggregate amount of the Issuer Interest Available Funds and the Available Redemption Funds; and
- (iii) after the service of a Trigger Notice, the aggregate amount of (i) the Issuer Interest Available Funds and (ii) the Available Redemption Funds, minus (iii) if the Trigger Event is

due to an Insolvency Event, any amounts to be paid to the persons who are not parties to the Intercreditor Agreement in accordance with the Italian Bankruptcy Law.

**Issuer Interest Available Funds** means in respect of any Payment Date the aggregate amount of:

- (i) all interest Collections received in respect of the Receivables paid into the Collection Account pursuant to the terms of the Servicing Agreement;
- (ii) all net amounts received from the Hedging Counterparty pursuant to the terms of the Hedging Agreement and credited to the Payments Account but excluding (a) any Collateral Amount provided by the Hedging Counterparty, and (b) any amount paid by the Hedging Counterparty upon a termination of the Hedging Agreement in respect of any termination payment (provided that, following any application of the amounts described in (a) and/or (b) above towards payment of any premium payable to a replacement hedging counterparty in consideration for it entering into a hedging agreement with the Issuer on the same terms as the Hedging Agreement, any remaining amounts shall form part of the Issuer Interest Available Funds in accordance with the terms of the Cash Allocation, Management and Payment Agreement);
- (iii) all amounts of interest accrued and available on each of the Cash Accounts and any interest amounts deriving from the redemption, realisation or liquidation of the Eligible Investments;
- (iv) any Issuer Principal Available Funds or Available Redemption Funds, as the case may be, standing to the credit of the Collection Account, the Payments Account and the Principal Accumulation Account which have been allocated as Issuer Interest Available Funds in accordance with the Priority of Payments; and
- (v) all Recoveries received in respect of the Receivables paid into the Collection Account pursuant to the terms of the Servicing Agreement;
- (vi) on each Payment Date
  - (a) until the earlier of (x) the Step-Up Date (included), (y) the first Payment Date (excluded) after the service of a Purchase Termination Notice and (z) the Payment Date, if any, (included) on which the Notes begin to amortise prior to the end of the Initial Period in accordance with the Terms and Conditions, to the extent that the sums under items (i) to (v) above have been insufficient to pay in full the amounts due and payable under items *First* to *Fifth* of the Revolving Interest Priority of Payments, the funds standing to the credit of the Cash Reserve Account which are necessary for payment in full of such amounts under items *First* to *Fifth* of the Revolving Interest Priority of Payments; and
  - (b) starting from the earlier of (x) the Payment Date (included) immediately succeeding the Step-Up Date, (y) the first Payment Date (included) after the service of a Purchase Termination Notice and (z) the second Payment Date, if any, (included) on which the Notes begin to amortise prior to the end of the Initial Period in accordance with the Terms and Conditions, all amounts standing to the credit of the Cash Reserve Account (net of the Cash Reserve Released Amount);
- (vii) any amount paid under item *First* of the Quarterly Revolving Principal Priority of Payments or item *First* of the Amortisation Principal Priority of Payments;
- (viii) following a termination of the Hedging Agreement, any Net Hedging Replacement Premium.

**Issuer Principal Available Funds** means in respect of any Settlement Date or Payment Date, as the case may be, the aggregate amount of:

- (i) all principal Collections received in respect of the Receivables paid into the Collection Account pursuant to the terms of the Servicing Agreement and any amounts deriving from the redemption, realisation or liquidation of the Eligible Investments in respect of principal Collections;
- (ii) any Principal Integration Amount;
- (iii) any Principal Deficiency Amount paid under item *Sixth* of the Revolving Interest Priority of Payments or under item *Sixth* of the Amortisation Interest Priority of Payments;
- (iv) the Cash Reserve Released Amount;
- (v) any amounts paid to the Principal Accumulation Account on the immediately preceding Payment Date under item *Second* of the Monthly Revolving Principal Priority of Payments, item *Third* of the Quarterly Revolving Principal Priority of Payments and items *Third* and *Eleventh* of the Amortisation Principal Priority of Payments;
- (vi) all amounts received by the Issuer from any party to a Transaction Document to which the Issuer is a party and credited to the Transaction Account; and
- (vii) on the Payment Date on which the Notes will be redeemed in full, the amount standing to the credit of the Expenses Account.

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

**Italian Bankruptcy Law** means Royal Decree No. 267 of 16 March 1942, as 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 Class B Notes.

**Junior Notes Additional Remuneration** means (i) on any Payment Date until the Cancellation Date (excluded), an amount equal to the greater of (A) and (B), and (ii) on the Cancellation Date, an amount equal to (A), where:

- (A) means
  - (i) on each Payment Date before the service of a Trigger Notice, the Issuer Interest Available Funds to be applied on each such Payment Date minus all payments to be made under (X) items *First* to *Sixteenth* of the Revolving Interest Priority of Payments or (Y) items *First* to *Seventeenth* of the Amortisation Interest Priority of Payments, and
  - (ii) on each Payment Date following the service of a Trigger Notice, the Issuer Interest Available Funds to be applied on such Payment Date minus all payments to be made under items *First* to *Seventeenth* of the Post-Trigger Priority of Payments; and
- (B) means an amount equal to the difference between (1) and (2), where:
  - (1) means the aggregate of:

- (i) interest amounts accrued during the immediately preceding Quarterly Collection Period under the Lease Contracts comprised in the Aggregate Portfolio, subject to any adjustments thereto as a result of any indexation and net of any provision or write-off registered by the Servicer at the end of the relevant Quarterly Collection Period; and
  - (ii) default interest due under the Lease Contracts and collected during the immediately preceding Quarterly Collection Period; and
  - (iii) penalties due under the Lease Contracts and accrued during the immediately preceding Quarterly Collection Period; and
  - (iv) the net result of all the capital gains/appreciations and capital losses/depreciations and all other positive or negative components accrued during the immediately preceding Quarterly Collection Period as a result of any early termination of the Lease Contracts comprised in the Aggregate Portfolio or the sale to third parties of the relevant Assets and any other amounts due under such Lease Contracts (to the extent transferred to the Issuer); and
  - (v) any interest and other revenues accrued during the immediately preceding Quarterly Collection Period on the Accounts and on the investments made by the Issuer; and
  - (vi) any amounts payable to the Issuer under the Hedging Agreement on the second Business Day immediately preceding such Payment Date; and
- (2) means (with the exclusion of any amounts paid in connection with Principal Instalments):
- (i) during the Revolving Period all amounts described under (X) the Revolving Interest Priority of Payments minus the amounts described under items *Fourth, Sixth, Seventh, Eighth, Thirteenth* and *Seventeenth*, and (Y) item *First* (minus the portion of such item which is used to pay any unpaid amounts under item *Fourth* of the Revolving Interest Priority of Payments) of the Quarterly Revolving Principal Priority of Payments;
  - (ii) during the Amortisation Period all amounts described under (X) the Amortisation Interest Priority of Payments minus the amounts described under items *Fourth, Sixth, Seventh, Eighth, Ninth, Fourteenth* and *Eighteenth*, and (Y) items *First* (minus the portion of such item which is used to pay any unpaid amounts under item *Fourth* of the Amortisation Interest Priority of Payments), *Fifth, Sixth* and *Eighth* of the Amortisation Principal Priority of Payments; and
  - (iii) following the Service of a Trigger Notice all amounts described under the Post-Trigger Priority of Payments minus the amounts described under items *Fourth, Sixth, Twelfth, Seventeenth* and *Eighteenth*,

in each case to the extent they such amounts have accrued or anyhow relate to the Quarterly Collection Period immediately preceding such Payment Date, and whether or not payable on such Payment Date or paid before such Payment Date with monies standing to the credit of the Expenses Account.

**Junior Notes Subscriber** means Fineco Leasing.

**Junior Notes Subscription Agreement** means the subscription agreement entered into on or about the Issue Date in relation to the Junior Notes, between the Issuer, the Junior Notes Subscriber 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 Law No. 383 of 18 October 2001, as amended and supplemented from time to time.

**Lease Contract** means each financial lease contract executed between Fineco Leasing and a Lessee, out of which the Receivables comprised in the Initial Portfolio and in each Subsequent Portfolio arise and **Lease Contracts** means all of them.

**Lessee** means a named entity which leases an Asset under the terms of a Lease Contract and **Lessees** means all of them.

**Letter of Undertakings** means the letter of undertakings entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Sole Quotaholder, 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.

**Limited Recourse Loan** means the limited recourse loan to be advanced by the Originator to the Issuer pursuant to the Warranty and Indemnity Agreement in the event of any breach of any of the representations and warranties of the Originator under the Warranty and Indemnity Agreement in relation to any of the Receivables.

**Listing Agent** means BNP Paribas Securities Services, Luxembourg Branch.

**Local Business Day** means a day (other than Saturday and Sunday) on which the banks to and/or from which the relevant payment is to be made are open for business.

**Luxembourg Stock Exchange** means the regulated market "*Bourse du Luxembourg*".

**Mandate Agreement** means the mandate agreement entered into on or about the Issue 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 entered into on or about the Issue 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.

**Maximum Pool Default Ratio** means, in respect of the Receivables comprised in the following Pools, an amount equal to:

for Pool No. 1, 4 per cent.;

for Pool No. 2, 3.5 per cent.; and

for Pool No. 3, 3.2 per cent..

**Maximum Pool Delinquency Ratio** means, in respect of the Receivables comprised in the following Pools, an amount equal to:

for Pool No. 1, 7 per cent.;

for Pool No. 2, 5.8 per cent.; and

for Pool No. 3, 5 per cent..

**Maximum Term** means 31 December 2034.

**Maximum Default Term** means one Payment Date.

**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.

**Minimum Fixed Rate Portfolio Yield Ratio** means 2.5 per cent..

**Monte Titoli** means Monte Titoli S.p.A., with registered office at Via Mantegna No.6, 20124 Milan, Italy.

**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 or about the Issue 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.

**Monthly Account Report** means the monthly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Account Bank, (ii) setting out certain information in relation to the Accounts and (iii) to be delivered on or prior to each Monthly Account Report Date to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer and the Computation Agent.

**Monthly Account Report Date** means the tenth day of each month (other than the months in which a Payment Date falls) or, if such day is not a Business Day, the immediately following Business Day and, in the case of the first Monthly Account Report Date, 10 April 2009.

**Monthly Collection Period** means each period of one month, commencing on (and including) the first calendar day of each month and ending on (and including) the last calendar day of each month, and in the case of the first Monthly Collection Period, commencing on (and including) 1 February 2009 and ending on (and including) 28 February 2009.

**Monthly Liquidation Date** means three Business Days before each Settlement Date (other than any Settlement Dates immediately preceding a Payment Date).

**Monthly Payment Report Date** means the fourth Business Day prior to each Settlement Date (other than any Settlement Dates immediately preceding a Payment Date).

**Monthly Payments Report** means the monthly report (i) to be prepared by the Computation Agent in accordance with the Cash Allocation, Management and Payment Agreement during the Revolving Period, (ii) setting out, *inter alia*, the Issuer Principal Available Funds and all the payments to be made on the following Settlement Date under the applicable Pre-Trigger Priority of Payments and (iii) to be delivered by each Monthly Payment Report Date to, *inter alios*, the Issuer, the Originator, the Servicer, the Corporate Servicer, the Computation Agent, the Representative of the Noteholders, the Custodian Bank, the Paying Agent and the Account Bank.

**Monthly Revolving Principal Priority of Payments** means the order of priority in which the Issuer

Principal Available Funds shall be applied on each Settlement Date during the Revolving Period, in accordance with Condition 6.1.2 (A).

**Monthly Securities Account Report** means the monthly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Custodian Bank, (ii) setting out certain information in relation to the Securities Account and (iii) to be delivered on or prior to each Monthly Account Report Date to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer, the Account Bank and the Computation Agent.

**Monthly Servicer's Report** means the monthly report (i) to be prepared by the Servicer in accordance with the Servicing Agreement, (ii) setting out, *inter alia*, the Collections and the Recoveries relating to the relevant Monthly Collection Period and (iii) to be delivered by each Monthly Servicer's Report Date to, *inter alios*, the Issuer, the Originator, the Corporate Servicer, the Computation Agent, the Representative of the Noteholders, the Paying Agent, the Account Bank, the Hedging Counterparty and the Rating Agency.

**Monthly Servicer's Report Date** means the tenth day of each month (other than the months in which a Payment Date falls) or, if such day is not a Business Day, the immediately following Business Day.

**Most Senior Class of Noteholders** means the holders of the Most Senior Class of Notes.

**Most Senior Class of Notes** means, on any given date, the Class of Notes outstanding which ranks highest with respect to the repayment of principal in accordance with the applicable Priority of Payments on any such date.

**Motor Vehicles** means any cars, industrial light lorries, trucks, commercial vans or any other motor vehicles which are leased under any Lease Contract.

**Negative Adjustment** means, in respect of each Receivable arising out of a floating rate Lease Contract, the sums that the Issuer owes to the relevant Lessee, as a result of application of the clauses which provide for the adjustment of the Instalments due to quarterly indexation contained in the relevant Lease Contract.

**Net Hedging Replacement Premium** means any premium received (net of any costs reasonably incurred by the Issuer to find a replacement hedging counterparty) by the Issuer from a replacement hedging counterparty in consideration for entering into a replacement hedging agreement with the Issuer on the same terms as the Hedging Agreement.

**Noteholders** means the Holders of the Rated Notes and the Junior Notes, collectively, and **Noteholder** means any of them.

**Notes** means the Rated Notes and the Junior Notes, collectively, and **Note** means any of them.

**Obligations** means all of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

**Offer Date** means the fifth Business Day prior to each Settlement Date and/or Payment Date (with the exception of the Settlement Dates immediately preceding a Payment Date).

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

**Organisation of the Noteholders** means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

**Originator** means Fineco Leasing.

**Other Issuer Creditors** means, collectively, the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Corporate Servicer, the Foundation Corporate Servicer, the Subordinated Loan Provider, the Paying Agent, the Account Bank, the Custodian Bank, the Sole Quotaholder, the Hedging Counterparty, the Sole Lead Manager and any other creditor of the Issuer under the Transaction Documents that becomes party to the Intercreditor Agreement and **Other Issuer Creditor** means any of them.

**Outstanding Amount** means, on any given date and with respect to any Receivable, the aggregate of the relevant Outstanding Principal Balance plus the relevant Accrued Interest.

**Outstanding Principal Balance** means, on any given date and with respect to any Receivable, the aggregate of all principal amounts of the Instalments not yet collected in respect of such Receivable (including, for the avoidance of doubt, any due but unpaid Principal Instalment).

**Paying Agent** means BNP Paribas Securities Services, Milan Branch or any other person acting as paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**Payment Date** means (a) before the service of a Trigger Notice, 30 January, 30 April, 30 July and 30 October of each year (or, if such day is not a Business Day, the immediately following Business Day) and (b) following service of a Trigger Notice, any Business Day specified in such Trigger Notice.

**Payments Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which (i) the amounts due and payable by the Hedging Counterparty under the Hedging Agreement (other than any Collateral Amount provided by the Hedging Counterparty save where any of such amounts may be paid into the Payments Account following a termination of the Hedging Agreement) and, following a termination of the Hedging Agreement, any Net Hedging Replacement Premium shall be credited and (ii) the amounts standing to the credit of the other Cash Accounts shall be transferred so as to be applied to make the payments due by the Issuer on each Settlement Date and Payment Date, in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement.

**Payment Report Date** means the fourth Business Day prior to each Payment Date.

**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 Notes) applied to Italian resident pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252 of 5 December 2005.

**Performing Receivable** means any Receivable, other than a Defaulted Receivable, and **Performing Receivables** means all of them.

**Pool** means each of Pool No. 1, Pool No. 2 and Pool No. 3 and **Pools** means all of them.

**Pool Default Ratio** means in respect of any Pool the ratio, calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period, obtained by dividing: (A) the Outstanding Principal Balance of the Receivables comprised in such Pool which are classified as Defaulted Receivables as of the last day of the relevant Monthly Collection Period or Quarterly Collection Period, by (B) the Pool Outstanding Principal Balance (excluding the Defaulted Receivables) (both calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period).

**Pool Delinquency Ratio** means in respect of any Pool the ratio, calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period, obtained by dividing: (A) the

Outstanding Principal Balance of the Receivables comprised in such Pool which are classified as Delinquent Receivables as of the last day of the relevant Monthly Collection Period or Quarterly Collection Period, by (B) the Pool Outstanding Principal Balance (excluding the Defaulted Receivables) (both calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period).

**Pool No. 1** means the aggregate of Receivables originating from Lease Contracts the underlying Assets of which are Motor Vehicles.

**Pool No. 2** means the aggregate of Receivables originating from Lease Contracts the underlying Assets of which are Equipment.

**Pool No. 3** means the aggregate of Receivables originating from Lease Contracts the underlying Assets of which are Real Estate Asset.

**Pool Outstanding Principal Balance** means, on any given date and with respect to any Pool, the aggregate of the Outstanding Principal Balance of all Receivables in such Pool on such date which are included in the Aggregate Portfolio.

**Portfolio** means the Initial Portfolio or each of the Subsequent Portfolios, as the case may be, sold by the Originator to the Issuer pursuant to the Transfer Agreement.

**Portfolio Outstanding Principal Balance** means the sum of the Outstanding Principal Balance of all Receivables comprised in the relevant Portfolio.

**Positive Adjustment** means, in respect of any Receivable arising out of a floating rate Lease Contract, the sums due to the Issuer from the relevant Lessee, as a result of application of the clauses which provide for the adjustment of the Instalments due to quarterly indexation contained in the relevant Lease Contract.

**Post-Trigger Priority of Payments** means the order of priority in which the Issuer Available Funds shall be applied following the service of a Trigger Notice in accordance with Condition 6.3 (*Priority of Payments – Post-Trigger Priority of Payments*).

**Post Trigger Report** means the report (i) to be prepared by the Computation Agent in accordance with the Cash Allocation, Management and Payment Agreement after the service of a Trigger Notice; (ii) setting out the Issuer Available Funds and the payments and allocations to be made on the next Payment Date, in accordance with the Post-Trigger Priority of Payments; and (iii) to be delivered on or prior to each Payment Report Date or upon request of the Representative of the Noteholders to, *inter alios*, the Issuer, the Servicer, the Corporate Servicer, the Rating Agency, the Sole Arranger, the Paying Agent, the Account Bank, the Hedging Counterparty and the Representative of the Noteholders.

**Pre-Trigger Interest Priority of Payments** means, collectively, the Revolving Interest Priority of Payments and the Amortisation Interest Priority of Payments.

**Pre-Trigger Principal Priority of Payments** means, collectively, the Revolving Principal Priority of Payments and the Amortisation Principal Priority of Payments.

**Pre-Trigger Priority of Payments** means, collectively, the Pre-Trigger Interest Priority of Payments and the Pre-Trigger Principal Priority of Payments.

**Principal Accumulation Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which certain amounts of the Issuer Available Funds (including any funds available for repayment of principal on

the Notes during the Initial Period) shall be credited on each Payment Date, in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement.

**Principal Amount Outstanding** means, on any given date:

- (a) in relation to a Note, the nominal principal amount of such Note upon issue less the aggregate amount of all principal payments in respect of that Note that have been paid up to that day; and
- (b) in relation to a Class, the aggregate of the amount in (a) in respect of all Notes outstanding in such class; and
- (c) in relation to the Notes outstanding at any time, the aggregate of the amount in (a) in respect of all Notes outstanding, regardless of Class.

**Principal Component** means, in respect of:

- (a) each Receivable, the principal component of its Individual Purchase Price, being equal to its Outstanding Principal Balance as of the relevant Valuation Date; and
- (b) each Portfolio, the principal component of its Purchase Price, being equal to the sum of the Principal Component of all the Receivables comprised in such Portfolio.

**Principal Deficiency** means, on any given date, an amount equal to the aggregate of the Outstanding Principal Balance (as of the relevant default date) of the Receivables which have become Defaulted Receivables during the immediately preceding Quarterly Collection Period.

**Principal Deficiency Amount** means in relation to any Payment Date, an amount equal to the aggregate of (i) the Principal Deficiency, (ii) the aggregate of all payments made under item *First* of the Quarterly Revolving Principal Priority of Payments or item *First* of the Amortisation Principal Priority of Payments on the preceding Payment Date, (iii) any amount due and unpaid to the Issuer by the Originator during the immediately preceding Quarterly Collection Period, pursuant to the Transfer Agreement, by reason of any amendment, occurred in respect of a Lease Contract, as a consequence of which the nominal value of the relevant Instalments is decreased, and (iv) any indemnity amount due and unpaid to the Issuer by the Originator during the immediately preceding Quarterly Collection Period, pursuant to any other Transaction Document.

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

**Principal Integration Amount** means, during the Revolving Period and the Amortisation Period any Issuer Interest Available Funds after all the payments from *First* to *Sixth* of the Revolving Interest Priority of Payments, or as the case may be, from *First* to *Sixth* in the Amortisation Interest Priority of Payments have been made in accordance with such Priority of Payments.

**Priority of Payments** means, collectively, the Pre-Trigger Priority of Payments and the Post-Trigger Priority of Payments.

**Privacy Law** means (i) Italian Law n. 675 of 31 December 1996, (together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*) as subsequently amended, modified or supplemented from time to time, with reference to the period starting on the entry into force of such law and ending on the repealing of such law by the entry into force of Legislative Decree No. 196 of 30 June 2003, published in the Official Gazette No. 174 of 29 July 2003, Ordinary Supplement No. 123/L (hereinafter, the **Personal Data Protection Code**) and (ii) after such repeal of Italian Law n. 675 of 31 December 1996, the Personal Data Protection Code (together with any relevant implementing regulations as

integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*) as subsequently amended, modified or supplemented from time to time.

**Prospectus** means the prospectus prepared in connection with the issue of the Notes.

**Prospectus Directive** means Directive 2003/71/EC.

**Purchase Price** the purchase price due by the Issuer to the Originator in respect of each Portfolio assigned pursuant to the Transfer Agreement, being equal to the sum of the Individual Purchase Price of all the Receivables comprised in the relevant Portfolio.

**Purchase Price Adjustment** means in relation to any Receivable assigned and transferred to the Issuer pursuant to the Transfer Agreement, but for which no purchase price was agreed upon transfer, an amount, calculated in accordance with the Transfer Agreement, which shall be paid by the Issuer to the Originator out of the Issuer Available Funds, in accordance with the applicable Priority of Payments.

**Purchase Termination Event** means any of the events referred to in Condition 13 (*Purchase Termination Events*).

**Purchase Termination Notice** means the notice served by the Representative of the Noteholders upon the occurrence of a Purchase Termination Event and in accordance with Condition 13 (*Purchase Termination Events*).

**Quarterly Collection Period** means:

- (i) before the service of a Trigger Notice, each period of three months commencing on (and including) a Collection Date and ending on (but excluding) the next succeeding Collection Date;
- (ii) following the service of a Trigger Notice, each period starting on the last day of the immediately preceding Quarterly Collection Period and ending on the date falling 10 (ten) days before the next succeeding Payment Date; and
- (iii) in the case of the first Quarterly Collection Period, commencing on (and including) 1 February 2009 and ending on (and including) 31 March 2009.

**Quarterly Liquidation Date** means three Business Days before each Payment Date.

**Quarterly Payments Report** means the quarterly report (i) to be prepared by the Computation Agent in accordance with the Cash Allocation, Management and Payment Agreement before the service of a Trigger Notice, (ii) setting out, *inter alia*, the Issuer Available Funds and all the payments to be made on the following Payment Date under the applicable Pre-Trigger Priority of Payments and (iii) to be delivered by each Payment Report Date to, *inter alios*, the Issuer, the Originator, the Servicer, the Corporate Servicer, the Representative of the Noteholders, the Custodian Bank, the Paying Agent, the Account Bank, the Hedging Counterparty, the Sole Arranger and the Rating Agency.

**Quarterly Revolving Principal Priority of Payments** means the order of priority in which the Issuer Principal Available Funds shall be applied on each Payment Date during the Revolving Period, in accordance with Condition 6.1.2 (B).

**Quarterly Servicer's Report** means the quarterly report (i) to be prepared by the Servicer in accordance with the Servicing Agreement, (ii) setting out, *inter alia*, the Collections and the Recoveries relating to the relevant Quarterly Collection Period and (iii) to be delivered by each Quarterly Servicer's Report Date to, *inter alios*, the Issuer, the Originator, the Corporate Servicer,

the Computation Agent, the Representative of the Noteholders, the Paying Agent, the Account Bank, the Hedging Counterparty and the Rating Agency.

**Quarterly Servicer's Report Date** means 12 January, 12 April, 12 July and 12 October of each year, or, if such day is not a Business Day, the immediately following Business Day and the first Quarterly Servicer's Report Date will be 12 April 2009.

**Quota Capital Account** means the Euro denominated account opened by the Issuer with Creberg, Milan Branch for the deposit of the Issuer's quota capital equal to Euro 10,000.

