



PROSPECTUS

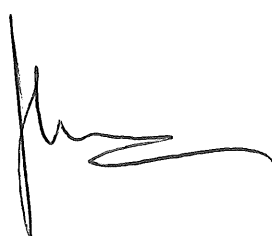
in accordance with article 2, paragraph 3, of Law 30 April 1999, No. 130