**Rate of Interest** shall have the meaning ascribed to it in Condition 7.4 (*Interest - Rate of Interest*).

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

**Rated Notes** means the Class A Notes.

**Rated Notes Subscription Agreement** means the subscription agreement entered into on or about the Issue Date in relation to the Rated Notes, between the Issuer, the Sole Lead Manager, the Originator 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.

**Rating Agency** means Fitch.

**Rating Event** has the meaning ascribed to it in the Hedging Agreement.

**Real Estate Asset** means any building or real estate asset which is the subject of a Lease Contract.

**Receivables** means, with respect to each Portfolio, each and every claim (save as provided below) arising under the Lease Contracts meeting the relevant Eligibility Criteria of such Portfolio, including; but not limited to:

- (i) Instalments, including any adjustment thereof in case of any Adjustment;
- (ii) interest accrued or which is to mature on all amounts due from the Lessees under the Lease Contracts (for the avoidance of doubt, the amounts herein referred to, are only the amounts transferred to the Issuer according to the other points of this paragraph);
- (iii) penalties or other amounts due in relation to early termination of such Lease Contracts;
- (iv) any compensation received pursuant to (i) the Insurance Policies executed by the Originator or (ii) pursuant to the indemnity provisions in favour of the Originator contained in the Insurance Policies executed by the Lessees, within the following limits:
  - (a) in respect of any amount due in connection with any Receivable which is unpaid, such unpaid amount;
  - (b) in case the insured event (in respect of which the Insurance Policy has been executed) results in a reduction of the Instalments due under the relevant Lease Contract, the amount equal to the present value of such reduction, calculated by Applying the rate of interest set out in such Lease Contract; or
  - (c) in case of an early termination of the Lease Contract relating to the Asset in respect of which the indemnity has been paid under the relevant Insurance Policy, the aggregate of (x) amounts due but unpaid by the Lessee as of the date of

termination; and (y) the amount payable by the Lessee pursuant to the Lease Contract upon early termination;

(v) any variation in Instalments as a result of any amendment to the Lease Contracts,

in each case, together with all the relevant real and personal guarantees, connected privileges and pre-emptive rights, and all other ancillary rights (*accessory*) pertaining thereto, as well as any and all other rights, claims and actions (including any action for damages) and defence inherent or otherwise ancillary to such rights, claims and actions and/or to the exercise thereof, in accordance with the provisions of the Lease Contracts and/or all other documents and agreements connected to them and/or pursuant to the applicable law, as well as any other right of the Originator in relation to any and all the Insurance Policies executed in connection with the Receivables and the Lease Contracts, but excluding claims arising out of:

- (a) any value added tax;
- (b) administrative collection and mailing expenses incurred in relation to the Receivables;
- (c) amounts paid by the Lessees by way of insurance premium if such premium is invoiced separately from the Instalments.
- (d) other ancillary expenses incurred in relation to the Receivables;
- (e) services provided by the Originator in relation to the Lease Contracts; and
- (f) the residual instalment (*riscatto*) due under a Lease Contract payable by the Lessee upon the payment of which the Lessee shall acquire ownership of the leased Asset.

**Recoveries** means all amounts recovered in respect of the Defaulted Receivables, including proceeds from the sale of Assets, penalties and insurance proceeds.

**Reference Banks** means three (3) major banks in the Euro-Zone inter-bank market selected by the Paying Agent with the approval of the Representative of the Noteholders.

**Regulation 22 February 2008** means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 22 February 2008, as subsequently amended and supplemented from time to time.

**Relevant Margin** has the meaning given to it in Condition 7.5 (*Interest – Determination of the Rate of Interest*).

**Representative of the Noteholders** means BNP Paribas Securities Services, Milan Branch or any other person acting as representative of the Noteholders pursuant to the Subscription Agreements from time to time.

**Repurchase Option** means the option provided for by the Transfer Agreement pursuant to Article 1331 of the Italian Civil Code, according to which the Originator may repurchase from the Issuer (in whole but not in part), as block and at once, all the Receivables comprised in the Aggregate Portfolio not already collected as of the date of exercise of such option, starting from the Step-Up Date.

**Residual Instalment** means the price payable by the relevant Lessee to purchase the Asset at the end of the contractual term under relevant Lease Contract.

**Retention Amount** means an amount equal to Euro 30,000.

**Revenue Investments Amount** means, as at each Monthly Liquidation Date or Quarterly Liquidation Date, as the case may be, any interest or other remuneration on the Eligible Investments bought by or for the account of the Issuer other than repayment of principal or repayment of the initial capital invested, as applicable, in respect of each Eligible Investment.

**Revolving Interest Priority of Payments** means the order of priority in which the Issuer Interest Available Funds shall be applied on each Payment Date during the Revolving Period, in accordance with Condition 6.1.1.

**Revolving Period** means the period commencing on the Issue Date and ending on the earlier of:

- (i) the Payment Date falling in October 2010 (excluded); and
- (ii) the date on which the Representative of the Noteholders serves a Purchase Termination Notice or a Trigger Notice on the Issuer.

**Revolving Principal Priority of Payments** means, collectively, the Monthly Revolving Principal Priority of Payments and the Quarterly Revolving Principal Priority of Payments.

**Revolving Priority of Payments** means, collectively, the Revolving Principal Priority of Payments and the Revolving Interest Priority of Payments.

**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 thereto.

**Scheduled Instalment Date** means any date on which an Instalment is due.

**Screen Rate** shall have the meaning ascribed to it Condition 7 (*Interest*).

**Secured Creditors** means the Noteholders and the Other Issuer Creditors.

**Secured Obligations** means all of the Issuer's obligations *vis-à-vis* the Secured Creditors under the Notes and the Transaction Documents.

**Securities Account** means the securities Eligible Account established in the name of the Issuer with the Custodian Bank or any other Eligible Institution into which the bonds, debentures or other kinds of notes or financial instruments purchased with monies standing to the credit of the Investment Accounts shall be deposited, in accordance with the Cash Allocation, Management and Payment Agreement.

**Securities Act** means the U.S. Securities Act of 1933, as amended and supplemented from time to time.

**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 amended and supplemented from time to time.

**Security** means, the security interests created under the Security Documents and any other agreement entered into by the Issuer from time to time and granted as security to the Noteholders and/or the Other Issuer Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Creditors.

**Security Documents** means, collectively, the Deed of Pledge and the Deed of Assignment.

**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.

**Servicer** means Fineco Leasing or any other person acting as servicer pursuant to the Servicing Agreement from time to time.

**Servicer Termination Event** means any termination event of the Servicer as provided for by the Servicing Agreement.

**Servicing Agreement** means the servicing agreement entered into on the Closing Date 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 the fee payable by the Issuer to the Servicer, in accordance with the terms of the Servicing Agreement.

**Settlement Date** means (i) 28 February, or (ii) the 29<sup>th</sup> day of each month, or, if such day is not a Business Day, the immediately preceding Business Day.

**SFM Italy** means Structured Finance Management - Italy S.r.l., a limited liability company incorporated under the laws of the Republic of Italy, whose registered office is at Via Romanino No. 1, 25122, Brescia, Italy.

**SFM Netherlands** means Structured Finance Management (Netherlands) B.V., a private limited liability company incorporated under the laws of The Netherlands, having its registered office in Rivierstaete Building, Amsteldijk 166, 1079 LH Amsterdam, The Netherlands.

**sole Affected Party** has the meaning ascribed to it in the Hedging Agreement.

**Sole Arranger** means HVB London.

**Sole Lead Manager** means HVB.

**Sole Quotaholder** means Stichting Zetagroup.

**Southern Italy** means the geographical area of the Italian territory comprising the regions of Molise, Basilicata, Calabria, Campania, Apulia, Sardinia and Sicily.

**Specific Criteria** means, collectively, the Specific Mandatory Criteria and the Specific Elective Criteria.

**Specific Elective Criteria** means the objective criteria for the identification of the Receivables comprised in the Subsequent Portfolios provided for by the Transfer Agreement which from time to time may supplement the Common Criteria.

**Specific Mandatory Criteria** means the objective criteria for the identification of the Receivables comprised in the Subsequent Portfolios provided for by the Transfer Agreement which from time to time shall supplement the Common Criteria.

**Step-Up Date** means the Payment Date falling in October 2010.

**Stichting Zetagroup** means Stichting Zetagroup, a foundation incorporated under the laws of the Netherlands, having its registered office at Amsteldijk 166, Amsterdam, the Netherlands.

**Subordinated Loan** means the limited recourse loan granted to the Issuer by the Subordinated Loan Provider in an amount of Euro 161,030,000, pursuant to the Subordinated Loan Agreement.

**Subordinated Loan Agreement** means the subordinated loan agreement entered into on or about the Issue Date between the Issuer and the Subordinated Loan Provider, 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.

**Subordinated Loan Provider** means Fineco Leasing, in its capacity as subordinated loan provider pursuant to the Subordinated Loan Agreement and any of its permitted successors and assignees.

**Subscription Agreements** means the Rated Notes Subscription Agreement and the Junior Notes Subscription Agreement, collectively, and **Subscription Agreement** means any of them.

**Subsequent Criteria** means the objective criteria for the identification of the Receivables comprised in the Subsequent Portfolios being the Common Criteria, and/or the Specific Criteria and/or the Additional Criteria.

**Subsequent Portfolio** means each portfolio of Receivables sold by the Originator to the Issuer after the sale of the Initial Portfolio, pursuant to the Transfer Agreement and **Subsequent Portfolios** means all of them.

**Subsequent Portfolio Sale Conditions** means the conditions provided for by the Transfer Agreement subject to which the Originator may assign and transfer to the Issuer, and the Issuer shall purchase from the Originator, a Subsequent Portfolio pursuant to such agreement.

**Supervisory Regulations for the Banks** means (i) 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; and (ii) the “*Nuove disposizioni di vigilanza prudenziale per le banche*” issued by the Bank of Italy by Circular No. 263 of 27 December 2006, 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.

**Surveillance Report** means the report prepared by the Rating Agency related to the Rated Notes required by the European Central Bank and/or the documentation of the European Central Bank on monetary policy instruments and procedures of the Eurosystem.

**Tax Event** shall have the meaning ascribed to it in Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*).

**Terms and Conditions** means these terms and conditions of the Notes.

**Transaction Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which all the amounts received by the Issuer from any party to a Transaction Document (other than the Collections, the Recoveries and the amounts due and payable by the Hedging Counterparty under the Hedging Agreement) shall be credited.

**Transaction Documents** means the Transfer Agreement, the Subscription Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Subordinated Loan Agreement, the Corporate Services Agreement, the Foundation Corporate Services Agreement, the Cash Allocation, Management and Payment Agreement, the Monte Titoli Mandate Agreement, the

Intercreditor Agreement, the Hedging Agreement, the Deed of Pledge, the Deed of Assignment, the Mandate Agreement, the Letter of Undertakings, the Master Definitions Agreement, the Terms and Conditions and the Prospectus.

**Transfer Agreement** means the transfer agreement entered into on the Closing Date between the Issuer and the Originator, 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, in relation to the Initial Portfolio, 13 February 2009 and in relation to any Subsequent Portfolio the date on which the Originator has received from the Issuer the acceptance of the relevant Transfer Offer, as provided for by the Transfer Agreement.

**Transfer Offer** means the offer which the Originator shall deliver to the Issuer by each Offer Date in the event that it intends to assign and transfer to the Issuer a Subsequent Portfolio pursuant to the Transfer Agreement (substantially in the form attached to such Agreement).

**Trigger Default Ratio** means 2.25 per cent..

**Trigger Delinquency Ratio** means 5.5 per cent..

**Trigger Event** means any of the events described in Condition 14 (*Trigger Events*).

**Trigger Notice** means the notice served by the Representative of the Noteholders upon the occurrence of a Trigger Event and in accordance with Condition 14 (*Trigger Events*).

**UniCredit** means UniCredit S.p.A., a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy, whose registered office is at Via A. Specchi No. 16, 00186 Rome, Italy and its corporate headquarters at Piazza Cordusio No. 2, 20123 Milan, Italy, Fiscal Code and enrolment with the Companies Register of Rome No. 00348170101, enrolled with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act and parent company of the UniCredit Banking Group, enrolled with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under No. 3135.1.

**UniCredit Banking Group** means the “*Gruppo Bancario UniCredit*” registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 3135.1.

**Usury Law** means, collectively, Italian Law No. 108 of 7 March 1996, as amended and supplemented from time to time, and Italian Law No. 24 of 28 February 2001, which converted into law the Law Decree No. 394 of 29 December 2000.

**Valuation Date** means, in respect of the Initial Portfolio the Initial Valuation Date and in respect of each Subsequent Portfolio, such date as will be indicated in the relevant Transfer Offer.

**Warranty and Indemnity Agreement** means the warranty and indemnity agreement entered into on the Closing Date between the Originator and the Issuer 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.

**Zenith Service** means Zenith Service S.p.A. a joint stock company incorporated under the laws of the Republic of Italy, whose registered office is at Via Romanino No. 1, 25122, Brescia, Italy and enrolled in the Special Register held by the Bank of Italy pursuant to article 107 of the Consolidated Banking Act.

### 3. **FORM, DENOMINATION AND TITLE**

### 3.1 *Form*

The 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.

### 3.2 *Title*

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption for the account of the relevant Monte Titoli Account Holder. Title to the 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) Regulation 22 February 2008. No physical document of title will be issued in respect of the Notes.

### 3.3 *Denomination*

The Rated Notes are issued in the denomination of Euro 50,000, whilst the Junior Notes are issued in the denomination of Euro 73,883.

### 3.4 *Rights arising from the Deed of Pledge*

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

## 4. **STATUS, PRIORITY AND SEGREGATION**

### 4.1 *Status*

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the Aggregate Portfolio and the Issuer's Rights, and is subject to payment of the amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the Notes. By holding Notes, the Noteholders acknowledge that the limited recourse nature of the 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 of article 1469 of the Italian Civil Code.

### 4.2 *Segregation*

4.2.1 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 Aggregate Portfolio 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 amount deriving therefrom (to the extent identifiable) 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, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

4.2.2 In addition, the Notes have the benefit of security over certain monetary rights of the Issuer arising out of certain Transaction Documents created pursuant to the Deed of Pledge and the Deed of Assignment.

### 4.3 *Priority*

Both prior to and following the service of a Trigger Notice:

- (a) the Rated Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Junior Notes; and

- (b) the Junior Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but subordinated to the Rated Notes.

#### 4.4 *Conflict of interest*

The Intercreditor Agreement and the Rules of the Organisation of the Noteholders contain 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 interests of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only.

### 5. **COVENANTS**

#### 5.1 *Covenants by the Issuer*

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:

- (i) *Negative pledge*: create or permit to subsist any Security Interest whatsoever over the Aggregate Portfolio or any part thereof or over any of its other assets (save for any Security Interest created in connection with any Further Securitisation and to the extent that such Security Interest is created over assets which form part of the segregated assets of such Further Securitisation), or sell, lend, part with or otherwise dispose of, all or any part of the Aggregate Portfolio or any of its other assets; or
- (ii) *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, or 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; or
  - (d) become the owner of any real estate asset; or
- (iii) *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
- (iv) *De-registrations*: ask for de-registration from the General Register or from the Special Register kept by the Bank of Italy pursuant to article 106 and 107, respectively, 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 therein; or

- (v) *Borrowings*: incur any indebtedness in respect of borrowed money whatsoever (save for any indebtedness to be incurred in relation to any Further Securitisation) or give any guarantee in respect of indebtedness or of any obligation of any person; or
- (vi) *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
- (vii) *No variation or waiver*:
  - (a) permit any of the Transaction Documents to which it is party to be amended, terminated or discharged if such amendment, termination or discharge may materially prejudice the interest of the Noteholders; or
  - (b) exercise any power of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is party which may materially prejudice the interests of the Noteholders; or
  - (c) permit any party to any of the Transaction Documents to which it is party to be released from such obligations, if such release may materially prejudice the interest of the Noteholders; or
- (viii) *Bank accounts*: have an interest in any bank account other than the Accounts, the Quota Capital Account, the Collateral Account and any bank account to be opened in the context of any Further Securitisation; or
- (ix) *Statutory documents*: amend, supplement or otherwise modify its *statuto* in any manner which may materially prejudice the interest of the Noteholders, except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities; or
- (x) *Centre of interest*: move its “centre of main interest” (as that term is used in article 3(1) of the EU Insolvency Regulation) outside the Republic of Italy; or
- (xi) *Branch outside Italy*: establish any branch or “establishment” (as that term is used in article 2(h) of the EU Insolvency Regulation) outside the Republic of Italy; or
- (xii) *Corporate formalities*: cease to comply with all corporate formalities necessary to ensure its corporate existence and good standing.

## 5.2 Further Securitisations

5.2.1 Nothing in these Terms and Conditions or the Transaction Documents shall prevent or restrict the Issuer from carrying out any one or more other securitisation transactions pursuant to the Securitisation Law (each a “**Further Securitisation**”) or, without limiting the generality of the foregoing, implementing, entering into, making or executing any document, deed or agreement in connection with any Further Securitisation, *provided that* the Issuer confirms in writing to the Representative of the Noteholders - or the Representative of the Noteholders (which, for such purpose, may rely on the advice of any certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker or other expert) is otherwise satisfied - that:

- (a) the transaction documents entered into in the context of the Further Securitisation constitute valid, legally binding and enforceable obligations of the parties thereto under the relevant governing law;

- (b) in the context of the Further Securitisation the Sole Quotaholder gives undertakings in relation to the management of the Issuer, the exercise of its rights as quotaholder or the disposal of the quotas of the Issuer which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to the undertakings provided for in the Letter of Undertakings;
- (c) all the participants to the Further Securitisation and the holders of the notes issued in the context of such Further Securitisation will accept non-petition provisions and limited recourse provisions in every material respect equivalent to those provided in Condition 9 (*Non Petition and Limited Recourse*) below;
- (d) the security deeds or agreements entered into in connection with such Further Securitisation do not comprise (or extend over) any of the Receivables or any of the Issuer's Rights;
- (e) the swap transaction(s) entered into in connection with such Further Securitisation are separate from the Hedging Agreement or the hedging agreements entered into in connection with any other securitisation transaction carried out by the Issuer;
- (f) the notes to be issued in the context of such Further Securitisation:
  - (i) are not cross-collateralised or cross-defaulted with the Notes or any note issued by the Issuer in the context of any other previous Further Securitisation; and
  - (ii) include provisions which are the same as, or (in the sole discretion of the Representative of the Noteholders) equivalent to, this Condition 5 (*Covenants*); and
- (g) the Rating Agency having been:
  - (i) notified in advance of the intention of the Issuer to carry out such Further Securitisation; and
  - (ii) provided with all the information and documents which are necessary in order to allow the Rating Agency to assess the impact of such Further Securitisation on the rating of the Rated Notes.

5.2.2 In giving any confirmation on the foregoing, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient or appropriate (in its reasonable discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer or as to the matters contained therein. For the avoidance of doubt, the provisions contained in article 29 of the Rules of the Organisation of the Noteholders (*Exoneration of the Representative of the Noteholders*) will also apply (where appropriate) to the Representative of the Noteholders when acting under this Condition 5 (*Covenants*).

## 6. PRIORITY OF PAYMENTS

### 6.1 Revolving Priority of Payments

#### 6.1.1 Issuer Interest Available Funds

On each Payment Date during the Revolving Period, the Issuer Interest Available Funds

shall be applied in making or providing for 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):

*First*, (i) 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 Expenses) and (ii) save for the Payment Date on which the Notes will be redeemed in full, 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;

*Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the fees, costs and expenses of, and all other amounts (including any indemnity amounts) due to the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Custodian Bank, the Corporate Servicer, the Foundation Corporate Servicer and the Servicer;

*Third*, to pay to the Hedging Counterparty the amounts due and payable under the Hedging Agreement (including any hedging termination payments upon early termination of the Hedging Agreement due to the Hedging Counterparty, provided that upon the occurrence of a Hedging Subordination Event the amount applied under this paragraph in respect of such termination payments shall not exceed the amount of any Net Hedging Replacement Premium);

*Fourth*, to credit the Adjustment Reserve Amount to the Adjustment Reserve Account;

*Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Rated Notes on such Payment Date;

*Sixth*, to allocate the Principal Deficiency Amount to the Issuer Principal Available Funds (including for avoidance of doubt, the Principal Deficiency Amount which has not been so allocated on the preceding Payment Dates);

*Seventh*, to pay the Principal Integration Amount, to the extent that the Cumulative Default Ratio has been higher than the relevant Cumulative Default Trapping Trigger Ratio for at least one Payment Date;

*Eighth*, to credit to the Cash Reserve Account such an amount to bring the balance of such Account up to (but not in excess of) the Cash Reserve Amount;

*Ninth*, to pay to the Sole Lead Manager any amounts due as indemnity pursuant to the Rated Notes Subscription Agreement;

*Tenth*, to pay to the Hedging Counterparty any hedging termination payments due under the Hedging Agreement other than any amounts payable under item *Third* above;

*Eleventh*, to pay to Fineco Leasing, *pari passu* and *pro rata*, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as (i) Interest Component of the Purchase Price for any Portfolio and (ii) interest accrued on such Purchase Price for any Portfolio;

*Twelfth*, to pay to the Subordinated Loan Provider the interest due and payable but unpaid under the Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Thirteenth*, to repay to the Subordinated Loan Provider the principal due and payable but

unpaid under the Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Fourteenth*, to pay to Fineco Leasing any indemnity and interest amounts due and payable pursuant to the Transaction Documents, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Fifteenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Sixteenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Junior Notes on such Payment Date (other than the Junior Notes Additional Remuneration);

*Seventeenth*, to pay any amounts due and payable as Junior Notes Additional Remuneration.

#### 6.1.2 *Issuer Principal Available Funds*

- (A) On each Settlement Date during the Revolving Period, other than any Settlement Dates immediately preceding a Payment Date, the Issuer Principal 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):

*First*, to pay to Fineco Leasing, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as Principal Component of the Purchase Price for any Subsequent Portfolio; and

*Second*, to pay the residual amount to the Principal Accumulation Account.

- (B) On each Payment Date during the Revolving Period, the Issuer Principal 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):

*First*, to pay any amount payable under items *First* through *Fifth* (inclusive) under section (1) above, to the extent that the Issuer Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

*Second*, to pay to Fineco Leasing, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as Principal Component of the Purchase Price for any Subsequent Portfolio; and

*Third*, to pay the residual amount (if any) to the Principal Accumulation Account.

## 6.2 **Amortisation Priority of Payments**

### 6.2.1 *Issuer Interest Available Funds*

On each Payment Date during the Amortisation Period, the Issuer Interest Available Funds shall be applied in making or providing for 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):

*First*, (i) 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 Expenses) and (ii) save for the Payment Date on which the Notes will be redeemed in full, 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;

*Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the fees, costs and expenses of, and all other amounts (including any indemnity amounts) due to the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Custodian Bank, the Corporate Servicer, the Foundation Corporate Servicer and the Servicer;

*Third*, to pay to the Hedging Counterparty the amounts due and payable under the Hedging Agreement (including any hedging termination payments upon early termination of the Hedging Agreement due to the Hedging Counterparty, provided that upon the occurrence of a Hedging Subordination Event the amount applied under this paragraph in respect of such termination payments shall not exceed the amount of any Net Hedging Replacement Premium);

*Fourth*, to credit the Adjustment Reserve Amount to the Adjustment Reserve Account;

*Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Rated Notes on such Payment Date;

*Sixth*, to allocate the Principal Deficiency Amount to the Issuer Principal Available Funds (including for avoidance of doubt, the Principal Deficiency Amount which has not been so allocated on the preceding Payment Dates);

*Seventh*, to pay the Principal Integration Amount, to the extent that the Cumulative Default Ratio has been higher than the relevant Cumulative Default Trapping Trigger Ratio for at least one Payment Date;

*Eighth*, to credit to the Cash Reserve Account such an amount to bring the balance of such Account up to (but not in excess of) the Cash Reserve Amount;

*Ninth*, to allocate the Cash Reserve Released Amount to the Issuer Principal Available Funds;

*Tenth*, to pay to the Sole Lead Manager any amount due as indemnity pursuant to the Rated Notes Subscription Agreement;

*Eleventh*, to pay to the Hedging Counterparty any hedging termination payments due under the Hedging Agreement other than any amounts payable under item *Third* above;

*Twelfth*, to pay to Fineco Leasing, *pari passu* and *pro rata*, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as (i) Interest Component of the Purchase Price for any Portfolio and (ii) interest accrued on such Purchase Price for any Portfolio;

*Thirteenth*, to pay to the Subordinated Loan Provider the interest due and payable under the Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Fourteenth*, to repay to the Subordinated Loan Provider, the principal due and payable but unpaid under the Subordinated Loan in accordance with the Subordinated Loan

Agreement;

*Fifteenth*, to pay to Fineco Leasing any indemnity and interest amounts due and payable pursuant to the Transaction Documents, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Sixteenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Seventeenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Junior Notes on such Payment Date (other than the Junior Notes Additional Remuneration); and

*Eighteenth*, to pay any amounts due and payable as Junior Notes Additional Remuneration.

#### 6.2.2 Available Redemption Funds

On each Payment Date during the Amortisation Period, the Available Redemption Funds shall be applied in making or providing for 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):

*First*, to pay any amount payable under items *First* to *Fifth* (inclusive) under section (1) above, to the extent that the Issuer Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

*Second*, on the first Payment Date falling after the end of the Revolving Period, to pay to Fineco Leasing, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as Principal Component of the Purchase Price for the Subsequent Portfolios (if any) purchased during the Interest Period ending on such Payment Date;

*Third* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of principal due and payable, if any, in respect of the Rated Notes on such Payment Date;

*Fourth*, to pay to Fineco Leasing, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as Principal Component of the Purchase Price for any Subsequent Portfolios;

*Fifth*, to pay to the Sole Lead Manager any amount due as indemnity pursuant to the Rated Notes Subscription Agreement;

*Sixth*, to pay to Fineco Leasing the Purchase Price Adjustment, if any;

*Seventh*, to repay to the Subordinated Loan Provider the principal due and payable but unpaid under the Subordinated Loan in accordance with the Subordinated Loan Agreement, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Eighth*, to pay to Fineco Leasing any amount due and payable under the Limited Recourse Loan;

*Ninth*, to pay to Fineco Leasing any principal amounts due and payable pursuant to the Transaction Documents, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Tenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (i) all amounts of principal then due and payable in respect of the Junior Notes on such Payment Date until the Principal Amount Outstanding of the Junior Notes is equal to Euro 30,000, and (ii) on the Cancellation Date, all amounts of principal due and payable, if any, on the Junior Notes;

*Eleventh*, to pay any residual amounts due to the rounding of the principal payments on the Notes into the Principal Accumulation Account; and

*Twelfth*, to pay the residual amount (if any) to the Issuer Interest Available Funds,

*provided however that*, subject to Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*) and Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), during the Initial Period any Issuer Available Funds which would be otherwise available on a Payment Date for repayment of principal on the Notes or for payment of items ranking below repayment of principal on the Notes shall not be used for such purposes and shall be deposited into the Principal Accumulation Account. Such funds, so deposited, will be invested in accordance with the terms of the Cash Allocation, Management and Payment Agreement and will be used to repay the principal on the Notes starting from the first Payment Date which falls immediately after the expiry of the Initial Period.

### 6.3 Post-Trigger Priority of Payments

Following service of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making or providing for 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):

*First*, (i) 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 Expenses) and (ii) save for the Payment Date on which the Notes will be redeemed in full, 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;

*Second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (i) the fees, costs and expenses of, and all other amounts (including any indemnity amounts) due to the Representative of the Noteholders, the Account Bank, the Computation Agent, the Paying Agent, the Custodian Bank, the Corporate Servicer, the Foundation Corporate Servicer and the Servicer and (ii) the remuneration due to any receiver appointed pursuant to the Deed of Assignment and any proper costs and expenses incurred by it;

*Third*, to pay to the Hedging Counterparty the amounts due and payable under the Hedging Agreement (including any hedging termination payments upon early termination of the Hedging Agreement due to the Hedging Counterparty, provided that upon the occurrence of a Hedging Subordination Event the amount applied under this paragraph in respect of such termination payments shall not exceed the amount of any Net Hedging Replacement Premium);

*Fourth*, to credit the Adjustment Reserve Amount to the Adjustment Reserve Account;

*Fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Rated Notes on such date;

*Sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of principal then due and payable in respect of the Rated Notes on such date;

*Seventh*, to pay to the Sole Lead Manager any amount due as indemnity pursuant to the Rated Notes Subscription Agreement;

*Eighth*, to pay the Hedging Counterparty any hedging termination payments due under the Hedging Agreement other than any amounts payable under item *Third* above;

*Ninth*, to pay to Fineco Leasing, *pari passu* and *pro rata*, in accordance with the Transfer Agreement, amounts (if any) due and payable but unpaid as Purchase Price for any Portfolio and the relevant interest accrued thereon;

*Tenth*, to pay to Fineco Leasing the Purchase Price Adjustment, if any;

*Eleventh*, to pay to the Subordinated Loan Provider the interest due and payable but unpaid under the Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Twelfth*, to repay to the Subordinated Loan Provider, the principal due and payable but unpaid under the Subordinated Loan in accordance with the Subordinated Loan Agreement;

*Thirteenth*, to pay to Fineco Leasing any amount due and payable under the Limited Recourse Loan;

*Fourteenth*, to pay to Fineco Leasing any amounts (including indemnity amounts) due and payable pursuant to the Transaction Documents, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Fifteenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to the Securitisation, to the extent such amounts have not been already provided for in other items of this Priority of Payments;

*Sixteenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Junior Notes on such date (other than the Junior Notes Additional Remuneration);

*Seventeenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (i) all amounts of principal then due and payable in respect of the Junior Notes on such date until the Principal Amount Outstanding of the Junior Notes is equal to Euro 30,000, and (ii) on the Cancellation Date, all amounts of principal due and payable, if any, on the Junior Notes; and

*Eighteenth*, to pay any amounts due and payable as Junior Notes Additional Remuneration,

*provided however that*, subject to Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*) and Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), during the Initial Period any Issuer Available Funds which would be otherwise available on a Payment Date for repayment of principal on the Notes or for payment of items ranking below repayment of principal on the Notes shall not be used for such purposes and shall be deposited into the Principal Accumulation Account. Such funds, so deposited, will be invested in accordance with the terms of the Cash Allocation, Management and Payment Agreement and will be used to repay the principal on the Notes starting from the first Payment Date which falls immediately after the expiry of the Initial Period.

## 7. INTEREST

## 7.1 *Accrual of interest*

The Notes will bear interest on their Principal Amount Outstanding from (and including) the Issue Date. Interest in respect the Notes shall accrue on a daily basis and will be calculated on the basis of the actual number of days elapsed and a 360 day year.

## 7.2 *Payment of interest on Payment Dates*

7.2.1 Interest on the Notes is payable in Euro in arrears on each Payment Date in respect of the Interest Period ending immediately prior thereto in accordance with the applicable Priority of Payments.

7.2.2 Payment of interest in respect of each Class of Notes will be due on the First Payment Date, being 30 April 2009, in respect of the period from (and including) the Issue Date to (but excluding) such date, and on each Payment Date thereafter, being (a) before service of a Trigger Notice, 30 January, 30 April, 30 July and 30 October of each year (or, if such day is not a Business Day, the immediately following Business Day) and (b) following service of a Trigger Notice, any Business Day specified in the Trigger Notice.

## 7.3 *Interest to cease accrual*

Interest shall cease to accrue on any part of the Principal Amount Outstanding of a Note from (and including) the Final Maturity Date unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal at the rate from time to time applicable to each Class of Notes until the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and (ii) the day on which all such sums have been received by the Representative of the Noteholders or the Paying Agent on behalf of the relevant Noteholder and notice to that effect is given in accordance with Condition 17 (*Notices*).

## 7.4 *Rate of Interest*

7.4.1 On each Interest Determination Date (or in the case of the Initial Interest Period, on the Issue Date), the Paying Agent will determine the rate of interest payable on the Notes of each Class (the "**Rate of Interest**") with reference to the Interest Period beginning immediately after such Interest Determination Date (or in the case of the Initial Interest Period, beginning on and including the Issue Date).

7.4.2 There shall be no maximum or minimum Rate of Interest.

## 7.5 *Determination of the Rate of Interest*

The Rate of Interest applicable to the Notes of each Class for each Interest Period and for the Initial Interest Period shall be the aggregate of:

7.5.1 the following margin (the "**Relevant Margin**"):

- (a) in respect of the Rated Notes, 0.8 per cent. *per annum* up to (and including) the Step-Up Date and 1.2 per cent. *per annum* thereafter; and
- (b) in respect of the Junior Notes, 2 per cent. *per annum*; and

7.5.2 the following rate (the "**EURIBOR**"):

- (a) the Euro-Zone inter-bank offered rate for three month Euro deposits which appears on:

- (i) Bloomberg Page EUR003M index in the menu MMCV1 (except in respect of the Initial Interest Period where it shall be the rate per annum obtained by linear interpolation of the Euro-Zone inter-bank offered rate for 1 and 2 month deposits in Euro (rounded to four decimal places with the mid-point rounded up) which appear on Bloomberg Pages EUR004M and EUR005M index in the menu MMCV1); or
- (ii) such other page as may replace the relevant Bloomberg Page on that service for the purpose of displaying such information; or
- (iii) 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 relevant Bloomberg Page,

at or about 11.00 a.m. (Brussels time) on the Interest Determination Date (the “**Screen Rate**” or, in the case of the Initial Interest Period, the “**Additional Screen Rate**”); or

- (b) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be determined as follows:
  - (i) the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Paying Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a 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
  - (ii) if only two of the Reference Banks provide such offered quotations to the Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations; or
  - (iii) if only one of the Reference Banks provides the Paying Agent with such an offered quotation, the Rate of Interest for the relevant Interest Period shall be the Rate of Interest in effect for the immediately preceding Interest Period which one of sub-paragraph (i) or (ii) above shall have been applied to.

7.5.3 Following the service of a Trigger Notice, to the extent permitted under Italian law, each Note will bear interest as set out in this Condition 7 (*Interest*), provided that such interest will be payable in accordance with Condition 6.3 (*Priority of Payments – Post-Trigger Priority of Payments*) and subject to Condition 10 (*Payments*) and provided further that, to the extent that the methodology for determining EURIBOR and for calculating the interest from time to time accrued on the Notes, as set out in this Condition 7 (*Interest*), is inconsistent or otherwise conflicting with the Post-Trigger Priority of Payments and the actual dates on which the payments provided thereunder will be made, the Paying Agent and/or the Representative of the Noteholders may (without incurring, in the absence of wilful default (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a result) agree (but shall not be bound to do so) an alternative methodology (which will be binding on the Issuer and the Noteholders) which comes as close as reasonably possible to the one set out in this Condition 7 (*Interest*).

## 7.6 *Junior Notes Additional Remuneration*

In addition to the Rate of Interest provided for by Conditions 7.4 (*Interest - Rate of Interest*) and 7.5 (*Interest - Determination of the Rate of Interest*), the Junior Noteholders shall be entitled, for each Interest Period, to the payment of the Junior Notes Additional Remuneration (if any) which will be calculated on each Payment Report Date and payable on the next Payment Date.

In the event that on any Payment Date, any Junior Notes Additional Remuneration remains unpaid due to the Issuer Available Funds on such date not being sufficient for payment thereof, then such unpaid amount will be aggregated with the amount of Junior Notes Additional Remuneration due on the next succeeding Payment Date. No interest shall accrue on any such deferred Junior Notes Additional Remuneration.

## 7.7 *Calculation of Interest Payment Amounts*

On each Interest Determination Date, upon determination of the Rate of Interest, the Paying Agent shall determine the Euro amount (the "**Interest Payment Amount**") payable as interest on the Notes in respect of such Interest Period. The Interest Payment Amount payable in respect of any Interest Period shall be calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of the relevant Class of 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 deduction of any payment of principal on the Notes due and paid on such 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).

## 7.8 *Calculation of Junior Notes Additional Remuneration*

The Computation Agent will, on the Payment Report Date immediately preceding each Payment Date, in relation to each Interest Period, calculate and communicate to the Paying Agent and the Junior Noteholders any Junior Notes Additional Remuneration that may be payable in respect of the Junior Notes on each such Payment Date, in accordance with the applicable Priority of Payments.

## 7.9 *Publication of Rate of Interest and Interest Payment Amount*

The Paying Agent will cause the Rate of Interest, the Relevant Margin and the Interest Payment Amount applicable to the 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 no 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 17 (*Notices*) on (or as soon as possible after) the relevant Interest Determination Date.

## 7.10 *Interest Amount Arrears*

7.10.1 If, subject to and upon receipt of the Quarterly Payments Report from the Computation Agent, the Paying Agent determines that on a Payment Date any Interest Payment Amount in respect of the Notes will not be paid on its due date and will remain unpaid ("**Interest Amount Arrears**"), then, (i) no later than the Business Day prior to such Payment Date, notice to this effect will be promptly given to the Computation Agent, the Issuer, the Representative of the Noteholders, Monte Titoli and, in case of any Interest Amount Arrear in respect of the Rated Notes, the Luxembourg Stock Exchange and (ii) notice to this effect will be given to the relevant Noteholders in accordance with Condition 17 (*Notices*).

7.10.2 In the event that on any Payment Date, there are any Interest Amounts Arrears, such Interest Amount Arrears will be aggregated with the amount of interest due and payable on each such Class of Notes on the next succeeding Payment Date.

7.11 *Extension or shortening of Interest Periods*

The Paying Agent will be entitled to recalculate any Interest Payment Amount or any Interest Amount Arrears (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

7.12 *Determination by the Representative of the Noteholders*

If at any time, for whatsoever reason, the Paying Agent does not determine the Rate of Interest and/or calculate the Interest Payment Amount in respect of the Notes in accordance with the foregoing provisions of this Condition 7 (*Interest*), the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders shall:

- (i) determine the Rate of Interest for the Notes at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances;
- (ii) calculate the Interest Payment Amount for the Notes in the manner specified in Condition 7.7 (*Interest - Calculation of Interest Payment Amounts*) above; and/or
- (iii) calculate the Interest Amount Arrears (if any) for the relevant Class of Notes in the manner specified in Condition 7.10 (*Interest - Interest Amount Arrears*),

and any such determination and/or calculation shall be deemed to have been made by the Paying Agent.

7.13 *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Interest*), whether by the Reference Banks (or any of them), the 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 Paying Agent, the Computation Agent, the Issuer, the Account Bank, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the 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.

7.14 *Reference Banks and Paying Agent*

The Issuer shall ensure that, so long as any of the Notes remain outstanding, there shall at all times be three Reference Banks and a 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 Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new paying agent is appointed a notice will be published in accordance with Condition 17 (*Notices*).

7.15 *Unpaid interest in respect of the Notes*

Unpaid interest on the Notes shall accrue no interest.

8. **REDEMPTION, PURCHASE AND CANCELLATION**

## 8.1 *Final Maturity Date*

8.1.1 Unless previously redeemed in full or cancelled in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*), the Notes are due to be repaid in full at their Principal Amount Outstanding (together with interest accrued thereon) on the Final Maturity Date, being the Payment Date falling in October 2040.

8.1.2 The Issuer may not redeem the Notes in whole or in part prior to that date except as provided below in Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*), 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), but without prejudice to Condition 14 (*Trigger Events*).

## 8.2 *Mandatory Redemption*

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on the earlier of:

- (a) the Payment Date falling in October 2010; and
- (b) any Payment Date after the end of the Revolving Period and immediately following an amendment in the provisions of Decree No. 600, as a consequence of which the Issuer will no longer be required to pay an additional amount (determined as a percentage of interest and other proceeds accrued on the Notes) upon redemption in full (or in part) of the Notes prior to the expiration of the Initial Period,

and on each Payment Date thereafter, in accordance with this Condition 8.2 (*Redemption, Purchase and Cancellation – Mandatory Redemption*), if and to the extent that on each such Payment Date there are sufficient Issuer Principal Available Funds which may be applied towards redemption of the Notes pursuant to the applicable Priority of Payments.

## 8.3 *Optional Redemption*

8.3.1 The Issuer, having given not less than 30 days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*), may redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole or in part, subject to the Junior Noteholders' consent) at their Principal Amount Outstanding, together with interest accrued thereon up to (and including) the date fixed for redemption, on any Payment Date falling on or after the Step-Up Date and in accordance with the Post-Trigger Priority of Payments, provided that:

- (a) no Trigger Event has occurred prior to or upon such date; and
- (b) 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 Notes (or the Rated Notes and none or part of the Junior Notes, subject to the Junior Noteholders' consent) and any amount required to be paid under the Post-Trigger Priority of Payments in priority thereto or *pari passu* therewith.

8.3.2 The Issuer may obtain the funds necessary to finance the early redemption of the Notes, in accordance with this Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) through the sale of the Aggregate Portfolio to the Originator pursuant to the Repurchase Option provided for by the Transfer Agreement.

#### 8.4 *Redemption for Taxation*

8.4.1 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) amounts payable in respect of the Rated Notes or the Aggregate Portfolio would be subject to withholding or deduction (other than a Decree 239 Deduction) 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; 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 all the Notes (or the Rated Notes and none or part of the Junior Notes, subject to the Junior Noteholders' consent) and any amounts required to be paid under the Post-Trigger Priority of Payments in priority thereto, or *pari passu* therewith,

(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 30 days' prior notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 17 (*Notices*), redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole or in part, subject to the Junior Noteholders' consent) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to and including the relevant Payment Date, in accordance with the Post-Trigger Priority of Payments.

8.4.2 No redemption for taxation shall occur prior to the end of the Initial Period, unless the Representative of the Noteholders determines that it would be prejudicial to the interest of the Noteholders not to proceed with such redemption prior to the end of the Initial Period.

8.4.3 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) direct the Issuer to, dispose of the Aggregate Portfolio or any part thereof to finance the early redemption of the Notes in accordance with this Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*), subject to the terms and conditions of the Intercreditor Agreement.

#### 8.5 *Principal Payment on the Notes, Redemption Amounts and Principal Amount Outstanding*

8.5.1 On each Payment Report 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 Notes on the next following Payment Date; and
- (iii) the Principal Amount Outstanding of the Notes on the next following Payment Date (after deducting any principal payment due to be made on such Payment Date).

8.5.2 Each determination by (or on behalf of) the Issuer of the Issuer Available Funds, any principal payment on the Notes and the Principal Amount Outstanding of the Notes shall in each case (in the absence of wilful default, gross negligence, bad faith or manifest error) be final and binding on all persons.

- 8.5.3 The Issuer will, on each Payment Report Date, cause the determination of a principal payment on the Notes (if any) and Principal Amount Outstanding of the Notes to be notified by the Computation Agent (through the Quarterly Payments Report) to the Representative of the Noteholders, the Rating Agency, the Hedging Counterparty, the Paying Agent and the Luxembourg Stock Exchange. The Issuer will cause notice of each determination of a principal payment on the Notes and of Principal Amount Outstanding of the Notes to be given to Monte Titoli and in accordance with Condition 17 (*Notices*).
- 8.5.4 The principal amount redeemable in respect of each Note shall be a *pro rata* share of the aggregate amount determined in accordance with Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*) 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.
- 8.5.6 If no principal payment on the Notes or Principal Amount Outstanding of the Notes is determined by or on behalf of the Issuer in accordance with the preceding provisions of this Condition 8.5 (*Redemption, Purchase and Cancellation - Note Principal Payments, Redemption Amounts and Principal Amount Outstanding*), such principal payment on the Notes and Principal Amount Outstanding of the Notes shall be determined by the Representative of the Noteholders in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*) and each such determination or calculation shall be deemed to have been made by the Issuer.

#### 8.6 *Notice of redemption*

Any notice of redemption as set out in Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*) must be given in accordance with Condition 17 (*Notices*) and shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*).

#### 8.7 *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes.

#### 8.8 *Cancellation*

8.8.1 The Notes shall be cancelled on the Cancellation Date, being 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 Aggregate Portfolio being available to the Issuer,

at which date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes, shall be finally and definitively cancelled.

8.8.2 Upon cancellation the Notes may not be resold or re-issued.

## 9. NON PETITION AND LIMITED RECOURSE

### 9.1 *Non Petition*

The Representative of the Noteholders only may pursue the remedies available under general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from any of the Transaction Documents or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security, save as provided by the Rules of the Organisation of the Noteholders. In particular no Noteholder:

- (i) shall be entitled, save as expressly permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- (ii) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it;
- (iii) shall be entitled, until the date falling one year and one day after the date on which the Notes and any other note issued by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
- (iv) shall be entitled to take or join in the taking of any corporate action, legal proceeding or other procedure or step which would result in the Priority of Payments not being complied with.

### 9.2 *Limited recourse obligations of Issuer*

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders are limited in recourse as set out below:

- (i) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the applicable Priority of Payments and will not have, by operation of law or otherwise, any claim against, or recourse to, the Issuer's other assets or its contributed capital;
- (ii) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder; and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with such sums payable to such Noteholder; and
- (iii) upon the Representative of the Noteholders giving notice in accordance with Condition 17 (*Notices*) that it has determined, in its sole opinion, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Servicer having confirmed the same in writing to the Representative of the Noteholders, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

## 10. PAYMENTS

#### 10.1 *Payments through Monte Titoli, Euroclear and Clearstream, Luxembourg*

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer to the accounts of those banks and authorised brokers whose Monte Titoli accounts are credited with such Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of such Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of such Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

#### 10.2 *Payments subject to tax laws*

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

#### 10.3 *Variation of Paying Agent and of Computation Agent*

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 Paying Agent and/or the Computation Agent and to appoint a substitute paying agent and/or Computation Agent, as the case may be. The Issuer will cause at least 30 days' prior notice of any replacement of the Paying Agent and/or the Computation Agent to be given in accordance with Condition 17 (*Notices*).

### 11. **TAXATION**

All payments in respect of the 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.

### 12. **PRESCRIPTION**

Claims against the Issuer for payments in respect of the Notes shall be prescribed 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.

### 13. **PURCHASE TERMINATION EVENTS**

#### 13.1 *Purchase Termination Events*

The occurrence of any of the following events shall constitute a Purchase Termination Event:

- (i) *Breach of obligations by the Originator*: the Originator defaults in the performance or observance of any of its obligations under any of the Transaction Documents to which it is party which is in the Representative of the Noteholders' opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is in its opinion materially prejudicial to the interest of the Rated Noteholders (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 thirty days will be given); or
- (ii) *Breach of ratios*:

- (a) the Aggregate Portfolio Delinquency Ratio for the immediately preceding Quarterly Collection Period exceeds, for two consecutive Payment Dates, the Trigger Delinquency Ratio; or
  - (b) the Aggregate Portfolio Default Ratio for the immediately preceding Quarterly Collection Period exceeds, for two consecutive Payment Dates the Trigger Default Ratio; or
  - (c) the Cumulative Default Ratio during the immediately preceding Quarterly Collection Period exceeds the applicable Cumulative Default Trigger Ratio for the Maximum Default Term; or
- (iii) *Non payment*: any amount due as Principal Deficiency Amount is not paid on any Payment Date; or
  - (iv) *Breach of representations and warranties by the Originator*: any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or proves to have been incorrect or misleading when made, or deemed to be made, in any respect which is deemed material in the Representative of the Noteholders' opinion when made or repeated, and such breach has remained unremedied for ten days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is in its opinion materially prejudicial to the interest of the Rated Noteholders; or
  - (v) *Insolvency of the Originator*: an Insolvency Event occurs in respect of the Originator; or
  - (vi) *Termination of the Servicer*: the appointment of Fineco Leasing as Servicer pursuant to the Servicing Agreement is terminated and no substitute servicer is appointed immediately thereafter, save in the event that the Representative of the Noteholders notifies to the Issuer and the Originator that notwithstanding such termination it will be possible to transfer further Subsequent Portfolios.

### 13.2 *Purchase Termination Notice*

Upon occurrence of a Purchase Termination Event during the Revolving Period, the Representative of the Noteholders shall serve a Purchase Termination Notice to the Issuer and the Originator. After the service of a Purchase Termination Notice by the Representative of the Noteholders, the Issuer may no longer purchase any Subsequent Portfolios and the Issuer Available Funds shall be applied in accordance with Condition 6.2 (*Priority of Payments – Amortisation Priority of Payments*).

## 14. **TRIGGER EVENTS**

### 14.1 *Trigger Events*

The occurrence of any of the following events shall constitute a Trigger Event:

- (i) *Non payment*: the Issuer defaults in the payment of any amount of interest and/or principal due in respect of the Most Senior Class of Notes 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 under (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 thirty days after the Representative of the Noteholders has 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 thirty days will be given); or

- (iii) *Breach of representations and warranties by the Issuer*: any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party is, or proves to have been, incorrect or erroneous in any material respect when made, or deemed to be made, or at any time thereafter, unless it has been remedied within fifteen days after the Representative of the Noteholders has served notice requiring remedy; or
- (iv) *Insolvency of the Issuer*: an Insolvency Event occurs in respect of the Issuer; or
- (v) *Unlawfulness*: it is or becomes unlawful 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, when compliance with such obligations is deemed by the Representative of the Noteholders to be material.

#### 14.2 *Trigger Notice*

Upon the occurrence of a Trigger Event, the Representative of the Noteholders:

- (i) in the case of a Trigger Event under Condition 14.1 (i) and (v) above, shall; and/or
- (ii) in the case of a Trigger Event under Condition 14.1 (ii) and (iii) above shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders; and/or
- (iii) in the case of a Trigger Event under Condition 14.1 (iv) above, may at its sole discretion or shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders,

serve a Trigger Notice to the Issuer. Upon the service of a Trigger Notice, the Issuer Available Funds shall be applied in accordance with Condition 6.3 (*Priority of Payments – Post-Trigger Priority of Payments*).

### 15. **ACTIONS FOLLOWING THE SERVICE OF A TRIGGER NOTICE**

#### 15.1 *Actions of the Representative of the Noteholders*

At any time after a Trigger Notice has been served, the Representative of the Noteholders may (or 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 Notes and payment of accrued interest thereon in accordance with the Priority of Payments set out in Condition 6.3 (*Priority of Payments - Post-Trigger Priority of Payments*).

#### 15.2 *Notifications, Determinations and Liability of the Representative of the Noteholders*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 14 (*Trigger Events*) or this Condition 15 (*Actions following the service 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 Noteholders and (in such absence as aforesaid) no liability to the 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.

### 15.3 *Actions against the Issuer*

No Noteholder shall be entitled to proceed directly against the Issuer, save as provided in these Terms and Conditions and the Rules of the Organisation of the Noteholders.

### 15.4 *Limited claims against the Issuer*

If the Representative of the Noteholders takes action to ensure the Noteholders' rights in respect of the Aggregate Portfolio and the Issuer's Rights and after payment of all other claims ranking in priority to the Notes under these 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 Aggregate 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 Notes and all other claims ranking *pari passu* therewith, then the 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 Noteholders will be discharged in full and any amount in respect of principal, interest or other amounts due under the Notes will be finally and definitively cancelled.

### 15.5 *Disposal of the Aggregate Portfolio*

Following the service 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) direct the Issuer to, dispose of the Aggregate Portfolio, subject to the terms and conditions of the Intercreditor Agreement.

## 16. **THE REPRESENTATIVE OF THE NOTEHOLDERS**

### 16.1 *The Organisation of the 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.

### 16.2 *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders, for so long as any 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 the Noteholders, except for the initial Representative of the Noteholders who has been appointed at the time of the issue of the Notes by HVB, in its capacity as Sole Lead Manager and initial holder of the Rated Notes, and Fineco Leasing in its capacity as Junior Notes Subscriber and initial holder of the Junior Notes, subject to and in accordance with the relevant Subscription Agreement. Each Noteholder is deemed to accept such appointment.

## 17. **NOTICES**

### 17.1 *Notices through Monte Titoli and in Luxembourg*

Any notice regarding the 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, in relation to the

Rated Notes and for so long as the Rated Notes are listed on 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*”) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). 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.

17.2 *Alternative methods of notice*

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 Rated Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require and in accordance with the rules of the stock exchange on which the Rated Notes are then listed.

18. **GOVERNING LAW AND JURISDICTION**

18.1 *Governing law of the Notes*

The Notes are governed by Italian law.

18.2 *Governing law of the Transaction Documents*

18.2.1 All the Transaction Documents, save for the Hedging Agreement and the Deed of Assignment, are governed by Italian law.

18.2.2 The Hedging Agreement and the Deed of Assignment are governed by English law.

18.3 *Jurisdiction*

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 1**  
**TO THE TERMS AND CONDITIONS OF THE NOTES**  
**RULES OF THE ORGANISATION OF THE NOTEHOLDERS**

**RULES OF THE ORGANISATION OF THE NOTEHOLDERS**

**TITLE I**  
**GENERAL PROVISIONS**

**1 General**

1.1 *Establishment*

The Organisation of the Noteholders is created concurrently with the issue by F-E Red S.r.l. of and subscription for the Euro 1,365,000,000 Class A Asset Backed Floating Rate Notes due October 2040 and the Euro 340,231,215 Class B Asset Backed Floating Rate Notes due October 2040 and is governed by these Rules of the Organisation of the Noteholders (the “**Rules**”).

1.2 *Validity*

These Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 *Integral part of the Notes*

These Rules are deemed to be an integral part of each Note issued by the Issuer.

**2 Definitions and interpretations**

2.1 *Interpretation*

2.1.1 Unless otherwise provided in these Rules, any capitalised term shall have the meaning attributed to it in the Terms and Conditions.

2.1.2 Any reference herein to an “Article” shall be a reference to an article of these Rules.

2.1.3 Headings and subheadings used herein are for ease of reference only and shall not affect the construction of these Rules.

2.2 *Definitions*

In these Rules, the terms set out below shall have the following meanings:

“**Basic Terms Modification**” means any proposal to:

- (a) change the date of maturity of the Notes of any Class;
- (b) change any date fixed for the payment of principal or interest in respect of the Notes of any Class;
- (c) reduce or cancel the amount of principal or interest payable on any date in respect of the Notes of any Class (other than any reduction or cancellation permitted under the Terms and Conditions) or alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (d) change the quorum required at any Meeting or the majority required to pass any Resolution;
- (e) change the currency in which payments are due in respect of any Class of Notes;
- (f) alter the priority of payments affecting the payment of interest and/or the repayment of principal in respect of any of the Rated Notes;
- (g) effect 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;

(h) a change to this definition.

**“Blocked Notes”** means Notes which have been blocked by an authorised intermediary in an account with a clearing system.

**“Block Voting Instruction”** means in relation to a Meeting, the document issued by the Paying Agent 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;
- (b) that the 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
- (c) 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 7 of these Rules.

**“Extraordinary Resolution”** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 18.

**“Meeting”** means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment).

**“Monte Titoli Account Holder”** 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.

**“Ordinary Resolution”** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 17.

**“Proxy”** means any person to which the powers to vote at a Meeting have been duly granted under a Voting Certificate or a Block Voting Instruction.

**“Resolution”** means an Ordinary Resolution and/or an Extraordinary Resolution, as the case may be.

**“Terms and Conditions”** means the terms and conditions of the 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, and any reference to a numbered **“Condition”** is to the corresponding numbered provision thereof.

**“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 the Monte Titoli Account Holder in accordance with Regulation 22 February 2008, as subsequently amended and supplemented, 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.

**“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 Paying Agent has its specified office.

**“48 hours”** means 2 consecutive periods of 24 hours.

### **3 Purpose of the Organisation**

#### **3.1 Membership**

Each Noteholder is a member of the Organisation of the Noteholders.

#### **3.2 Purpose**

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 interest of the Noteholders.

## TITLE II MEETINGS OF NOTEHOLDERS

### **4 Voting Certificates and Validity of the Proxies and Voting Certificates**

#### **4.1** *Participation in Meetings*

Noteholders may participate in any Meeting by obtaining a Voting Certificate or by depositing a Block Voting Instruction at the specified office of the Representative of the Noteholders not later than 24 hours before the relevant Meeting.

#### **4.2** *Validity*

A Block Voting Instruction or a Voting Certificate shall be valid only if deposited at the specified office of the Representative of the Noteholders, 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 Representative of the Noteholders so requires, notarised copy of each Voting Certificate or Block Voting Instruction and satisfactory evidence of the identity of each Proxy named therein shall be produced at the Meeting, but the Representative of the Noteholders shall not be obliged to investigate the validity of a Voting Certificate, a Block Voting Instruction or the identity of any Proxy.

#### **4.3** *Mutually exclusive*

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

#### **4.4** *Blocking and release of Notes*

References to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

### **5 Convening the Meeting**

#### **5.1** *Meetings convened by the Representative of the Noteholders*

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) the Issuer, or (b) Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of all the Notes outstanding for the Class in respect of which the Meeting is to be convened.

#### **5.2** *Request from the Issuer*

Whenever the Issuer requests the Representative of the Noteholders to convene a 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.

#### **5.3** *Time and place of the Meeting*

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

### **6 Notice of Meeting and Documents Available for Inspections**

#### **6.1** *Notice of meeting*

At least 21 days' notice (exclusive of the day on which 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 Paying Agent (upon instruction from the Representative of the Noteholders) to the relevant Noteholders, with copy to the

Issuer and the Representative of the Noteholders.

## 6.2 *Content of the notice*

The notice of any resolution to be proposed at the Meeting shall specify at least the following information:

- (a) day, time and place of the Meeting, on first and second call;
- (b) agenda of the Meeting; and
- (c) nature of the Resolution.

## 6.3 *Validity notwithstanding lack of notice*

Notwithstanding the formalities required by this Article 6, a Meeting is validly held if the entire Principal Amount Outstanding of the relevant Class or Classes of Notes is represented thereat and the Issuer and the Representative of the Noteholders are present.

## 6.4 *Documentation Available for Inspection*

All the documentation (including, if possible, the full text of the resolution to be proposed at the Meeting) which is necessary, useful or appropriate for the Noteholders consciously to (i) determine whether or not to take part in the relevant Meeting and (ii) exercise their right to vote on the items on the agenda, shall be deposited at the specified office of the Representative of the Noteholders at least 7 days before the date set for the relevant Meeting.

## **7 Chairman of the Meeting**

### 7.1 *Appointment of the Chairman*

The Meeting is chaired by an individual (who may, but need not be, a Noteholder) appointed by the Representative of the Noteholders. If the Representative of the Noteholders fails to make such appointment or the individual so appointed declines or 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, failing which, the Issuer shall appoint a Chairman.

### 7.2 *Duties of the Chairman*

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate and defines the terms for voting.

### 7.3 *Assistance*

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.

## **8 Quorum**

### 8.1 *Quorum and Passing of Resolution*

The quorum (*quorum constitutivo*) at any Meeting shall be:

- (a) in respect of a Meeting convened to vote on an Ordinary Resolution:
  - (i) on first call, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;
- (b) in respect of a Meeting convened to vote on an Extraordinary Resolution, other than in respect of a Basic Terms Modification:
  - (i) on first call, one or more Voters holding or representing at least two thirds of the Principal Amount Outstanding of the Notes outstanding for the Class in respect of which the Meeting is convened; or

- (ii) on second call, following any adjournment pursuant to Article 9, such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;
- (c) in respect of a Meeting convened to vote on an Extraordinary Resolution in respect of a Basic Terms Modification:
  - (i) on first call, one or more Voters holding or representing at least three quarters of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened.

## 8.2 *Passing of a Resolution*

A Resolution shall be deemed validly passed if voted by the following majorities:

- (a) in respect of an Ordinary Resolution, a majority of the votes cast; and
- (b) in respect of an Extraordinary Resolution, a majority of not less than three quarters of the votes cast.

## 9 **Adjournment for lack of quorum**

If a quorum is not reached within 30 minutes after the time fixed for any Meeting:

- (a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or
- (b) in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place and time as the Chairman determines with the approval of the Representative of the Noteholders, *provided however that* no meeting may be adjourned more than once for want of quorum.

## 10 **Adjourned Meeting**

Except as provided in Article 9, the Chairman may, with the prior consent of any Meeting, and shall if so directed by any 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.

## 11 **Notice following adjournment**

### 11.1 *Notice required*

If a Meeting is adjourned in accordance with the provisions of Article 9, Articles 5 and 6 above shall apply to the resumed meeting except that:

- (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.

### 11.2 *Notice not required*

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 9.

## 12 **Participation**

The following categories of persons may attend and speak at a Meeting:

- (a) Voters;
- (b) the director(s) and the auditors of the Issuer;
- (c) the Representative of the Noteholders;
- (d) financial and/or legal advisers to the Issuer and the Representative of the Noteholders; and

- (e) any other person authorised by the Issuer, the Representative of the Noteholders or by virtue of a resolution of the relevant Meeting.

### **13 Voting by show of hands**

#### **13.1 *First instance vote***

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hands.

#### **13.2 *Demand of poll***

If, before the vote by show of hands, the Issuer, the Representative of the Noteholders, 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 of Notes request to vote by poll, the question shall be voted on in compliance with the provisions of Article 14. No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

#### **13.3 *Approval of a resolution***

A resolution is only passed on a vote by show of hands if the Meeting has been validly constituted and the relevant resolution is unanimously approved by all 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.

### **14 Voting by poll**

#### **14.1 *Demand for a poll***

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-tenth of the Principal Amount Outstanding of the outstanding Notes entitled to vote at the Meeting. A poll may be taken immediately or after any adjournment as decided by the Chairman, but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

#### **14.2 *Conditions of a poll***

The Chairman sets the conditions 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 conditions 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.

### **15 Votes**

#### **15.1 *Votes***

Each Voter shall have:

- (a) one vote, when voting by a show of hands; and
- (b) one vote for each Euro 1,000 of Principal Amount Outstanding of each Note represented or held by the Voter, when voting by poll.

#### **15.2 *Exercise of multiple votes***

Unless the terms of any Block Voting Instruction or Voting Certificate borne by a Proxy 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.

#### **15.3 *Voting tie***

In case of a voting tie, the Chairman shall have the casting vote.

### **16 Voting by Proxy**

#### **16.1 *Validity***

Any vote by a Proxy appointed in accordance with the relevant Block Voting Instruction or Voting Certificate shall be valid even if such Block Voting Instruction or Voting Certificate or any other instruction pursuant to which it has been given had been amended or revoked provided that none of the 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.

#### 16.2 *Adjournment of 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 for lack of quorum pursuant to Article 9. If a Meeting is adjourned pursuant to Article 9, any person appointed to vote in such Meeting must be re-appointed by virtue of a Block Voting Instruction or Voting Certificate in order to vote at the resumed Meeting.

### 17 **Ordinary Resolutions**

Save as provided by Article 18 and subject to the provisions of Article 19, a Meeting shall have the 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 such waivers are not previously authorised by the Representative of the Noteholders in accordance with the Transaction Documents;
- (b) determine any other matters submitted to the Meeting, other than matters required to be subject of an Extraordinary Resolution, in accordance with the provisions of these Rules and the Transaction Documents; and
- (c) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

### 18 **Extraordinary Resolutions**

The Meeting, subject to Article 19, shall have power exercisable by Extraordinary Resolution 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) save as provided by Article 29, approve any amendments of the provisions of (i) these Rules, (ii) the Terms and Conditions, (iii) the Intercreditor Agreement, (iv) the Cash Allocation, Management and Payment Agreement, or (v) any other Transaction Document in respect of the obligations of the Issuer under or in respect of the Notes which is not a Basic Terms Modification be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;
- (e) discharge or exonerate (including prior or retrospective 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, the Terms and Conditions or any other Transaction Document;
- (f) grant any authority, order or sanction which, under the provisions of these Rules or of the Terms and Conditions, must be granted by Extraordinary Resolution (including the issue of a Trigger Notice as a result of a Trigger Event pursuant to Condition 14);
- (g) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, 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 23.

### 19 **Relationship between Classes and conflict of interests**

#### 19.1 *Basic Terms Modification*

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 the other Class of Notes (to the extent that there are Notes outstanding in such other Class).

19.2 *Extraordinary Resolution other than in respect of a Basic Terms Modification or Ordinary Resolution*

No Extraordinary Resolution of any Class of Notes to approve any matter other than a Basic Terms Modification or a matter to be approved by an Ordinary Resolution shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the Class of Notes ranking at that time senior to such Class with respect to the repayment of the principal pursuant to Condition 4.3 and in accordance with the applicable Priority of Payments (to the extent that there are Notes outstanding ranking senior to such Class).

19.3 *Binding nature of the Resolutions*

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 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 Terms Modification, any Resolution passed at a meeting of the then Most Senior Class of Noteholders duly convened and held as aforesaid shall also be binding upon all the other Class of Noteholders. In each such case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly.

19.4 *Conflict between Classes*

If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interest of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard only to the interests of the then Most Senior Class of Noteholders.

19.5 *Resolution of the Junior Noteholders*

For the avoidance of doubt, amendments or modifications which do not affect the payment of interest and/or the repayment of principal in respect of any of the Rated Notes and/or any other interest or rights of the Rated Noteholders may be passed at a Meeting of the Junior Noteholders without any sanction being required by the holders of the Rated Notes.

19.6 *Joint Meetings*

Subject to the provisions of these Rules 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 Rated Noteholders and of the Junior Noteholders may be held to consider the same Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto.

19.7 *Separate and combined Meetings of the Noteholders*

Subject to the aforesaid provisions of this Article 19, 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 the 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; and
- (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 the 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.

19.8 *Notice of Resolution*

Within 14 days after the conclusion of each Meeting, the Issuer shall give notice, in accordance with Condition 17 (*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 Paying Agent and the Representative of the Noteholders.

## **20 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.

## **21 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 regarded as having been duly passed and transacted.

## **22 Written Resolution**

Notwithstanding the formalities required by Article 6, a Meeting is validly held if a resolution in writing is signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, 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 (the "**Written Resolution**").

A Written Resolution shall take effect as if it were an Extraordinary Resolution or an Ordinary Resolution, in respect of matters to be determined by Ordinary Resolution.

## **23 Individual Actions and Remedies**

### **23.1 *Individual actions of the Noteholders***

Each Noteholder is deemed to have accepted and is bound by the limited recourse and non petition provisions of Condition 9. Accordingly, the right of each Noteholder to bring individual actions or use other individual remedies to enforce his/her rights under the Notes or the Transaction Documents will be subject to a Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

- (a) the Noteholder intending to enforce his/her rights under the Notes or the Transaction Documents 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 at the expense of such Noteholder;
- (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 authorises such individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

### **23.2 *Individual actions subject to Resolution***

No Noteholder will be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents unless a Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 23.

### **23.3 *Breach of Condition 9***

No Noteholder shall be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents in the event that such action or remedy would cause or result in a breach of Condition 9.

### **23.4 *Exclusive power of the Representative of the Noteholders***

Save as provided in this Article 23, only the Representative of the Noteholders may pursue the remedies available under the general law or the Transaction Documents to obtain payment of obligations or to enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain or enforce such remedies.

## **24 Further Regulations**

Subject to all other provisions contained in these Rules, 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**

## **25 Appointment, Removal and Remuneration**

### **25.1 *Appointment***

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 25, except for the appointment of the first Representative of the Noteholders which will be BNP Paribas Securities Services, Milan Branch.

### **25.2 *Requirements for the Representative of the Noteholders***

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.

### **25.3 *Directors and auditors of the Issuer***

The director/s and auditors of the Issuer cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

### **25.4 *Duration of appointment***

Unless the Representative of the Noteholders is removed by Extraordinary Resolution pursuant to Title II above or it resigns in accordance with Article 27, it shall remain in office until full repayment or cancellation of all the Notes.

### **25.5 *Removal***

The Representative of the Noteholders may be removed by Extraordinary Resolution of the Most Senior Class of Noteholders at any time.

### **25.6 *Office after termination***

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 Article 25.2, paragraphs (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.

### **25.7 *Remuneration***

The Issuer shall pay to the Representative of the Noteholders for its services as Representative of the Noteholders, an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the applicable Priority of Payments.

## **26 Duties and Powers of the Representative of the Noteholders**

### 26.1 *Legal representative of the Organisation of the Noteholders*

The Representative of the Noteholders is the legal representative of the Organisation 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.

### 26.2 *Meetings and implementation of Resolutions*

Subject to Article 28.9, the Representative of the Noteholders is responsible for implementing all resolutions of the Noteholders and has the right to convene Meetings to propose any course of action which it considers from time to time necessary or desirable.

### 26.3 *Delegation*

26.3.1 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.

26.3.2 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.

26.3.3 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, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate (*culpa in eligendo*).

26.3.4 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.

### 26.4 *Judicial proceedings*

The Representative of the Noteholders is authorised to represent the Organisation of the Noteholders, *inter alia*, in any judicial proceedings.

## **27 Resignation of the Representative of the Noteholders**

### 27.1 *Resignation*

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, with no need to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation.

### 27.2 *Effectiveness*

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 Most Senior Class of Noteholders and such new Representative of the Noteholders has accepted its appointment provided that if the Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 25.

## **28 Exoneration of the Representative of the Noteholders**

### 28.1 *Limited obligations*

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

### 28.2 *Other limitations*

Without limiting the generality of Article 28.1, the Representative of the Noteholders:

- (i) shall not be under any obligation to take any steps to ascertain whether a Trigger Event and/or a

Purchase Termination 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 or Purchase Termination 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) except as otherwise required under these Rules or the Transaction Documents, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules 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 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:
  - (1) the nature, status, creditworthiness or solvency of the Issuer;
  - (2) 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;
  - (3) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;
  - (4) 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 Aggregate Portfolio; and
  - (5) any accounts, books, records or files maintained by the Issuer, the Servicer, and the Paying Agent or any other person in respect of the Aggregate Portfolio or the Notes;
- (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 assessment institution or any other subject maintain the rating of the Rated Notes;
- (vii) shall not be responsible for (or 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 or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- (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 Aggregate 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 or any Transaction Document;
- (x) shall not be under any obligation to guarantee or procure the repayment of the Aggregate Portfolio or any part thereof;
- (xi) shall not be obliged to evaluate the consequences that any modification of these Rules 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 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;

- (xiii) shall not be responsible for reviewing or investigating any report relating to the Aggregate Portfolio provided by any person;
- (xiv) shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Aggregate Portfolio or any part thereof;
- (xv) 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 Aggregate Portfolio and the Notes; and
- (xvi) 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.

### 28.3 *Discretion*

#### 28.3.1 The Representative of the Noteholders:

- (i) 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 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*);
- (ii) 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;
- (iii) may certify whether or not a Trigger Event or a Purchase Termination 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;
- (iv) may determine whether or not a default in the performance by the Issuer or the Originator of any obligation under the provisions of these Rules, 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 Originator, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents;

28.3.2 Any consent or approval given by the Representative of the Noteholders under these Rules 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.

### 28.4 *Certificates*

#### The Representative of the Noteholders:

- (i) 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;

- (ii) 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;
- (iii) 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.

#### 28.5 *Ownership of the Notes*

28.5.1 In order to ascertain ownership of the Notes, the Representative of the Noteholders 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.

28.5.2 The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer

#### 28.6 *Certificates of Monte Titoli Account Holders*

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with Regulation 22 February 2008, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

#### 28.7 *Certificates of Clearing Systems*

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

#### 28.8 *Rating Agency*

The Representative of the Noteholders shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules, that such exercise will not be materially prejudicial to the interest of the Noteholders if, along with other factors, the Rating Agency has confirmed that the then current rating of the Rated Notes would not be adversely affected by such exercise, or have otherwise given their consent. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that such confirmation does not impose on or extend any actual or contingent liability for the Rating Agency to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between the Rating Agency and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise. If the Representative of the Noteholders, in order properly to 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 Rated 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.

#### 28.9 *Illegality*

No provision of these Rules 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.

## **29 Amendments to the Transaction Documents**

### **29.1 *Consent of the Representative of the Noteholders***

The Representative of the Noteholders may agree to any amendment or modification to these Rules or to any of the Transaction Documents, without the prior consent or sanction of the Noteholders if in its opinion:

- (i) it is expedient to make such amendment or modification in order to correct a manifest error or an error of a formal, minor or technical nature; or
- (ii) save as provided under paragraph (i) above, such amendment or modification (which shall be other than in respect of a Basic Terms Modification or any provision in these Rules which makes a reference to the definition of "Basic Terms Modification") is not materially prejudicial to the interest of the Most Senior Class of Noteholders.

### **29.2 *Binding nature of amendments***

Any such amendment or 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 amendment or modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter.

## **30 Security Documents**

### **30.1 *Exercise of rights under the 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 and of the Deed of Assignment. The beneficiaries of the Deed of Pledge and of the Deed of Assignment are referred to as the "**Secured Noteholders**".

### **30.2 *Rights of the Representative of the 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, in the Secured Noteholders' interest and on their 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 relevant Accounts 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.

### **30.3 *Waiver of 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.

30.4 *Limitation of rights*

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.

**31 Indemnity**

31.1 *Indemnification*

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 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, the Notes or the Transaction Documents

31.2 *Liability*

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to 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**

**32 Powers**

It is hereby acknowledged that, upon the occurrence of a Trigger Event, 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 Aggregate 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 JURISDICTION**

**33 Governing law and Jurisdiction**

33.1 *Governing law*

These Rules are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

33.2 *Jurisdiction*

The Courts of Milan shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with these Rules.

## SELECTED ASPECTS OF ITALIAN LAW

### The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and subsequently amended 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 assigned debtors 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 Prospectus, 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, (ii) the Decree of the Italian Ministry of Treasury dated 4 April 2001 on the terms for the registration of the financial intermediaries in the Special Register held by the Bank of Italy pursuant to article 107 of the Consolidated Banking Act; and (iii) the Circular No. 8/E issued by Agenzia delle Entrate on 6 February 2003 on the tax treatment of the issuers (for further details, see paragraph “*Tax treatment of the Issuer*” in the section entitled “*Risk Factors*”). 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 Prospectus.

### 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.

However, under Italian law, 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 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 relevant originator, the assigned debtors and third party creditors by way of publication in the Official Gazette and registration in the relevant assignee’s Companies Register, so avoiding the need for notification to be served on each assigned debtor.

As of the date of publication of the notice in the Official Gazette and registration of the assignment with the assignee’s Companies Register, such assignment becomes enforceable against:

- (a) the assigned debtors in respect of the relevant receivables and any creditors of the assignor who have not prior to the date of publication of the above mentioned 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 relevant assignee's 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 assigned debtor to the Issuer in respect of the receivables to which the relevant registration of the assignment and the publication of the relevant notice relate;
- (b) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to article 67 of the Italian Bankruptcy Law);
- (c) other permitted assignees of the assignor who have not perfected their assignment prior to the date of publication in the Official Gazette and registration in the relevant assignee's 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 and registration in the relevant assignee's 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 holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the securitisation transaction.

The transfer of the Receivables comprised in the Initial Portfolio from Fineco Leasing to the Issuer has been (i) published in the Official Gazette No. 19 of 17 February 2009, and (ii) registered in the Issuer's Companies Register on 16 February 2009.

Notice of the assignment of each Subsequent Portfolio which will be purchased by the Issuer after the Issue Date will be published in the Official Gazette and registered in the Issuer's Company Register promptly after transfer. For further details, see the section entitled "*Description of the Transfer Agreement*".

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Italian Bankruptcy Law 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.

### **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 twice the company's share capital, legal reserves and other reserves. 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 must be registered on the register of financial companies held, pursuant to article 106 of the Consolidated Banking Act, by the Bank of Italy. Additionally, pursuant to article 107 of the Consolidated Banking Act, financial companies carrying out securitisation activities must also be registered on a special register held by the Bank of Italy. Companies registered under article 107 of the Consolidated Banking Act are subject to the supervision of the Bank of Italy.

## Italian Law on Leasing

The contract of financial leasing (*locazione finanziaria*) ("**Financial Leasing**") is a type of contract not expressly addressed by the Italian Civil Code that may be validly entered into pursuant to the general provisions of article 1322 of the Italian Civil Code. According to this article, the parties to a contract can enter into any contract not belonging to a type subject to a specific legal discipline provided that such contract aims to fulfil interests that deserve to be protected by the legal system. The Italian courts have established that Financial Leasing contracts fall within the scope of this provision.

Under Financial Leasing contracts, the lessor leases to the lessee certain assets (for the purpose of this section, the "**Leased Property**") which have been purchased by the lessor from, or have been constructed for the lessor by, a third party supplier, with the consideration to be paid by the lessee to the lessor determined by reference to the duration of the lease, the cost of the assets and remuneration of the financing provided by the lessor, and upon the expiry of the Financial Lease contract the lessee has the option to either return the Leased Property to the lessor, or purchase it upon payment of the agreed price (*riscatto*), or alternatively, enter into a new lease contract. Accordingly, three parties are generally involved in the transaction (*i.e.*, lessor, lessee and supplier) which is completed through the stipulation of two contracts: the Financial Leasing agreement between lessor and lessee and the transfer agreement between the supplier and the lessor. The Italian Supreme Court has established that although these contracts are separate, there is a contractual link between them arising from the fact that the assets acquired by the lessor from the supplier are selected and chosen by the lessee, who is responsible for their maintenance and is subject to the risk of their loss.

Financial Leasing is subject to the provisions of the Italian Civil Code on contracts in general and to those provisions regulating specific contracts that can be applied in analogy when, in view of the particular contractual discipline agreed by the parties, the circumstances are similar to those foreseen by such provisions.

In a number of decisions given by the Italian Supreme Court in 1989 and confirmed, *inter alia*, by a decision given by the *Sezioni Unite* of the Supreme Court in 1993 (Cass. Sez. Un., 7 January 1993, No. 65), Financial Leasing contracts are distinguished into two different types: firstly, *leasing finanziario di godimento*, under which the payment of the agreed rentals represents, in line with the intention of the parties involved, only remuneration for the use of the Leased Property by the lessee; and secondly, *leasing finanziario traslativo*, under which the parties foresee, at the time of the execution of the contract, that the Leased Property (in view of its nature, the envisaged use and the duration of the contract) is to retain, upon expiry of the contract, a residual value significantly higher than the *riscatto*. Accordingly, it is reasonable to hold that rentals to be paid under *leasing finanziario traslativo* represent part of the consideration for the transfer of the Leased Property to the lessee following expiry of the contract upon payment of the *riscatto*, and that the exercise of the purchase option and transfer of the leased property to the lessee upon expiry of the contract does not constitute merely an option of the lessee but forms part of the original intention of the parties to the contract.

The Italian Supreme Court deems that the provisions of article 1526 of the Italian Civil Code are to be applied by analogy to contractual relationships between lessors and lessees under the *leasing finanziario traslativo*. article 1526 of the Italian Civil Code establishes that in relation to a sale by instalments with retention of title, if the contract is terminated as a result of the non-performance by the purchaser of its obligations, the vendor must repay the instalments received, save for its right to an equitable compensation for the use of the good and damages. Such provisions of article 1526 do not apply to *leasing finanziario di godimento* in respect of which the general provisions of the Italian Civil Code shall apply; according to article 1458 paragraph 1 of the Italian Civil Code, termination of a lease contract for breach of contract has, as between the parties thereto, a retroactive effect unless the lease contract provides for continuing performance, in which case the termination does not affect those acts already performed by the parties.

Therefore, according to the above interpretation of the Italian Supreme Court, in the event of termination of a Financial Lease contract for breach by the lessee, under *leasing finanziario di godimento*, the lessor is entitled to have the Leased Property returned to him and to retain the amounts received in respect of the rental payments matured prior to termination. On the contrary, in the event of termination of a *leasing finanziario traslativo*, the lessee has the right to receive from the lessor any amounts paid in respect of rental payments before termination but the lessee must return the Leased Property to the lessor and pay to the lessor an equitable compensation for use of the Leased Property and where appropriate, damages.

### **Forced Sale of Debtor's Goods and Real Estate Assets**

A lender may resort to a forced sale of the debtor's (or guarantor's) goods (*pignoramento mobiliare*) or real estate assets (*pignoramento immobiliare*), having previously been granted a "judicial" mortgage following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

Forced sale proceedings are directed against the debtor's properties following notification of an *atto di precetto* to the borrower together with a *titolo esecutivo* obtained from a court.

The attachment of the debtor's movable properties is carried out on the debtor's premises or on third party premises by a bailiff who removes the attached property or forbids the debtor from transferring or disposing in any way of the attached goods, and appoints a custodian in respect thereof (in practice usually the debtor himself).

Not earlier than ten days but no later than ninety days from the attachment:

- (a) in case of a *pignoramento mobiliare*, the creditor may ask the court to deliver to him all monies found on the debtor's premises, to transfer properties consisting of listed or marketed equities and to sell with or without auction the remaining attached goods; and
- (b) in case of a *pignoramento immobiliare*, the mortgage lender may request the court to sell the mortgaged property.

The average length of a *pignoramento mobiliare*, from the court order or injunction of payment to the final sharing-out, is about three years.

The average length of a *pignoramento immobiliare*, from the court order or injunction of payment to the final sharing-out, is between six and seven 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.

### **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 borrower's movable property which is located on third party premises.

### **Accounting treatment of the Receivables**

Pursuant to Bank of Italy Regulations, the accounting information relating to the securitisation of the Receivables will be contained in the Issuer's *Nota Integrativa*, which, together with the balance sheet and the profit and loss statements, forms part of the financial statements of Italian companies.

## 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.*

*This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus 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.*

*Prospective Noteholders who may be unsure as to their tax position should seek their own professional advice.*

### Income Tax

Under current legislation, pursuant to the provision of article 6, paragraph 1, of the Securitisation Law and to Decree No. 239, as amended and restated, in particular, by Decree No. 350, payments of interest and other proceeds in respect of the Notes:

- (a) will be subject to final *imposta sostitutiva* at the rate of 12.5 per cent. in Italy if made to beneficial owners who are: (i) individuals resident in Italy for tax purposes, holding the Notes not in connection with entrepreneurial activities (unless they have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the *risparmio gestito* regime according to article 7 of Legislative Decree No. 461 of 21 November 1997 - the “Asset Management Option”); (ii) Italian resident partnerships (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships), *de facto* partnerships not carrying out commercial activities and professional associations; (iii) Italian resident public and private entities, other than companies, including trusts, not carrying out commercial activities; (iv) Italian resident entities exempt from corporate income tax; and (v) non-Italian resident entities or persons without a permanent establishment in Italy to which the Notes are effectively connected, which are not eligible for the exemption from the *imposta sostitutiva* and/or do 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 *imposta sostitutiva*. As to non-Italian resident beneficial owners, *imposta sostitutiva* may apply at lower or nil rate under double taxation treaties entered into by Italy, where applicable.

The 12.5 per cent. (or, in certain cases, for treaty covered non-Italian resident beneficial owners, the lower rate provided for by the relevant applicable double tax treaty) final *imposta sostitutiva* will be applied by qualified financial intermediaries such as: (i) Italian resident banks; (ii) Italian resident Società d’Intermediazione Mobiliare (“SIM”), which are Italian financial intermediaries; (iii) Italian resident SGRs; (iv) Italian resident fiduciary companies; (v) Italian resident stockbrokers and (vi) permanent establishment in Italy of non-resident banks or non-resident financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Notes or in the transfer of the Notes. Interest is therefore not to be included in the aggregate income of the investor subject to progressive tax rates, and the tax levied may not be credited against the investor’s income tax liability. An exception to this rule is the “*imposta sostitutiva*” applied in the case of Notes held by an individual in connection with entrepreneurial activities: and in such a case the “*imposta sostitutiva*” applies as a provisional tax;

- (b) will not be subject to the *imposta sostitutiva* at the rate of 12.5 per cent. if made to beneficial owners

who are: (i) Italian resident corporations, commercial entities (including trusts carrying out commercial activities), or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected; (ii) Italian resident collective investment funds, Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 and Italian resident real estate investment funds; (iii) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Option; and (iv) according to Decree No. 350, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected, provided that:

- (i) pursuant to article 6, paragraph 1, of Decree No. 239, as modified in particular by article 41 of Law Decree No. 269 of 30 September 2003, converted with amendments into Law No. 326 of 24 November 2003, non Italian resident beneficial owners are resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information (according to Ministerial Decree of 12 December 2001, the present list of the countries allowing an adequate exchange of information is that contained in the Ministerial Decree 4 September, 1996 – as subsequent amended and supplemented – which contemplates all the countries with which Italy has entered into a double taxation treaty providing for an exchange of information. According to article 1, paragraph 87 of Law No. 244 of 24 December 2007 (“**Law No. 244**”), the aforementioned list will be amended by a specific Ministerial Decree which will be issued pursuant to article 168-*bis* of the Presidential Decree No. 917 of 22 December 1986); and
- (ii) all the requirements and procedures set forth in Decree No. 239 and in the relevant application rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in a timely manner. To ensure payment of interest and other proceeds in respect of the Notes without the application of *imposta sostitutiva*, investors indicated above must:
  - (1) timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial intermediary, or permanent establishment in Italy of a foreign intermediary, which are directly connected with the Italian Ministry of Finance. For this purpose two categories of intermediaries are identified:
    - (x) an Italian or non Italian resident bank or financial institution (there is no requirement for the bank to be EU resident) (the “**First Level Bank**”), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank, and
    - (y) an Italian resident bank or a SIM or a permanent establishment in Italy of a non-resident bank or SIM, acting as depository or sub-depository of the Notes appointed to maintain direct relationships, via electronic link, with the Italian Financial Administration (the “**Second Level Bank**”). Organisations and companies non-resident in the Republic of Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in the Republic of Italy of a non-resident bank or SIM). In the event that the non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

- (2) file with the relevant depository in a timely manner a self-declaration (the “**Declaration**”) stating their residence, for tax purposes, in a country which recognises the Italian fiscal authorities’ right to an adequate exchange of information and, *inter alia*, that the non-Italian resident entity is the beneficial owner of the proceeds. Such self-declaration, which must be in conformity with the model approved by the Ministry of Economy and Finance (approved with Decree of the Ministry of Economy and Finance 12 December 2001, published on the Ordinary Supplement No. 287 to the Official Journal No. 301 of 29 December 2001), is valid until withdrawn or revoked and may not be filed in the event that a certificate, declaration or other similar document (including Form 116/IMP) with an equivalent purpose has previously been filed with the same depository. In the case of institutional investors not subject to tax, the institutional investor shall be regarded as the beneficial owner and the relevant self-declaration shall be produced by the management company. Once the Declaration has been properly completed, the First Level Bank is obliged to send it to the Second Level Bank within 15 days from receipt. Second Level Banks are expected to file the data relating to the non-resident Noteholder together with data relating to the transactions carried out, via electronic link, to the Italian fiscal authorities within the first transmission period after receipt of such data. The Italian fiscal authorities monitor and control such data and any discrepancies. For Noteholders non-resident in the Republic of Italy, the Second Level Bank acts as an intermediary responsible for assessing the applicability of the *imposta sostitutiva* and, consequently, for levying and paying it to the Italian tax authority in accordance with the procedure described above. The Declaration has to be filed by the actual beneficial owner of the proceeds. Institutional investors with no subjective tax liability are always considered beneficial owners in respect of the proceeds received and shall file the Declaration by means of their investment manager.

Non-resident holders are subject to the 12.5 per cent. substitute tax on interest and other proceeds on the Notes if any of the above conditions are not satisfied.

The exemption from *imposta sostitutiva* also applies to (i) non Italian resident “institutional investors” (i.e. entities the activity of which consists of making or managing investments on their own behalf or on behalf of other persons, as defined by *Circolare dell’Agenzia delle Entrate* dated 1 March 2002 No. 23/E), even if they are not treated as taxpayers in their country of residence, but provided that they are resident in a country which recognises the Italian fiscal authorities’ right to an adequate exchange of information, (ii) International organisations created pursuant to International treaties that are effective in Italy, and (iii) central banks or entities managing also the official reserves of the State.

Interest and other proceeds accrued on the Notes are included in the corporate taxable income (*imposta sul reddito delle società*, “**IRES**”) at 27.5 per cent. and in certain circumstances, depending on the status of the Noteholders, also in the net value of production for purposes of regional tax on productive activities (“**IRAP**”) at a rate of 3.9 per cent. (IRAP rate may be increased in certain Italian regions, also in accordance with the provisions of Law Decree No. 93 of 27 May 2008, which has been converted into Law No. 126 of 24 July 2008) of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign entities to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Option are subject to a 12.5 per cent. annual substitutive tax (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 any interest and other proceeds accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Italian resident collective investment funds and SICAVs are subject to an annual substitutive tax of 12.5 per cent. (the “**Collective Investment Fund Tax**”) 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 Notes).

Italian resident pension funds subject to the regime provided by article 17 of Legislative Decree No. 252 of 5 December 2005, are subject to an 11 per cent. annual substitutive tax (the “**Pension Fund Tax**”) 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 Notes).

Pursuant to Legislative Decree No. 351 of 25 September 2001 (“**Decree No. 351**”), as amended by article 41-bis of Law Decree No. 269 of 30 September 2003, converted with amendments into Law No. 326 of 24 November 2003, starting from 1 January 2004, beneficial owners of Notes who are Italian resident real estate investment funds established pursuant to article 37 of Legislative Decree No. 58 of 24 February 1998 and to article 14-bis of Law No. 86 of 25 January 1994, from 26 September 2001 or, if established before 26 September 2001, provided that the managing company has opted for the application of the regime provided for by Decree No. 351, are not subject to taxation at the Fund level and the 12.5 per cent. *imposta sostitutiva* indicated in sub-paragraph (A) above does not apply to payments of interest and other proceeds in respect of the Notes to such funds. According to Law Decree No. 112 of 25 June 2008, which has been converted into Law No. 133 of 6 August 2008, a 1 per cent. property tax may be applied on the net value of those funds which met specific requirements set out in article 82, paragraph 18, of the mentioned Law Decree No. 112 of 25 June 2008.

Moreover, as clarified by Revenue Agency Circular No. 47/E of 8 August 2003, the 12.5 per cent. *imposta sostitutiva* provided for by Decree No. 239 in general should not apply with respect to interest and other proceeds on the Notes derived by all Italian resident real estate investment funds, including any real estate investment funds not subject to the tax treatment provided for by Decree No. 351, provided that the Notes, together with the coupons relating thereto, are deposited in a timely manner directly or indirectly with an Italian authorised financial intermediary (or permanent establishment in Italy of a foreign intermediary).

In particular, article 41-*bis*, paragraph 8, of Law Decree No. 269 of 30 September 2003, converted with amendments into Law No. 326 of 24 November 2003 has repealed, with effect from 1 January 2004, the annual substitute tax previously applicable on the accounting net value of certain real estate investment funds and, subject to certain exceptions, article 41-*bis*, paragraph 9 of Law Decree No. 269 of 30 September 2003, converted with amendments into Law No. 326 of 24 November 2003, has introduced a 12.5 per cent. withholding, at the level of the participants in Italian real estate investment funds, of proceeds from the participation in such funds accrued starting from 1 January 2004. According to Law Decree No. 112 of 25 June 2008, which has been converted into Law No. 133 of 6 August 2008, such 12,5 per cent. withholding has been increased to 20 per cent..

Any positive difference between the nominal amount of the Notes and their issue price is deemed to be interest for tax purposes. Without prejudice to the above provisions, in the event that the Notes are redeemed in full or in part prior to the expiry of eighteen months from the Issue Date, the Issuer of the Notes will be required to pay an additional amount in Italy which, at the date of this Prospectus, is equal to 20 per cent. of all interest and other proceeds accrued on such principal amount repaid early up to the relevant repayment date. In accordance with one interpretation of Italian fiscal law, also in the event of purchase of Notes by the Issuer with subsequent cancellation thereof prior to the expiry of eighteen months from the Issue Date, the Issuer may be required to pay the above 20 per cent. additional amount.

### **Capital Gains**

Any capital gain realised upon the sale for consideration or redemption of the Notes would be treated as part of the taxable business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant tax provisions, if derived by

Noteholders who are:

- (a) Italian resident corporations;
- (b) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or
- (c) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity carried out.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding Notes not in connection with entrepreneurial activity and certain other persons upon sale for consideration or redemption of the Notes would be subject to an *imposta sostitutiva* at the current rate of 12.5 per cent..

The capital gain/loss is represented by the positive/negative difference between the Notes' sale price (or the redemption value) and the purchase or subscription price (or value) gross of any inherent expenses (stamp duties, commissions, notary fees, etc.). Such difference is to be considered net of any interest (or issue margin) accrued but not yet paid, which is to be taxed according to the criteria explained under the previous paragraph, headed "Income Tax". If a negative difference arises from a relevant transaction, such difference represents a capital loss which can be, in general terms, carried forward and set off with future gains of a similar nature.

Three different regimes may apply to the taxation of a resident investor, holding Notes otherwise than in connection with entrepreneurial activity, with reference to capital gains not pertaining to business activities:

- (1) under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Notes not in connection with entrepreneurial activity pursuant to all disposals of Notes carried out during any given fiscal year. Italian resident individuals holding Notes not in connection with entrepreneurial activity must report overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authorities for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years;
- (2) as an alternative to the tax declaration regime, Italian resident individual noteholders holding the Notes not in connection with entrepreneurial activity may elect to pay 12.5 per cent. *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the "**Risparmio Amministrato**" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, *Società di Intermediazione Mobiliare (SIM)* or certain authorised financial intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. Under the *Risparmio Amministrato* regime, the financial intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Noteholder. Under the *Risparmio Amministrato* regime, where a sale or redemption of the Notes results in capital loss, such loss may be deducted from capital gains subsequently realised 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 Noteholder is not required to declare capital gains in its annual tax declaration and remains anonymous; and

- (3) any capital gains realised by Italian resident individuals holding Notes not in connection with entrepreneurial activity who have elected for the Asset Management Option will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration and remains anonymous.

Any capital gains realised by Noteholders who are Italian resident collective investment funds will be included in the computation of the taxable basis of the Collective Investment Fund Tax.

Any capital gains realised by Noteholders who are Italian resident pension funds subject to the regime provided by article 17 of Legislative Decree No. 252 of 5 December 2005, will be included in the computation of the taxable basis of Pension Fund Tax.

The 12.5 per cent. final *imposta sostitutiva* on capital gains may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the Notes by non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Legislative Decree No. 259 of 21 July 1999, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad (including the Luxembourg Stock Exchange) and in certain cases subject to timely filing of required documentation (in particular, a self-declaration not to be resident in Italy for tax purposes), even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

In case the Notes are not listed on a regulated market in Italy or abroad:

- (i) pursuant to the provisions of Legislative Decree No. 461 of 21 November 1997, Decree No. 350 and decree No. 239, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the *imposta sostitutiva* in Italy on any capital gains realised, upon sale for consideration or redemption of the Notes if they (a) are resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information as currently listed in Ministerial Decree 4 September 1996, as amended and supplemented. According to article 1, paragraph 87 of Law No. 244, the above mentioned list will be amended by a specific Ministerial Decree which will be issued pursuant to article 168-*bis* of the Presidential Decree No. 917 of 22 December 1986).

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply on condition that they file in time with the authorised financial intermediary an appropriate self-declaration stating to meet the requirements indicated under (a);

- (ii) 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 with Italy, provided 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 on any capital gains realised upon sale for consideration or redemption of Notes.

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

## Trusts

According to article 73, paragraph 2, of Presidential Decree No. 917 of 22 December 1986, as amended by paragraph 74, article 1, of Law 27 December 2006 No. 296, if the beneficiaries are named in the trust documents, any such beneficiary will be taxed on the trust's income and that income for the beneficiary will be considered capital income (*redditi di capitale*). Moreover, according to article 73, paragraph 3, of Presidential Decree No. 917 of 22 December 1986, as amended by paragraph 74, article 1, of Law 27 December 2006 No. 296, trusts that are not Italian resident could be considered Italian resident for tax purposes if (i) they are created in a country that does not recognise the Italian tax authorities' right to the adequate exchange of information; (ii) at least one settlor and one beneficiary of the trust are Italian tax residents; or (iii) it is created in a country described under point (i) above and, following incorporation of the trust, an Italian resident subject transfers certain assets to the trust.

## Inheritance and Gift Tax

Law no. 286 of 24 November 2006 (published on the Official Gazette No. 277 of 28 November 2006), which has converted into law, with amendments, Law Decree no. 262 of 3 October 2006, has introduced inheritance and gift tax to be paid at the transfer of assets (such as the Notes) and rights by reason of death or gift.

As regards the inheritance and gift tax to be paid at the transfer of the Notes by reason of death or gift, the following rates apply:

- 1) transfers in favour of spouses and direct descendants or direct relatives are subject to a registration tax of 4 per cent. on the value of the inheritance or the gift exceeding Euro 1,000,000.00 for each transferor;
- 2) transfers in favour of brothers and sisters are subject to a registration tax of 6 per cent. on the value of the inheritance or the gift exceeding Euro 100,000.00 for each transferor;
- 3) transfers in favour of relatives up to the fourth degree or relatives-in-law to the third degree, are subject to a registration tax of 6 per cent. on the entire value of the inheritance or the gift;
- 4) any other transfer is subject to a registration tax of 8 per cent. on the entire value of the inheritance or the gift.
- 5) transfers in favour of seriously disabled persons are subject to a registration tax at the relevant rate as described above on the value of the inheritance or the gift exceeding Euro 1,500,000.00 for each transferor.

Moreover, an anti-avoidance rule is provided by Law No. 383 of 18 October 2001 for any gift of assets (such as the Notes) which, if sold for consideration, would give rise to capital gains subject to the *imposta sostitutiva* provided for by Legislative Decree No. 461 of 21 November 1997. In particular, if the donee sells the Notes for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift had never taken place.

## Transfer tax

According to article 37 of Legislative Decree No. 248 of 31 December 2007, as converted with amendments into Law No. 31 of 28 February 2008, the transfer of the Notes is not subject to Italian transfer tax.

The transfer of the Notes could be subject, in some specific cases, to the Italian registration tax at the fixed rate of 168,00 Euro.

### **European Withholding Tax Directive**

On 3 June 2003, the EU Council of Economic and Finance Ministers (“**ECOFIN**”) adopted the EU Directive No. 2003/48/CE (the “**European Withholding Tax Directive**”), a directive regarding the taxation of savings income. The European Withholding Tax Directive was scheduled to be applied by Member States of the European Union (each, a “**Member State**” and together, the “**Member States**”) from 1 July 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the European Withholding Tax Directive each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State.

The Italian Government has implemented the European Withholding Tax Directive 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 legislation (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.

More specifically, according to article 5 of the Decree No. 84, paying agents acting shall provide the Italian tax authorities with the following data: identity and residence of the beneficial owner; name and address of the paying agent; account number of the beneficial owner or, otherwise, information of the debt claim giving rise to the interest payment and amount of interest paid. Such information is then transmitted to the Italian tax authorities. 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. The beneficial owner that having a EU passport or identity card is 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 presumed to be the beneficial owner with the burden to give evidence and prove the contrary in his hands.

Companies, similar entities subject to taxation on business profits, UCITs passported under the Directive No. 85/611/EEC and non passported UCITs that have elected to be treated like passported, are excluded from the application of Decree No. 84. Mistakes, omissions and any other contravention may be fined under the Decree No. 84 with sanctions from Euro 2,065.00 to Euro 20,658.00. Either 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 European Withholding Tax Directive and, as far as Italy is concerned, article 2 of the Decree 84. Accordingly, such payment of interest arising out of the Notes would fall within the scope of the European Withholding Tax Directive being the Notes issued after March 1st, 2001 (see articles 15 of the European Withholding Tax Directive and article 2(5) of the Decree 84).

The European Withholding Tax Directive provides that Austria, Belgium or Luxembourg shall apply a withholding tax for a transitional period as defined therein, unless during such period they would 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. European Withholding Tax Directive provides for the exemption from the withholding tax to the extent that the beneficial owner

provides the paying agent with minimum data requirements. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. 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.

## SUBSCRIPTION AND SALE

### **Rated Notes Subscription Agreement**

Pursuant to the Rated Notes Subscription Agreement entered into on or about the Issue Date between the Issuer, the Originator, the Sole Lead Manager and the Representative of the Noteholders, the Issuer has agreed to issue the Rated Notes and the Sole Lead Manager has agreed to subscribe for such Rated Notes, subject to the terms and conditions set out thereunder, at the issue price of 100 per cent. of their principal amount on issue.

The Rated Notes Subscription Agreement is subject to a number of conditions and may be terminated by the Sole Lead Manager in certain circumstances prior to payment for the Rated Notes to the Issuer. The Issuer and the Originator have agreed to indemnify the Sole Lead Manager against certain liabilities in connection with the issue and subscription of the Rated Notes.

The Rated Notes Subscription Agreement is governed by, and will be construed in accordance with, Italian law.

### **Junior Notes Subscription Agreement**

Pursuant to the Junior Notes Subscription Agreement entered into on or about the Issue Date between the Issuer, Fineco Leasing as Junior Notes Subscriber and the Representative of the Noteholders, the Issuer has agreed to issue the Junior Notes and Fineco Leasing has agreed to subscribe for such Junior Notes, subject to the terms and conditions set out thereunder, at the issue price of 100 per cent. of their principal amount on issue.

In respect of the obligation of the Issuer to make payment on the Notes, under the Terms and Conditions the payment obligations of the Issuer in respect of the Junior Notes are subordinated to its payment obligations in respect of the Rated Notes, the Other Issuer Creditors and any other creditors of the Issuer, as provided by the applicable 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 Noteholder.

The Junior Notes Subscription Agreement is governed by, and will be construed in accordance with, Italian law.

### **Selling Restrictions**

#### **1. *General***

Under the Rated Notes Subscription Agreement, the Sole Lead Manager:

- 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 Rated Notes, or possession or distribution of any offering material in relation to the Rated Notes, in any country or jurisdiction where action for that purpose is required;
- has represented and warranted to the Issuer that it has complied with and has undertaken to the Issuer that it will comply with all applicable laws and regulations in each country or jurisdiction in which it may purchase, offer, sell or deliver the Rated Notes or may have in its possession, distribute or publish such offering material, in all cases at its own expense; and
- has represented and warranted to the Issuer that it has not made or provided and undertakes to the Issuer that it will not make or provide any representation or information

regarding the Issuer or the Rated Notes save as contained in this Prospectus or as approved for such purpose by the Issuer or which is a matter of public knowledge.

## 2. *United States*

The Rated Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

### *Compliance by the Issuer with United States securities laws*

The Issuer has represented, warranted and undertaken to the Sole Lead Manager in the Rated Notes Subscription Agreement as follows:

- 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 securities in any circumstances which would cause such securities to be integrated with the Rated Notes in a manner which would require the registration of any of the Rated Notes under the Securities Act or the qualification of any document related to the Rated Notes as an indenture under the United States Trust Indenture Act of 1939, as amended;
- neither it nor any of 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 Rated Notes;
- the Issuer is a “foreign issuer” (as defined in Regulation S) and there is no “substantial U.S. market interest” (as defined in Regulation S) in the securities of the Issuer of the same class as the Rated Notes, and the Issuer and its affiliates have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act; and
- the Issuer is not, and after giving effect to the offering and sale of the Rated 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.

### *Sole Lead Manager’s compliance with United States securities laws*

The Sole Lead Manager has represented, warranted and undertaken to the Issuer in the Rated Notes Subscription Agreement as follows:

- it has offered and sold the Rated Notes, and will offer or sell the Rated Notes (i) as part of its distribution at any time or (ii) otherwise until the expiration of the distribution compliance period of 40 days after the later of the commencement of the offering of the Rated Notes and the Issue Date, only in accordance with Rule 903 of Regulation S under the Securities Act;
- at or prior to confirmation of sale of the Rated Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Rated Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect: “The securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the

later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them in Regulation S.”;

- it, its affiliates and any person acting on its behalf have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act;
- neither it, its affiliates nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts within the meaning of Rule 902 under the Securities Act with respect to the Rated Notes; and
- it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Rated Notes, except with its affiliates or with the prior written consent of the Issuer.

*Sole Lead Manager’s compliance with United States Treasury regulation*

Terms used in the following paragraphs have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder, including the D Rules (as defined below). The Sole Lead Manager has represented, warranted and undertaken to the Issuer in the Rated Notes Subscription Agreement as follows:

- (a) except to the extent permitted under United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**D Rules**”): (i) it has not offered or sold, and until the expiration of a restricted period of 40 days from the earlier of the commencement of the offering or the Issue Date will not offer or sell, any Rated Notes to a person who is within the United States or its possessions or to a United States person; and (ii) it has not delivered and will not deliver in definitive form within the United States or its possessions any Rated Notes sold during the restricted period;
- (b) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling or offering Rated Notes are aware that the Rated Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, (i) it is acquiring the Rated Notes for the purposes of resale in connection with their original issuance and, (ii) if it retains Rated Notes for its own account, it will only do so in accordance with the requirements of the D Rules;
- (d) with respect to each affiliate of the Sole Lead Manager that acquires the Rated Notes from it for the purpose of offering or selling such Rated Notes during the restricted period, the Sole Lead Manager repeats and confirms for the benefit of the Issuer the representations, warranties and undertakings contained in paragraphs (a), (b) and (c) above on such affiliate's behalf; and
- (e) it has not entered and will not enter into any contractual arrangement with a distributor (as that term is defined for purposes of the D Rules) with respect to the distribution of the Rated Notes, except with its affiliates or with the prior written consent of the Issuer.

3. *United Kingdom*

Under the Rated Notes Subscription Agreement, the Sole Lead Manager has represented, warranted and undertaken to the Issuer as follows:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by them in connection with the issue or sale of the Rated Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Rated Notes in, from or otherwise involving the United Kingdom.

#### 4. *Italy*

Under the Rated Notes Subscription Agreement, the Sole Lead Manager has represented, warranted and undertaken to the Issuer as follows:

- (a) the offering of the Rated Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Rated Notes may be offered, sold or delivered, nor may copies of this Prospectus or any other document relating to the Rated Notes be distributed in the Republic of Italy, except to qualified investors (*investitori qualificati*) (“**Qualified Investors**”), as defined under the relevant CONSOB regulation implementing article 2, par. 1, lett. (e) and (f), of Directive 2003/71/CE of the European Parliament and of the Council, *provided that*, in any case, the offer or sale of the Notes in Italy shall be effected in accordance with all relevant Italian securities, tax and other applicable laws and regulations;
- (b) any offer, sale or delivery of the Rated Notes in the Republic of Italy or distribution of copies of this Prospectus or any other document relating to the Rated Notes in the Republic of Italy under letter (a) above must be:
  - (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Laws Consolidated Act, CONSOB Regulation No. 16190 of 29 October 2007 and the Consolidated Banking Act, as amended; and
  - (ii) in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws and regulations.

*Please note that, in accordance with article 100-bis of the Financial Laws Consolidated Act, where no exemption under letter (a) above applies, the subsequent distribution of the Rated Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Financial Laws Consolidated Act and Regulation 11971. Failure to comply with such rules may result, inter alia, in the sale of the Rated Notes being declared null and void and in the liability of the intermediary transferring the Rated Notes for any damages suffered by the investors.*

#### 5. *European Economic Area*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Sole Lead Manager has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of Rated Notes to the public in that Relevant Member State, from the time the Prospectus has been approved by the competent authority in Luxembourg and published in accordance with the Prospectus Directive as implemented in Luxembourg, except that

they may, with effect from and including the Relevant Implementation Date, make an offer of such Rated Notes to the public in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than Euro 43,000,000; and (3) an annual net turnover of more than Euro 50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Sole Lead Manager; or
- (d) in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of Rated Notes shall require the Issuer and the Sole Lead Manager to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes of this provision, the expression *offer of Rated Notes to the public* in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Rated Notes to be offered so as to enable an investor to decide to purchase or subscribe the Rated Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression *Prospectus Directive* means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## GENERAL INFORMATION

### 1. Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by the Issuer through the resolution of the Sole Quotaholder passed on 6 February 2009.

### 2. Listing and admission to trading

Application has been made to list on the official list of the Luxembourg Stock Exchange and admit to trading on the its Regulated Market the Rated Notes.

### 3. No material litigation

The Issuer is not involved in any litigation, arbitration, governmental or administrative proceedings which may have, or have had, over the last twelve months, a significant effect on its financial position nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.

### 4. No material adverse change

Save as disclosed in this Prospectus, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 31 December 2007 (being the date of the most recent statutory financial statement of the Issuer) that is material in the context of the issue of the Notes.

### 5. No borrowings or indebtedness

Save as disclosed in this Prospectus, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages, charges or given any guarantees.

### 6. Financial statements

The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents are promptly deposited after their approval at the specified office of the Representative of the Noteholders, where such documents are available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours. The Issuer's financial statement concerning the period ending on 31 December 2007 will be available from the date of approval of this Prospectus at the registered office of the Representative of the Noteholders.

### 7. Clearing of the Notes

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

Class	ISIN Code	Common Code
Rated Notes	IT0004470503	041659637
Junior Notes	IT0004470511	N/A

## **8. Documents available for inspection**

As long as the Rated Notes are listed on the Luxembourg Stock Exchange, copies of the following documents may be inspected and obtained free of charge during usual business hours at the specified office of the Representative of the Noteholders at any time after the date of this Prospectus:

- the by-laws (*statuto*) and deed of incorporation (*atto costitutivo*) of the Issuer
- the Transfer Agreement;
- the Servicing Agreement;
- the Warranty and Indemnity Agreement;
- the Corporate Services Agreement;
- the Intercreditor Agreement;
- the Cash Allocation, Management and Payment Agreement;
- the Deed of Pledge;
- the Deed of Assignment,
- the Mandate Agreement;
- the Hedging Agreement;
- the Letter of Undertakings;
- the Master Definitions Agreement;
- the Subordinated Loan Agreement;
- the Quotaholder Agreement; and
- the Monte Titoli Mandate Agreement.

## **9. Documents incorporated by reference**

The following documents shall be deemed to be incorporated by reference in, and form part of, this Prospectus:

- the sole director's management report on the period ended on 31 December 2007;
- the financial statements of the Issuer as at 31 December 2007;
- the report of the auditors of the Issuer on its financial statements as at 31 December 2007,

and shall be made available by the Issuer, *inter alia*, as further set out in paragraph 8 immediately above.

Any information not listed in the cross reference table below but included in the documents incorporated by reference is given for information purposes only.

The Prospectus and the documents incorporated by reference will be available on the Luxembourg Stock Exchange's web site ([www.bourse.lu](http://www.bourse.lu)).

<b>Documents</b>	<b>Information contained</b>	<b>Reference Page</b>
Sole director's report	- Management report of the sole director of the Issuer on the on the period ended on 31 December 2007	Page 1
Financial statement of the Issuer as at 31 December 2007	- Balance sheet as at 31 December 2007 - Income statement - Notes to financial statements	Page 2 Page 2 Page 7
Auditors' report	- Auditors' report on financial statements 2007	Page 1

#### **10. Post issuance information**

So long as any of the Rated Notes remains outstanding, the Issuer will provide the post issuance information described in this paragraph 10. Copies of the Quarterly Payments Report, the Investor Report, the Surveillance Report and the Post Trigger Report shall be made available for collection at the registered office of the Representative of the Noteholders. The first Investor Report will be available at the registered office of the Representative of the Noteholders on or about the Investors Report Date immediately succeeding the First Payment Date. The Investor Report will be produced quarterly and will contain details of amounts paid on the Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest in respect of each Rated Note.

#### **12. Fees and expenses**

The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 130,000 (excluding servicing fees and any VAT, if applicable).

## GLOSSARY OF TERMS

**Account** means each of the Adjustment Reserve Account, the Cash Reserve Account, the Collection Account, the Expenses Account, the Payments Account, the Principal Accumulation Account, the Securities Account and the Transaction Account and **Accounts** means all of them.

**Account Bank** means BNP Paribas Securities Services, Milan Branch or any other person, being an Eligible Institution, acting as account bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**Accrued Interest** means, on any given date and with respect to any Receivable, the aggregate of the accrued portion of the interest part of the next Instalment due under the Lease Contracts.

**Additional Criteria** means the further objective criteria for the identification of the Receivables comprised in the Subsequent Portfolios which from time to time may be identified by the Issuer and the Originator and may supplement the Common Criteria and/or the Specific Criteria, pursuant to the Transfer Agreement.

**Additional Screen Rate** shall have the meaning ascribed to it in Condition 7 (*Interest*).

**Additional Termination Event** has the meaning ascribed to it in the Hedging Agreement.

**Adjustment** means, in respect of any Receivable arising out of a floating rate Lease Contract, the sums due to the Issuer from the relevant Lessee or the sums that the Issuer owes to such Lessee, as a result of application of the clauses which provide for the adjustment of the Instalments due to quarterly indexation contained in the relevant Lease Contract.

**Adjustment Reserve Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution, into which the Adjustment Reserve Amount shall be credited, in accordance with the Cash Allocation, Management and Payment Agreement.

**Adjustment Reserve Amount** means in respect to any Payment Date (A) the sum of the Negative Adjustment relating to the preceding Interest Period in respect of all the Receivables comprised in the Aggregate Portfolio or (B) following the relevant communication of the Servicer pursuant to the Cash Allocation, Management and Payment Agreement, the difference, if positive, between (i) the sum of the Negative Adjustment accrued and not reimbursed as at the relevant Payment Date in respect of all the Receivables comprised in the Aggregate Portfolio and (ii) the sum of the Positive Adjustment accrued and unpaid as at such Payment Date in respect of all such Receivables.

**Advance Date** means the date on which the Limited Recourse Loan is granted by the Originator to the Issuer pursuant to the Warranty and Indemnity Agreement.

**Agency** means the Revenue Agency – Regional Direction of Lombardy.

**Aggregate Portfolio** means, on any given date, all the Receivables comprised in the Initial Portfolio and in all the Subsequent Portfolios sold by the Originator to the Issuer up to any such date, pursuant to the Transfer Agreement.

**Aggregate Portfolio Default Ratio** means the ratio, calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period, obtained by dividing: (A) the Outstanding Principal Balance of the Receivables comprised in Pool No. 1, Pool No. 2 and Pool No. 3 which are classified as Defaulted Receivables as of the last day of the relevant Monthly Collection Period or Quarterly Collection Period, by (B) the Aggregate Portfolio Outstanding Principal Balance (both calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period).

**Aggregate Portfolio Delinquency Ratio** means the ratio, calculated as of the last day of each Monthly

Collection Period or Quarterly Collection Period, obtained by dividing: (A) the Outstanding Principal Balance of the Receivables comprised in Pool No. 1, Pool No. 2 and Pool No. 3 which are classified as Delinquent Receivables as of the last day of the relevant Monthly Collection Period or Quarterly Collection Period, by (B) the Aggregate Portfolio Outstanding Principal Balance (excluding the Defaulted Receivables) (both calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period).

**Aggregate Portfolio Outstanding Principal Balance** means, on any given date, the sum of the Outstanding Principal Balance of all Receivables comprised in the Aggregate Portfolio.

**Amortisation Interest Priority of Payments** means the order of priority in which the Issuer Interest Available Funds shall be applied on each Payment Date during the Amortisation Period, in accordance with Condition 6.2.1.

**Amortisation Period:** means the period (A) commencing after the end of the Revolving Period and (B) ending on the earlier of (i) the Cancellation Date and (ii) the date on which a Trigger Notice has been served on the Issuer.

**Amortisation Principal Priority of Payments** means the order of priority in which the Available Redemption Funds shall be applied on each Payment Date during the Amortisation Period, in accordance with Condition 6.2.2.

**Amortisation Priority of Payments** means, collectively, the Amortisation Principal Priority of Payments and the Amortisation Interest Priority of Payments.

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

**Asset** means any Motor Vehicle, Equipment or Real Estate Asset which is leased under any Lease Contract and **Assets** means all of them.

**Available Redemption Funds** means in respect of any Payment Date:

- (i) during the Amortisation Period, the Issuer Principal Available Funds; and
- (ii) after the service of a Trigger Notice, any remaining Issuer Available Funds after all payments under items from *First* to *Fifth* of the Post-Trigger Priority of Payments have been made in full,

together with, in both cases, the proceeds from the redemption of Eligible Investments, to the extent that any Available Redemption Funds have been invested in Eligible Investments other than the interests accrued on the Eligible Investments which shall form part of the Issuer Interest Available Funds.

**Back-Up Servicer** means the entity appointed as back-up servicer pursuant to the terms and conditions of the Servicing Agreement.

**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.

**Bill of Sale** means the bill of sale of each Portfolio (attached to the Transfer Agreement, as far for the Initial Portfolio, and to the relevant Transfer Offer, as far for each Subsequent Portfolio) setting out the list of all the Lease Contracts out of which the Receivables comprised in the relevant Portfolio arise, together with further information in respect of each of such Receivables including, *inter alia*, the Individual Purchase Price, the nominal value of the Instalments, the Outstanding Principal Balance, the Accrued Interest and the principal component of the Residual Instalment.

**BNP Guarantee** means the guarantee executed on or about the Issue Date and granted by BNP Paribas S.A. in favour of the Issuer in respect of certain obligations of BNP Paribas Securities Services, Milan Branch under the Cash Allocation, Management and Payment Agreement, 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.

**BNP Paribas Securities Services, Luxembourg Branch** means the Luxembourg branch of BNP Paribas Securities Services S.A., a company incorporated under the laws of France, having its registered office at 3 Rue d'Antin, 75002 Paris, with office at 33, rue de Gasperich, Howald - Hesperange, L – 2085 Luxembourg, Grand Duchy of Luxembourg.

**BNP Paribas Securities Services, Milan Branch** means the Milan branch of BNP Paribas Securities Services S.A., a company incorporated under the laws of France, having its registered office at 3 Rue d'Antin, 75002 Paris, with office at Via Ansperto No. 5, 20123 Milan, Italy.

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

**Calculation Agent** means Zenith Service or any other person acting as calculation agent pursuant to the Hedging Agreement from time to time.

**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 Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer at which date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes, shall be finally and definitively cancelled.

**Cash Account** means each of the Adjustment Reserve Account, the Cash Reserve Account, the Collection Account, the Payments Account, the Expenses Account, the Transaction Account and the Principal Accumulation Account and **Cash Accounts** means all of them.

**Cash Allocation, Management and Payment Agreement** means the cash allocation, management and payment agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Computation Agent, the Account Bank, the Originator, the Custodian Bank, the Subordinated Loan Provider, the Servicer, the Paying Agent, the Corporate Servicer 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.

**Cash Reserve** means the amounts standing from time to time to the credit of the Cash Reserve Account and any Eligible Investments made with the sums standing to the credit of such Account.

**Cash Reserve Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which the Cash Reserve Amount shall be credited, in accordance with the Subordinated Loan Agreement and the Cash Allocation, Management and Payment Agreement.

**Cash Reserve Amount** means an amount equal to (i) Euro 161,000,000, prior to the date (excluded) on which the Rated Notes have been fully redeemed and (ii) zero, starting from the date (included) on which the Rated Notes are fully redeemed.

**Cash Reserve Released Amount** means an amount equal to (i) zero, prior to the date (excluded) on which the Rated Notes have been fully redeemed and (ii) Euro 161,000,000, starting from the date (included) on which the Rated Notes are fully redeemed.

**Class** shall be a reference to a class of Notes, being the Class A Notes or the Class B Notes and **Classes** shall be construed accordingly.

**Class A Noteholder** means any Holder of a Class A Note and **Class A Noteholders** means all of them.

**Class A Notes** means the Euro 1,365,000,000 Class A Asset Backed Floating Rate Notes due October 2040.

**Class B Noteholder** means the Holder of a Class B Note and **Class B Noteholders** means all of them.

**Class B Notes** means the Euro 340,231,215 Class B Asset Backed Floating Rate Notes due October 2040.

**Clearstream** means Clearstream Banking, *société anonyme* with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

**Closing Date** means 13 February 2009.

**Collateral Account** means collectively, one or more accounts to be opened in the name of the Issuer with an Eligible Institution in respect of the Hedging Agreement if any Collateral Amounts are posted as collateral pursuant to the CSA for the Hedging Agreement.

**Collateral Amount** means any payments made to or deposits of securities made with the Issuer as collateral pursuant to the CSA entered into pursuant to the Hedging Agreement.

**Collateral Security** means any security interest granted to the Originator in order to secure the payment of the amounts due under the Lease Contracts.

**Collection Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which all the Collections and Recoveries, respectively, received and recovered from time to time by the Servicer shall be credited, in accordance with the Servicing Agreement.

**Collection Date** means 1 January, 1 April, 1 July and 1 October of each year.

**Collection Policies** means the procedures for the management, collection and recovery of the Receivables attached to the Servicing Agreement.

**Collections** means all the amounts paid to, and received by, Fineco Leasing in its capacity as Servicer in respect of the Instalments due under the Receivables (which are not Defaulted Receivables) and any other amounts whatsoever paid in respect of such Receivables, including without limitations, the penalties and the indemnities payable by the Lessee upon withdrawal from termination of the Lease Contracts.

**Common Criteria** means the objective criteria for the identification of the Receivables comprised in the Subsequent Portfolios provided for by the Transfer Agreement, which shall be satisfied by all the Receivables comprised in any Subsequent Portfolio as of the relevant Valuation Date or as of such other date provided in the relevant Transfer Offer.

**Computation Agent** means Zenith Service 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 Terms and Conditions.

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

**CONSOB Resolution No. 11768** means CONSOB Resolution No. 11768 of 23 December 1998, as amended by CONSOB Resolutions No. 12497 of 20 April 2000 and No. 13085 of 18 April 2001, as subsequently amended and supplemented from time to time.

**CONSOB Resolution No. 16191** means CONSOB Resolution No. 16191 of 29 October 2007, as

subsequently amended and supplemented from time to time.

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

**Corporate Servicer** means SFM Italy or any other person acting as corporate servicer pursuant to the Corporate Services Agreement from time to time.

**Corporate Services** means the services which the Corporate Servicer will provide to the Issuer pursuant to the Corporate Services Agreement.

**Corporate Services Agreement** means the corporate services agreement entered into on or about the Issue Date between the Issuer, the Corporate Servicer 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.

**Counterclaim** means any counterclaim raised by a Lessee and/or a Guarantor or the insolvency receiver of any Lessee in respect of any Receivable in the circumstances referred to in the relevant Warranty and Indemnity Agreement.

**Creberg, Milan Branch** means the Milan branch of Credito Bergamasco, a limited liability joint stock company incorporated under the laws of the Republic of Italy, whose registered office is at Largo Porta Nuova No. 2, Bergamo, Italy, fiscal code, VAT and enrolment with the Bergamo Companies Register No. 00218400166, with offices at Piazza Missori No. 3, 20123 Milan, Italy.

**CSA** means the ISDA 1995 Credit Support Annex (Bilateral Form – Transfer - English Law) forming part of the Hedging Agreement.

**Cumulative Default Ratio** means, on the last day of any Monthly Collection Period or Quarterly Collection Period, the ratio obtained by dividing: (A) the Outstanding Principal Balance of the Receivables (calculated as of the date on which such Receivables have been classified as Defaulted Receivables by the Servicer) which have become Defaulted Receivables between the Initial Valuation Date and the last day of the relevant Monthly Collection Period or Quarterly Collection Period, as the case may be, by (B) the Aggregate Portfolio Outstanding Principal Balance as of the Initial Valuation Date.

**Cumulative Default Trigger Ratio** means, with reference to each Quarterly Collection Period, the respective percentages set out in the following table:

Quarterly Collection Period after the Issue Date	Cumulative Default Trigger Ratio
1 <sup>st</sup>	0.39%
2 <sup>nd</sup>	0.85%
3 <sup>rd</sup>	1.30%
4 <sup>th</sup>	1.69%
5 <sup>th</sup>	2.15%
6 <sup>th</sup> and thereafter	2.47%

**Cumulative Default Trigger Trapping Ratio** means, with reference to each Quarterly Collection Period, the respective percentages set out in the following table:

Quarterly Collection Period after the Issue Date	Cumulative Default Trigger Trapping Ratio
1 <sup>st</sup>	0.31%
2 <sup>nd</sup>	0.63%
3 <sup>rd</sup>	1.13%
4 <sup>th</sup>	1.94%
5 <sup>th</sup>	2.50%
6 <sup>th</sup>	3.19%
7 <sup>th</sup>	3.88%
8 <sup>th</sup>	4.88%
9 <sup>th</sup>	5.88%
10 <sup>th</sup>	7.13%
11 <sup>th</sup>	8.38%
12 <sup>th</sup>	9.63%
13 <sup>th</sup>	10.88%
14 <sup>th</sup>	11.88%
15 <sup>th</sup>	12.38%
16 <sup>th</sup>	12.88%
17 <sup>th</sup>	13.13%
18 <sup>th</sup>	14.00%
19 <sup>th</sup>	15.00%
20 <sup>th</sup> and thereafter	16.00%

**Custodian Bank** means BNP Paribas Securities Services, Milan Branch or any other person, being an Eligible Institution, acting as custodian bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

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

**Decree No. 93** means Italian Law Decree No. 93 of 27 May 2008.

**Decree No. 7** means Italian Law Decree No. 7 of 31 January 2007, converted into law No. 40 of 2 April 2007 as amended and supplemented from time to time.

**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 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 Assignment** means the English law deed of assignment entered into on or about the Issue 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 therein contained and including any agreement or other document expressed to be supplemental thereto.

**Deed of Pledge** means the Italian law deed of pledge entered into on or about the Issue Date between the Issuer, the Account Bank, the Custodian Bank 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 therein contained and including any agreement or other document expressed to be supplemental thereto.

**Defaulted Lease** means any lease arising from a Lease Contract in respect of which there is a Defaulted Receivable and **Defaulted Leases** means all of them.

**Defaulted Receivable** means any Receivable in respect of which: (a) the relevant Lease Contract has been terminated, or (b) in the case of a Lease Contract under which Instalments are paid (i) on a monthly basis, there are seven or more Delinquent Instalments; (ii) on a bi-monthly basis, there are five or more Delinquent Instalments; (iii) on a quarterly basis, there are four or more Delinquent Instalments; or (iv) on a semi-annual basis, there are three or more Delinquent Instalments and **Defaulted Receivables** means all of them.

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

**Delinquent Instalment** means any Instalment that remains unpaid for 30 days or more after its scheduled payment date.

**Delinquent Lease** mean any lease arising from a Lease Contract in respect of which there is a Delinquent Receivable and **Delinquent Leases** means all of them.

**Delinquent Receivable** means any Receivable, other than a Defaulted Receivable, in respect of which there is at least one Delinquent Instalment and **Delinquent Receivables** means all of them.

**Documents** means all documents relating to the Receivables comprised in the Aggregate Portfolio.

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

**Eligibility Criteria** means the Initial Criteria or the Subsequent Criteria, as the case may be.

**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 (i) the short-term unsecured and unsubordinated debt obligations of which are rated at least "F1" by Fitch and the long-term unsecured and unsubordinated debt obligations of which are rated at least "A" by Fitch, or (ii) whose obligations under the Transaction Documents to which it is a party are guaranteed, in a manner satisfactory for Fitch, by a depository institution organised under the laws of any state which is a member of the European Union or of the United States the short-term unsecured and unsubordinated debt obligations of which are rated at least "F1" by Fitch and the long-term unsecured and unsubordinated debt obligations of which are rated at least "A" by Fitch, or (iii) which is otherwise considered by Fitch to be an Eligible Institution.

**Eligible Investments** means any investment consisting of a Euro denominated senior, unsubordinated debt security, bank account, deposit or other debt instruments providing a fixed principal amount at maturity (and assuring the return of the principal invested in full at maturity or in any case at the relevant liquidation date) issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, or held at an institution rated at least “A”/“F1” from Fitch in respect of investment with a maximum maturity of 30 days and “AA-”/“F1+” in respect of investment with a maximum maturity between 30 and 365 days and, in the case of money market fund, any such investment shall have rating at least equal to “AAA/V1+” by Fitch, provided that in any event any debt security, bank account, deposit or other instrument or fund do not 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.

**EMU** means the European Economic and Monetary Union introduced pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

**Equipment** means any plant or machinery, which is leased under any Lease Contract.

**EURIBOR** shall have the meaning ascribed to it in Condition 7 (*Interest*).

**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., with registered office at 1 Boulevard du Roi Albert II, B - 1210 Brussels, 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).

**Event of Default** has the meaning ascribed to it in the Hedging Agreement.

**Expenses** means any documented fees, costs, expenses and taxes required to be paid by the Issuer to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation, and any other documented fees, costs, expenses and taxes required to be paid by the Issuer in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

**Expenses Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank into which the Retention Amount aimed at funding the Expenses during each Interest Period shall be credited, in accordance with the Cash Allocation, Management and Payment Agreement.

**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.

**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 to resolve on the objects set out therein.

**F-E Red** means F-E Red S.r.l., a limited liability company with a sole quotaholder incorporated under the laws of the Republic of Italy, whose registered office is at Via Romanino No. 1, 25122 Brescia, Italy, VAT

and enrolment with the Brescia Companies Register No. 02850280989, enrolled in the General Register and in the Special Register both held by the Bank of Italy pursuant, respectively, to article 106 and article 107 of the Consolidated Banking Act and having as its sole corporate object the carrying out of securitisation transactions pursuant to article 3 of the Securitisation Law.

**Final Maturity Date** means the Payment Date falling in October 2040.

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

**Fineco Leasing** means Fineco Leasing S.p.A. a joint stock company incorporated under the laws of the Republic of Italy, whose registered office is at Via Marsala No. 42/A, 25122 Brescia, Italy, belonging to the UniCredit Banking Group, subject to direction and co-ordination of UniCredit S.p.A. holding company part of the *Fondo Interbancario di Tutela dei Depositi* and of the *Fondo Nazionale di Garanzia*, VAT and enrolment with the Brescia Companies Register No. 01582970172, enrolled in the General Register and in the Special Register both held by the Bank of Italy pursuant, respectively, to article 106 and article 107 of the Consolidated Banking Act.

**First Payment Date** means 30 April 2009.

**Fitch** means Fitch Ratings Ltd.

**Foundation Corporate Servicer** means SFM Netherlands or any other person acting as foundation corporate servicer pursuant to the Foundation Corporate Services Agreement from time to time.

**Foundation Corporate Services Agreement** means the foundation corporate services agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Sole Quotaholder and the Foundation Corporate 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.

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

**Further Securitisation** means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 5.2 (*Further Securitisations*).

**Guarantee** means any guarantee, given to the Originator, guaranteeing the repayment of the Receivables.

**Guarantor** means any person who has granted a Guarantee.

**Hedging Agreement** means the hedging agreement entered into on or about the Issue Date between, *inter alios*, 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 UniCredit or any other person acting as hedging counterparty pursuant to the Hedging Agreement from time to time.

**Hedging Subordination Event** means an Event of Default with respect to the Hedging Counterparty or an Additional Termination Event which has occurred in connection with a Rating Event and the Hedging Counterparty is the Defaulting Party or the sole Affected Party, as the case may be.

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

**HVB** means Bayerische Hypo- und Vereinsbank Aktiengesellschaft, a public company limited by shares incorporated under the laws of Germany registered in the commercial register of the local court of Munich

under No. HRB42148, with registered office in Kardinal-Faulhaber-Straße No. 1, 80333 Munich, Germany.

**HVB London** means Bayerische Hypo- und Vereinsbank AG, London Branch, the branch office of Bayerische Hypo- und Vereinsbank AG, with registered branch number BR001757 and whose registered address is Moor House, 120 London Wall, London EC2Y 5ET, United Kingdom.

**Index Rate** means for each Receivable the index rate applicable under the applicable variable rate Lease Contract.

**Initial Criteria** means the objective criteria for the identification of the Receivables comprised in the Initial Portfolio provided for by the Transfer Agreement, which were to be satisfied by all such Receivables as of the Initial Valuation Date or as of such other date provided by the Transfer Agreement.

**Individual Purchase Price** means the purchase price due to the Issuer by the Originator in respect of each Receivable assigned pursuant to the Transfer Agreement, being equal to the sum of its Principal Component and its Interest Component.

**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.

**Initial Period** means the period commencing on the Issue Date and ending on the Payment Date falling in October 2010 (excluded).

**Initial Portfolio** means the first portfolio of Receivables sold by the Originator to the Issuer on 13 February 2009, pursuant to the Transfer Agreement.

**Initial Portfolio Outstanding Principal Balance** means the sum of the Outstanding Principal Balance of all Receivables comprised in the Initial Portfolio.

**Initial Valuation Date** means 1 February 2009 (at 00.00.01).

**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 of 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 in respect of each Lease Contract out of which a Receivable arises, each monetary amount from time to time due by the Lessee under the relevant Lease Contract.

**Insurance Policy** means any contract under which an Asset related to a Lease Contract is insured.

**Intercreditor Agreement** means the agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, 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 Component** means, in respect of:

- (a) each Receivable, the interest component of its Individual Purchase Price, being equal to its Accrued Interest as of the relevant Valuation Date; and
- (b) each Portfolio, the interest component of its Purchase Price, being equal to the sum of the Interest Component of all the Receivables comprised in the relevant Portfolio.

**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 7.7 (*Interest - Calculation of Interest Payment Amounts*).

**Interest Period** means each period beginning on (and including) a Payment Date and ending on (but excluding) the next following Payment Date.

**Investment Accounts** means each of the Collection Account, the Transaction Account, the Principal Accumulation Account and the Cash Reserve Account.

**Investors Report** means the quarterly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Computation Agent, (ii) setting out certain information in relation to the Notes, and (iii) to be distributed on or prior to each Investors Report Date.

**Investors Report Date** means the fifteenth Business Day following each Payment Date.

**IRAP** means the regional tax on productive activities at a rate of 3.9 per cent..

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

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

**Issue Date** means 9 March 2009.

**Issue Price** means 100 per cent.

**Issuer** means F-E Red.

**Issuer Available Funds** means in respect of any Settlement Date or any Payment Date, as the case may be:

- (i) during the Revolving Period, the aggregate amount of the Issuer Interest Available Funds and the Issuer Principal Available Funds;
- (ii) during the Amortisation Period, the aggregate amount of the Issuer Interest Available Funds and the Available Redemption Funds; and
- (iii) after the service of a Trigger Notice, the aggregate amount of (i) the Issuer Interest Available Funds and (ii) the Available Redemption Funds, minus (iii) if the Trigger Event is due to an Insolvency Event, any amounts to be paid to the persons who are not parties to the Intercreditor Agreement in accordance with the Italian Bankruptcy Law.

**Issuer Interest Available Funds** means in respect of any Payment Date the aggregate amount of:

- (i) all interest Collections received in respect of the Receivables paid into the Collection Account pursuant to the terms of the Servicing Agreement;
- (ii) all net amounts received from the Hedging Counterparty pursuant to the terms of the Hedging Agreement and credited to the Payments Account but excluding (a) any Collateral Amount provided by the Hedging Counterparty, and (b) any amount paid by the Hedging Counterparty upon a termination of the Hedging Agreement in respect of any termination payment (provided that, following any application of the amounts described in (a) and/or (b) above towards payment of any premium payable to a replacement hedging counterparty in consideration for it entering into a hedging agreement with the Issuer on the same terms as the Hedging Agreement, any remaining amounts shall form part of the Issuer Interest Available Funds in accordance with the terms of the Cash Allocation, Management and Payment Agreement);
- (iii) all amounts of interest accrued and available on each of the Cash Accounts and any interest amounts deriving from the redemption, realisation or liquidation of the Eligible Investments;
- (iv) any Issuer Principal Available Funds or Available Redemption Funds, as the case may be, standing to the credit of the Collection Account, the Payments Account and the Principal Accumulation Account which have been allocated as Issuer Interest Available Funds in accordance with the Priority of Payments; and
- (v) all Recoveries received in respect of the Receivables paid into the Collection Account pursuant to the terms of the Servicing Agreement;
- (vi) on each Payment Date
  - (a) until the earlier of (x) the Step-Up Date (included), (y) the first Payment Date (excluded) after the service of a Purchase Termination Notice and (z) the Payment Date, if any, (included) on which the Notes begin to amortise prior to the end of the Initial Period in accordance with the Terms and Conditions, to the extent that the sums under items (i) to (v) above have been insufficient to pay in full the amounts due and payable under items *First* to *Fifth* of the Revolving Interest Priority of Payments, the funds standing to the credit of the Cash Reserve Account which are necessary for payment in full of such amounts under items *First* to *Fifth* of the Revolving Interest Priority of Payments; and
  - (b) starting from the earlier of (x) the Payment Date (included) immediately succeeding the Step-Up Date, (y) the first Payment Date (included) after the service of a Purchase

Termination Notice and (z) the second Payment Date, if any, (included) on which the Notes begin to amortise prior to the end of the Initial Period in accordance with the Terms and Conditions, all amounts standing to the credit of the Cash Reserve Account (net of the Cash Reserve Released Amount);

- (vii) any amount paid under item *First* of the Quarterly Revolving Principal Priority of Payments or item *First* of the Amortisation Principal Priority of Payments;
- (viii) following a termination of the Hedging Agreement, any Net Hedging Replacement Premium.

**Issuer Principal Available Funds** means in respect of any Settlement Date or Payment Date, as the case may be, the aggregate amount of:

- (i) all principal Collections received in respect of the Receivables paid into the Collection Account pursuant to the terms of the Servicing Agreement and any amounts deriving from the redemption, realisation or liquidation of the Eligible Investments in respect of principal Collections;
- (ii) any Principal Integration Amount;
- (iii) any Principal Deficiency Amount paid under item *Sixth* of the Revolving Interest Priority of Payments or under item *Sixth* of the Amortisation Interest Priority of Payments;
- (iv) the Cash Reserve Released Amount;
- (v) any amounts paid to the Principal Accumulation Account on the immediately preceding Payment Date under item *Second* of the Monthly Revolving Principal Priority of Payments, item *Third* of the Quarterly Revolving Principal Priority of Payments and items *Third* and *Eleventh* of the Amortisation Principal Priority of Payments;
- (vi) all amounts received by the Issuer from any party to a Transaction Document to which the Issuer is a party and credited to the Transaction Account; and
- (vii) on the Payment Date on which the Notes will be redeemed in full, the amount standing to the credit of the Expenses Account.

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

**Italian Bankruptcy Law** means Royal Decree No. 267 of 16 March 1942, as 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 Class B Notes.

**Junior Notes Additional Remuneration** means (i) on any Payment Date until the Cancellation Date (excluded), an amount equal to the greater of (A) and (B), and (ii) on the Cancellation Date, an amount equal to (A), where:

- (A) means
  - (i) on each Payment Date before the service of a Trigger Notice, the Issuer Interest Available Funds to be applied on each such Payment Date minus all payments to be made under (X) items *First* to *Sixteenth* of the Revolving Interest Priority of Payments or (Y) items *First* to *Seventeenth* of the Amortisation Interest Priority of Payments, and

- (ii) on each Payment Date following the service of a Trigger Notice, the Issuer Available Funds to be applied on such Payment Date minus all payments to be made under items *First* to *Seventeenth* of the Post-Trigger Priority of Payments; and
- (B) means an amount equal to the difference between (1) and (2), where:
- (1) means the aggregate of:
    - (i) interest amounts accrued during the immediately preceding Quarterly Collection Period under the Lease Contracts comprised in the Aggregate Portfolio, subject to any adjustments thereto as a result of any indexation and net of any provision or write-off registered by the Servicer at the end of the relevant Quarterly Collection Period; and
    - (ii) default interest due under the Lease Contracts and collected during the immediately preceding Quarterly Collection Period; and
    - (iii) penalties due under the Lease Contracts and accrued during the immediately preceding Quarterly Collection Period; and
    - (iv) the net result of all the capital gains/appreciations and capital losses/depreciations and all other positive or negative components accrued during the immediately preceding Quarterly Collection Period as a result of any early termination of the Lease Contracts comprised in the Aggregate Portfolio or the sale to third parties of the relevant Assets and any other amounts due under such Lease Contracts (to the extent transferred to the Issuer); and
    - (v) any interest and other revenues accrued during the immediately preceding Quarterly Collection Period on the Accounts and on the investments made by the Issuer; and
    - (vi) any amounts payable to the Issuer under the Hedging Agreement on the second Business Day immediately preceding such Payment Date; and
  - (2) means (with the exclusion of any amounts paid in connection with Principal Instalments):
    - (i) during the Revolving Period all amounts described under (X) the Revolving Interest Priority of Payments minus the amounts described under items *Fourth*, *Sixth*, *Seventh*, *Eighth*, *Thirteenth* and *Seventeenth*, and (Y) item *First* (minus the portion of such item which is used to pay any unpaid amounts under item *Fourth* of the Revolving Interest Priority of Payments) of the Quarterly Revolving Principal Priority of Payments;
    - (ii) during the Amortisation Period all amounts described under (X) the Amortisation Interest Priority of Payments minus the amounts described under items *Fourth*, *Sixth*, *Seventh*, *Eighth*, *Ninth*, *Fourteenth* and *Eighteenth*, and (Y) items *First* (minus the portion of such item which is used to pay any unpaid amounts under item *Fourth* of the Amortisation Interest Priority of Payments), *Fifth*, *Sixth* and *Eighth* of the Amortisation Principal Priority of Payments; and
    - (iii) following the Service of a Trigger Notice all amounts described under the Post-Trigger Priority of Payments minus the amounts described under items *Fourth*, *Sixth*, *Twelfth*, *Seventeenth* and *Eighteenth*,

in each case to the extent they such amounts have accrued or anyhow relate to the Quarterly Collection Period immediately preceding such Payment Date, and whether or not payable on such Payment Date or paid before such Payment Date with monies standing to the credit of the Expenses Account.

**Junior Notes Subscriber** means Fineco Leasing.

**Junior Notes Subscription Agreement** means the subscription agreement entered into on or about the Issue Date in relation to the Junior Notes, between the Issuer, the Junior Notes Subscriber 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 Law No. 383 of 18 October 2001, as amended and supplemented from time to time.

**Lease Contract** means each financial lease contract executed between Fineco Leasing and a Lessee, out of which the Receivables comprised in the Initial Portfolio and in each Subsequent Portfolio arise and **Lease Contracts** means all of them.

**Lessee** means a named entity which leases an Asset under the terms of a Lease Contract and **Lessees** means all of them.

**Letter of Undertakings** means the letter of undertakings entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Sole Quotaholder, 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.

**Limited Recourse Loan** means the limited recourse loan to be advanced by the Originator to the Issuer pursuant to the Warranty and Indemnity Agreement in the event of any breach of any of the representations and warranties of the Originator under the Warranty and Indemnity Agreement in relation to any of the Receivables.

**Listing Agent** means BNP Paribas Securities Services, Luxembourg Branch.

**Local Business Day** means a day (other than Saturday and Sunday) on which the banks to and/or from which the relevant payment is to be made are open for business.

**Luxembourg Stock Exchange** means the regulated market "*Bourse du Luxembourg*".

**Mandate Agreement** means the mandate agreement entered into on or about the Issue 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 entered into on or about the Issue 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.

**Maximum Pool Default Ratio** means, in respect of the Receivables comprised in the following Pools, an amount equal to:

for Pool No. 1, 4 per cent.;

for Pool No. 2, 3.5 per cent.; and

for Pool No. 3, 3.2 per cent..

**Maximum Pool Delinquency Ratio** means, in respect of the Receivables comprised in the following Pools, an amount equal to:

for Pool No. 1, 7 per cent.;

for Pool No. 2, 5.8 per cent.; and

for Pool No. 3, 5 per cent..

**Maximum Term** means 31 December 2034.

**Maximum Default Term** means one Payment Date.

**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.

**Minimum Fixed Rate Portfolio Yield Ratio** means 2.5 per cent..

**Monte Titoli** means Monte Titoli S.p.A., with registered office at Via Mantegna No.6, 20124 Milan, Italy.

**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 or about the Issue 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.

**Monthly Account Report** means the monthly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Account Bank, (ii) setting out certain information in relation to the Accounts and (iii) to be delivered on or prior to each Monthly Account Report Date to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer and the Computation Agent.

**Monthly Account Report Date** means the tenth day of each month (other than the months in which a Payment Date falls) or, if such day is not a Business Day, the immediately following Business Day and, in the case of the first Monthly Account Report Date, 10 April 2009.

**Monthly Collection Period** means each period of one month, commencing on (and including) the first calendar day of each month and ending on (and including) the last calendar day of each month, and in the case of the first Monthly Collection Period, commencing on (and including) 1 February 2009 and ending on (and including) 28 February 2009.

**Monthly Liquidation Date** means three Business Days before each Settlement Date (other than any Settlement Dates immediately preceding a Payment Date).

**Monthly Payment Report Date** means the fourth Business Day prior to each Settlement Date (other than any Settlement Dates immediately preceding a Payment Date).

**Monthly Payments Report** means the monthly report (i) to be prepared by the Computation Agent in accordance with the Cash Allocation, Management and Payment Agreement during the Revolving Period, (ii) setting out, *inter alia*, the Issuer Principal Available Funds and all the payments to be made on the following Settlement Date under the applicable Pre-Trigger Priority of Payments and (iii) to be delivered by each Monthly Payment Report Date to, *inter alios*, the Issuer, the Originator, the Servicer, the Corporate

Servicer, the Computation Agent, the Representative of the Noteholders, the Custodian Bank, the Paying Agent and the Account Bank.

**Monthly Revolving Principal Priority of Payments** means the order of priority in which the Issuer Principal Available Funds shall be applied on each Settlement Date during the Revolving Period, in accordance with Condition 6.1.2 (A).

**Monthly Securities Account Report** means the monthly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Custodian Bank, (ii) setting out certain information in relation to the Securities Account and (iii) to be delivered on or prior to each Monthly Account Report Date to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer, the Account Bank and the Computation Agent.

**Monthly Servicer's Report** means the monthly report (i) to be prepared by the Servicer in accordance with the Servicing Agreement, (ii) setting out, *inter alia*, the Collections and the Recoveries relating to the relevant Monthly Collection Period and (iii) to be delivered by each Monthly Servicer's Report Date to, *inter alios*, the Issuer, the Originator, the Corporate Servicer, the Computation Agent, the Representative of the Noteholders, the Paying Agent, the Account Bank, the Hedging Counterparty and the Rating Agency.

**Monthly Servicer's Report Date** means the tenth day of each month (other than the months in which a Payment Date falls) or, if such day is not a Business Day, the immediately following Business Day.

**Most Senior Class of Noteholders** means the holders of the Most Senior Class of Notes.

**Most Senior Class of Notes** means, on any given date, the Class of Notes outstanding which ranks highest with respect to the repayment of principal in accordance with the applicable Priority of Payments on any such date.

**Motor Vehicles** means any cars, industrial light lorries, trucks, commercial vans or any other motor vehicles which are leased under any Lease Contract.

**Negative Adjustment** means, in respect of each Receivable arising out of a floating rate Lease Contract, the sums that the Issuer owes to the relevant Lessee, as a result of application of the clauses which provide for the adjustment of the Instalments due to quarterly indexation contained in the relevant Lease Contract.

**Net Hedging Replacement Premium** means any premium received (net of any costs reasonably incurred by the Issuer to find a replacement hedging counterparty) by the Issuer from a replacement hedging counterparty in consideration for entering into a replacement hedging agreement with the Issuer on the same terms as the Hedging Agreement.

**Noteholders** means the Holders of the Rated Notes and the Junior Notes, collectively, and **Noteholder** means any of them.

**Notes** means the Rated Notes and the Junior Notes, collectively, and **Note** means any of them.

**Obligations** means all of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

**Offer Date** means the fifth Business Day prior to each Settlement Date and/or Payment Date (with the exception of the Settlement Dates immediately preceding a Payment Date).

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

**Organisation of the Noteholders** means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

**Originator** means Fineco Leasing.

**Other Issuer Creditors** means, collectively, the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Corporate Servicer, the Foundation Corporate Servicer, the Subordinated Loan Provider, the Paying Agent, the Account Bank, the Custodian Bank, the Sole Quotaholder, the Hedging Counterparty, the Sole Lead Manager and any other creditor of the Issuer under the Transaction Documents that becomes party to the Intercreditor Agreement and **Other Issuer Creditor** means any of them.

**Outstanding Amount** means, on any given date and with respect to any Receivable, the aggregate of the relevant Outstanding Principal Balance plus the relevant Accrued Interest.

**Outstanding Principal Balance** means, on any given date and with respect to any Receivable, the aggregate of all principal amounts of the Instalments not yet collected in respect of such Receivable (including, for the avoidance of doubt, any due but unpaid Principal Instalment).

**Paying Agent** means BNP Paribas Securities Services, Milan Branch or any other person acting as paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**Payment Date** means (a) before the service of a Trigger Notice, 30 January, 30 April, 30 July and 30 October of each year (or, if such day is not a Business Day, the immediately following Business Day) and (b) following service of a Trigger Notice, any Business Day specified in such Trigger Notice.

**Payments Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which (i) the amounts due and payable by the Hedging Counterparty under the Hedging Agreement (other than any Collateral Amount provided by the Hedging Counterparty save where any of such amounts may be paid into the Payments Account following a termination of the Hedging Agreement) and, following a termination of the Hedging Agreement, any Net Hedging Replacement Premium shall be credited and (ii) the amounts standing to the credit of the other Cash Accounts shall be transferred so as to be applied to make the payments due by the Issuer on each Settlement Date and Payment Date, in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement.

**Payment Report Date** means the fourth Business Day prior to each Payment Date.

**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 Notes) applied to Italian resident pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252 of 5 December 2005.

**Performing Receivable** means any Receivable, other than a Defaulted Receivable, and **Performing Receivables** means all of them.

**Pool** means each of Pool No. 1, Pool No. 2 and Pool No. 3 and **Pools** means all of them.

**Pool Default Ratio** means in respect of any Pool the ratio, calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period, obtained by dividing: (A) the Outstanding Principal Balance of the Receivables comprised in such Pool which are classified as Defaulted Receivables as of the last day of the relevant Monthly Collection Period or Quarterly Collection Period, by (B) the Pool Outstanding Principal Balance (excluding the Defaulted Receivables) (both calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period).

**Pool Delinquency Ratio** means in respect of any Pool the ratio, calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period, obtained by dividing: (A) the Outstanding Principal Balance of the Receivables comprised in such Pool which are classified as Delinquent Receivables as of

the last day of the relevant Monthly Collection Period or Quarterly Collection Period, by (B) the Pool Outstanding Principal Balance (excluding the Defaulted Receivables) (both calculated as of the last day of each Monthly Collection Period or Quarterly Collection Period).

**Pool No. 1** means the aggregate of Receivables originating from Lease Contracts the underlying Assets of which are Motor Vehicles.

**Pool No. 2** means the aggregate of Receivables originating from Lease Contracts the underlying Assets of which are Equipment.

**Pool No. 3** means the aggregate of Receivables originating from Lease Contracts the underlying Assets of which are Real Estate Asset.

**Pool Outstanding Principal Balance** means, on any given date and with respect to any Pool, the aggregate of the Outstanding Principal Balance of all Receivables in such Pool on such date which are included in the Aggregate Portfolio.

**Portfolio** means the Initial Portfolio or each of the Subsequent Portfolios, as the case may be, sold by the Originator to the Issuer pursuant to the Transfer Agreement.

**Portfolio Outstanding Principal Balance** means the sum of the Outstanding Principal Balance of all Receivables comprised in the relevant Portfolio.

**Positive Adjustment** means, in respect of any Receivable arising out of a floating rate Lease Contract, the sums due to the Issuer from the relevant Lessee, as a result of application of the clauses which provide for the adjustment of the Instalments due to quarterly indexation contained in the relevant Lease Contract.

**Post-Trigger Priority of Payments** means the order of priority in which the Issuer Available Funds shall be applied following the service of a Trigger Notice in accordance with Condition 6.3 (*Priority of Payments – Post-Trigger Priority of Payments*).

**Post Trigger Report** means the report (i) to be prepared by the Computation Agent in accordance with the Cash Allocation, Management and Payment Agreement after the service of a Trigger Notice; (ii) setting out the Issuer Available Funds and the payments and allocations to be made on the next Payment Date, in accordance with the Post-Trigger Priority of Payments; and (iii) to be delivered on or prior to each Payment Report Date or upon request of the Representative of the Noteholders to, *inter alios*, the Issuer, the Servicer, the Corporate Servicer, the Rating Agency, the Sole Arranger, the Paying Agent, the Account Bank, the Hedging Counterparty and the Representative of the Noteholders.

**Pre-Trigger Interest Priority of Payments** means, collectively, the Revolving Interest Priority of Payments and the Amortisation Interest Priority of Payments.

**Pre-Trigger Principal Priority of Payments** means, collectively, the Revolving Principal Priority of Payments and the Amortisation Principal Priority of Payments.

**Pre-Trigger Priority of Payments** means, collectively, the Pre-Trigger Interest Priority of Payments and the Pre-Trigger Principal Priority of Payments.

**Principal Accumulation Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which certain amounts of the Issuer Available Funds (including any funds available for repayment of principal on the Notes during the Initial Period) shall be credited on each Payment Date, in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement.

**Principal Amount Outstanding** means, on any given date:

- (a) in relation to a Note, the nominal principal amount of such Note upon issue less the aggregate amount of all principal payments in respect of that Note that have been paid up to that day; and
- (b) in relation to a Class, the aggregate of the amount in (a) in respect of all Notes outstanding in such class; and
- (c) in relation to the Notes outstanding at any time, the aggregate of the amount in (a) in respect of all Notes outstanding, regardless of Class.

**Principal Component** means, in respect of:

- (a) each Receivable, the principal component of its Individual Purchase Price, being equal to its Outstanding Principal Balance as of the relevant Valuation Date; and
- (b) each Portfolio, the principal component of its Purchase Price, being equal to the sum of the Principal Component of all the Receivables comprised in such Portfolio.

**Principal Deficiency** means, on any given date, an amount equal to the aggregate of the Outstanding Principal Balance (as of the relevant default date) of the Receivables which have become Defaulted Receivables during the immediately preceding Quarterly Collection Period.

**Principal Deficiency Amount** means in relation to any Payment Date, an amount equal to the aggregate of (i) the Principal Deficiency, (ii) the aggregate of all payments made under item *First* of the Quarterly Revolving Principal Priority of Payments or item *First* of the Amortisation Principal Priority of Payments on the preceding Payment Date, (iii) any amount due and unpaid to the Issuer by the Originator during the immediately preceding Quarterly Collection Period, pursuant to the Transfer Agreement, by reason of any amendment, occurred in respect of a Lease Contract, as a consequence of which the nominal value of the relevant Instalments is decreased, and (iv) any indemnity amount due and unpaid to the Issuer by the Originator during the immediately preceding Quarterly Collection Period, pursuant to any other Transaction Document.

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

**Principal Integration Amount** means, during the Revolving Period and the Amortisation Period any Issuer Interest Available Funds after all the payments from *First* to *Sixth* of the Revolving Interest Priority of Payments, or as the case may be, from *First* to *Sixth* in the Amortisation Interest Priority of Payments have been made in accordance with such Priority of Payments.

**Priority of Payments** means, collectively, the Pre-Trigger Priority of Payments and the Post-Trigger Priority of Payments.

**Privacy Law** means (i) Italian Law n. 675 of 31 December 1996, (together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*) as subsequently amended, modified or supplemented from time to time, with reference to the period starting on the entry into force of such law and ending on the repealing of such law by the entry into force of Legislative Decree No. 196 of 30 June 2003, published in the Official Gazette No. 174 of 29 July 2003, Ordinary Supplement No. 123/L (hereinafter, the **Personal Data Protection Code**) and (ii) after such repeal of Italian Law n. 675 of 31 December 1996, the Personal Data Protection Code (together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*) as subsequently amended, modified or supplemented from time to time.

**Prospectus** means this prospectus prepared in connection with the issue of the Notes.

**Prospectus Directive** means Directive 2003/71/EC.

**Purchase Price** the purchase price due by the Issuer to the Originator in respect of each Portfolio assigned pursuant to the Transfer Agreement, being equal to the sum of the Individual Purchase Price of all the Receivables comprised in the relevant Portfolio.

**Purchase Price Adjustment** means in relation to any Receivable assigned and transferred to the Issuer pursuant to the Transfer Agreement, but for which no purchase price was agreed upon transfer, an amount, calculated in accordance with the Transfer Agreement, which shall be paid by the Issuer to the Originator out of the Issuer Available Funds, in accordance with the applicable Priority of Payments.

**Purchase Termination Event** means any of the events referred to in Condition 13 (*Purchase Termination Events*).

**Purchase Termination Notice** means the notice served by the Representative of the Noteholders upon the occurrence of a Purchase Termination Event and in accordance with Condition 13 (*Purchase Termination Events*).

**Quarterly Collection Period** means:

- (i) before the service of a Trigger Notice, each period of three months commencing on (and including) a Collection Date and ending on (but excluding) the next succeeding Collection Date;
- (ii) following the service of a Trigger Notice, each period starting on the last day of the immediately preceding Quarterly Collection Period and ending on the date falling 10 (ten) days before the next succeeding Payment Date; and
- (iii) in the case of the first Quarterly Collection Period, commencing on (and including) 1 February 2009 and ending on (and including) 31 March 2009.

**Quarterly Liquidation Date** means three Business Days before each Payment Date.

**Quarterly Payments Report** means the quarterly report (i) to be prepared by the Computation Agent in accordance with the Cash Allocation, Management and Payment Agreement before the service of a Trigger Notice, (ii) setting out, *inter alia*, the Issuer Available Funds and all the payments to be made on the following Payment Date under the applicable Pre-Trigger Priority of Payments and (iii) to be delivered by each Payment Report Date to, *inter alios*, the Issuer, the Originator, the Servicer, the Corporate Servicer, the Representative of the Noteholders, the Custodian Bank, the Paying Agent, the Account Bank, the Hedging Counterparty, the Sole Arranger and the Rating Agency.

**Quarterly Revolving Principal Priority of Payments** means the order of priority in which the Issuer Principal Available Funds shall be applied on each Payment Date during the Revolving Period, in accordance with Condition 6.1.2 (B).

**Quarterly Servicer's Report** means the quarterly report (i) to be prepared by the Servicer in accordance with the Servicing Agreement, (ii) setting out, *inter alia*, the Collections and the Recoveries relating to the relevant Quarterly Collection Period and (iii) to be delivered by each Quarterly Servicer's Report Date to, *inter alios*, the Issuer, the Originator, the Corporate Servicer, the Computation Agent, the Representative of the Noteholders, the Paying Agent, the Account Bank, the Hedging Counterparty and the Rating Agency.

**Quarterly Servicer's Report Date** means 12 January, 12 April, 12 July and 12 October of each year, or, if such day is not a Business Day, the immediately following Business Day and the first Quarterly Servicer's Report Date will be 12 April 2009.

**Quota Capital Account** means the Euro denominated account opened by the Issuer with Creberg, Milan Branch for the deposit of the Issuer's quota capital equal to Euro 10,000.

**Rate of Interest** shall have the meaning ascribed to it in Condition 7.4 (*Interest - Rate of Interest*).

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

**Rated Notes** means the Class A Notes.

**Rated Notes Subscription Agreement** means the subscription agreement entered into on or about the Issue Date in relation to the Rated Notes, between the Issuer, the Sole Lead Manager, the Originator 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.

**Rating Agency** means Fitch.

**Rating Event** has the meaning ascribed to it in the Hedging Agreement.

**Real Estate Asset** means any building or real estate asset which is the subject of a Lease Contract.

**Receivables** means, with respect to each Portfolio, each and every claim (save as provided below) arising under the Lease Contracts meeting the relevant Eligibility Criteria of such Portfolio, including; but not limited to:

- (i) Instalments, including any adjustment thereof in case of any Adjustment;
- (ii) interest accrued or which is to mature on all amounts due from the Lessees under the Lease Contracts (for the avoidance of doubt, the amounts herein referred to, are only the amounts transferred to the Issuer according to the other points of this paragraph);
- (iii) penalties or other amounts due in relation to early termination of such Lease Contracts;
- (iv) any compensation received pursuant to (i) the Insurance Policies executed by the Originator or (ii) pursuant to the indemnity provisions in favour of the Originator contained in the Insurance Policies executed by the Lessees, within the following limits:
  - (a) in respect of any amount due in connection with any Receivable which is unpaid, such unpaid amount;
  - (b) in case the insured event (in respect of which the Insurance Policy has been executed) results in a reduction of the Instalments due under the relevant Lease Contract, the amount equal to the present value of such reduction, calculated by Applying the rate of interest set out in such Lease Contract; or
  - (c) in case of an early termination of the Lease Contract relating to the Asset in respect of which the indemnity has been paid under the relevant Insurance Policy, the aggregate of (x) amounts due but unpaid by the Lessee as of the date of termination; and (y) the amount payable by the Lessee pursuant to the Lease Contract upon early termination;
- (v) any variation in Instalments as a result of any amendment to the Lease Contracts,

in each case, together with all the relevant real and personal guarantees, connected privileges and pre-emptive rights, and all other ancillary rights (*accessory*) pertaining thereto, as well as any and all other rights, claims and actions (including any action for damages) and defence inherent or otherwise ancillary to such rights, claims and actions and/or to the exercise thereof, in accordance with the provisions of the Lease Contracts and/or all other documents and agreements connected to them and/or pursuant to the applicable law, as well as any other right of the Originator in relation to any and all the Insurance Policies executed in connection with the Receivables and the Lease Contracts, but excluding claims arising out of:

- (a) any value added tax;

- (b) administrative collection and mailing expenses incurred in relation to the Receivables;
- (c) amounts paid by the Lessees by way of insurance premium if such premium is invoiced separately from the Instalments.
- (d) other ancillary expenses incurred in relation to the Receivables;
- (e) services provided by the Originator in relation to the Lease Contracts; and
- (f) the residual instalment (*riscatto*) due under a Lease Contract payable by the Lessee upon the payment of which the Lessee shall acquire ownership of the leased Asset.

**Recoveries** means all amounts recovered in respect of the Defaulted Receivables, including proceeds from the sale of Assets, penalties and insurance proceeds.

**Reference Banks** means three (3) major banks in the Euro-Zone inter-bank market selected by the Paying Agent with the approval of the Representative of the Noteholders.

**Regulation 22 February 2008** means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 22 February 2008, as subsequently amended and supplemented from time to time.

**Relevant Margin** has the meaning given to it in Condition 7.5 (*Interest – Determination of the Rate of Interest*).

**Representative of the Noteholders** means BNP Paribas Securities Services, Milan Branch or any other person acting as representative of the Noteholders pursuant to the Subscription Agreements from time to time.

**Repurchase Option** means the option provided for by the Transfer Agreement pursuant to Article 1331 of the Italian Civil Code, according to which the Originator may repurchase from the Issuer (in whole but not in part), as block and at once, all the Receivables comprised in the Aggregate Portfolio not already collected as of the date of exercise of such option, starting from the Step-Up Date.

**Residual Instalment** means the price payable by the relevant Lessee to purchase the Asset at the end of the contractual term under relevant Lease Contract.

**Retention Amount** means an amount equal to Euro 30,000.

**Revenue Investments Amount** means, as at each Monthly Liquidation Date or Quarterly Liquidation Date, as the case may be, any interest or other remuneration on the Eligible Investments bought by or for the account of the Issuer other than repayment of principal or repayment of the initial capital invested, as applicable, in respect of each Eligible Investment.

**Revolving Interest Priority of Payments** means the order of priority in which the Issuer Interest Available Funds shall be applied on each Payment Date during the Revolving Period, in accordance with Condition 6.1.1.

**Revolving Period** means the period commencing on the Issue Date and ending on the earlier of:

- (i) the Payment Date falling in October 2010 (excluded); and
- (ii) the date on which the Representative of the Noteholders serves a Purchase Termination Notice or a Trigger Notice on the Issuer.

**Revolving Principal Priority of Payments** means, collectively, the Monthly Revolving Principal Priority of Payments and the Quarterly Revolving Principal Priority of Payments.

**Revolving Priority of Payments** means, collectively, the Revolving Principal Priority of Payments and the Revolving Interest Priority of Payments.

**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 thereto.

**Scheduled Instalment Date** means any date on which an Instalment is due.

**Screen Rate** shall have the meaning ascribed to it Condition 7 (*Interest*).

**Secured Creditors** means the Noteholders and the Other Issuer Creditors.

**Secured Obligations** means all of the Issuer's obligations *vis-à-vis* the Secured Creditors under the Notes and the Transaction Documents.

**Securities Account** means the securities Eligible Account established in the name of the Issuer with the Custodian Bank or any other Eligible Institution into which the bonds, debentures or other kinds of notes or financial instruments purchased with monies standing to the credit of the Investment Accounts shall be deposited, in accordance with the Cash Allocation, Management and Payment Agreement.

**Securities Act** means the U.S. Securities Act of 1933, as amended and supplemented from time to time.

**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 amended and supplemented from time to time.

**Security** means, the security interests created under the Security Documents and any other agreement entered into by the Issuer from time to time and granted as security to the Noteholders and/or the Other Issuer Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Creditors.

**Security Documents** means, collectively, the Deed of Pledge and the Deed of Assignment.

**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.

**Servicer** means Fineco Leasing or any other person acting as servicer pursuant to the Servicing Agreement from time to time.

**Servicer Termination Event** means any termination event of the Servicer as provided for by the Servicing Agreement.

**Servicing Agreement** means the servicing agreement entered into on the Closing Date 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 the fee payable by the Issuer to the Servicer, in accordance with the terms of the Servicing Agreement.

**Settlement Date** means (i) 28 February, or (ii) the 29<sup>th</sup> day of each month, or, if such day is not a Business Day, the immediately preceding Business Day.

**SFM Italy** means Structured Finance Management - Italy S.r.l., a limited liability company incorporated under the laws of the Republic of Italy, whose registered office is at Via Romanino No. 1, 25122, Brescia, Italy.

**SFM Netherlands** means Structured Finance Management (Netherlands) B.V., a private limited liability company incorporated under the laws of The Netherlands, having its registered office in Rivierstaete Building, Amsteldijk 166, 1079 LH Amsterdam, The Netherlands.

**sole Affected Party** has the meaning ascribed to it in the Hedging Agreement.

**Sole Arranger** means HVB London.

**Sole Lead Manager** means HVB.

**Sole Quotaholder** means Stichting Zetagroup.

**Southern Italy** means the geographical area of the Italian territory comprising the regions of Molise, Basilicata, Calabria, Campania, Apulia, Sardinia and Sicily.

**Specific Criteria** means, collectively, the Specific Mandatory Criteria and the Specific Elective Criteria.

**Specific Elective Criteria** means the objective criteria for the identification of the Receivables comprised in the Subsequent Portfolios provided for by the Transfer Agreement which from time to time may supplement the Common Criteria.

**Specific Mandatory Criteria** means the objective criteria for the identification of the Receivables comprised in the Subsequent Portfolios provided for by the Transfer Agreement which from time to time shall supplement the Common Criteria.

**Step-Up Date** means the Payment Date falling in October 2010.

**Stichting Zetagroup** means Stichting Zetagroup, a foundation incorporated under the laws of the Netherlands, having its registered office at Amsteldijk 166, Amsterdam, the Netherlands.

**Subordinated Loan** means the limited recourse loan granted to the Issuer by the Subordinated Loan Provider in an amount of Euro 161,030,000, pursuant to the Subordinated Loan Agreement.

**Subordinated Loan Agreement** means the subordinated loan agreement entered into on or about the Issue Date between the Issuer and the Subordinated Loan Provider, 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.

**Subordinated Loan Provider** means Fineco Leasing, in its capacity as subordinated loan provider pursuant to the Subordinated Loan Agreement and any of its permitted successors and assignees.

**Subscription Agreements** means the Rated Notes Subscription Agreement and the Junior Notes Subscription Agreement, collectively, and **Subscription Agreement** means any of them.

**Subsequent Criteria** means the objective criteria for the identification of the Receivables comprised in the Subsequent Portfolios being the Common Criteria, and/or the Specific Criteria and/or the Additional Criteria.

**Subsequent Portfolio** means each portfolio of Receivables sold by the Originator to the Issuer after the sale of the Initial Portfolio, pursuant to the Transfer Agreement and **Subsequent Portfolios** means all of them.

**Subsequent Portfolio Sale Conditions** means the conditions provided for by the Transfer Agreement subject to which the Originator may assign and transfer to the Issuer, and the Issuer shall purchase from

the Originator, a Subsequent Portfolio pursuant to such agreement.

**Supervisory Regulations for the Banks** means (i) 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; and (ii) the “*Nuove disposizioni di vigilanza prudenziale per le banche*” issued by the Bank of Italy by Circular No. 263 of 27 December 2006, 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.

**Surveillance Report** means the report prepared by the Rating Agency related to the Rated Notes required by the European Central Bank and/or the documentation of the European Central Bank on monetary policy instruments and procedures of the Eurosystem.

**Tax Event** shall have the meaning ascribed to it in Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*).

**Terms and Conditions** means the terms and conditions of the Notes.

**Transaction Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which all the amounts received by the Issuer from any party to a Transaction Document (other than the Collections, the Recoveries and the amounts due and payable by the Hedging Counterparty under the Hedging Agreement) shall be credited.

**Transaction Documents** means the Transfer Agreement, the Subscription Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Subordinated Loan Agreement, the Corporate Services Agreement, the Foundation Corporate Services Agreement, the Cash Allocation, Management and Payment Agreement, the Monte Titoli Mandate Agreement, the Intercreditor Agreement, the Hedging Agreement, the Deed of Pledge, the Deed of Assignment, the Mandate Agreement, the Letter of Undertakings, the Master Definitions Agreement, the Terms and Conditions and the Prospectus.

**Transfer Agreement** means the transfer agreement entered into on the Closing Date between the Issuer and the Originator, 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, in relation to the Initial Portfolio, 13 February 2009 and in relation to any Subsequent Portfolio the date on which the Originator has received from the Issuer the acceptance of the relevant Transfer Offer, as provided for by the Transfer Agreement.

**Transfer Offer** means the offer which the Originator shall deliver to the Issuer by each Offer Date in the event that it intends to assign and transfer to the Issuer a Subsequent Portfolio pursuant to the Transfer Agreement (substantially in the form attached to such Agreement).

**Trigger Default Ratio** means 2.25 per cent..

**Trigger Delinquency Ratio** means 5.5 per cent..

**Trigger Event** means any of the events described in Condition 14 (*Trigger Events*).

**Trigger Notice** means the notice served by the Representative of the Noteholders upon the occurrence of a Trigger Event and in accordance with Condition 14 (*Trigger Events*).

**UniCredit** means UniCredit S.p.A., a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy, whose registered office is at Via A. Specchi No. 16, 00186 Rome, Italy and its corporate headquarters at Piazza Cordusio No. 2, 20123 Milan, Italy, Fiscal Code and enrolment with

the Companies Register of Rome No. 00348170101, enrolled with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to Article 13 of the Consolidated Banking Act and parent company of the UniCredit Banking Group, enrolled with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under No. 3135.1.

**UniCredit Banking Group** means the “*Gruppo Bancario UniCredit*” registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 3135.1.

**Usury Law** means, collectively, Italian Law No. 108 of 7 March 1996, as amended and supplemented from time to time, and Italian Law No. 24 of 28 February 2001, which converted into law the Law Decree No. 394 of 29 December 2000.

**Valuation Date** means, in respect of the Initial Portfolio the Initial Valuation Date and in respect of each Subsequent Portfolio, such date as will be indicated in the relevant Transfer Offer.

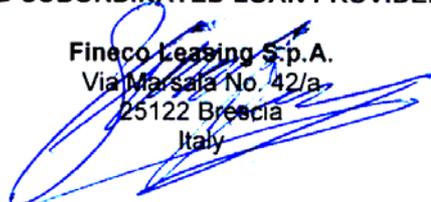
**Warranty and Indemnity Agreement** means the warranty and indemnity agreement entered into on the Closing Date between the Originator and the Issuer as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Zenith Service** means Zenith Service S.p.A. a joint stock company incorporated under the laws of the Republic of Italy, whose registered office is at Via Romanino No. 1, 25122, Brescia, Italy and enrolled in the Special Register held by the Bank of Italy pursuant to article 107 of the Consolidated Banking Act.

**ISSUER**

  
F-E Red S.r.l.  
Via Romanino No. 1  
25100 Brescia  
Italy

**ORIGINATOR, SERVICER  
AND SUBORDINATED LOAN PROVIDER**

  
Fineco Leasing S.p.A.  
Via Marsala No. 42/a  
25122 Brescia  
Italy

**CORPORATE SERVICER**

Structured Finance Management – Italy S.r.l.  
Via Romanino No. 1  
25100 Brescia  
Italy

**HEDGING COUNTERPARTY**

UniCredit S.p.A.  
Via A. Specchi No. 16  
00186 Rome  
Italy

**COMPUTATION AGENT**

Zenith Service S.p.A.  
Corso Monforte No. 36  
20122 Milan  
Italy

**REPRESENTATIVE OF THE NOTEHOLDERS,  
ACCOUNT BANK, PAYING AGENT AND  
CUSTODIAN BANK**

BNP Paribas Securities Services,  
Milan Branch  
Via Ansperto No. 5  
20123 Milan  
Italy

**LISTING AGENT**

BNP Paribas Securities Services,  
Luxembourg Branch  
33, rue de Gasperich  
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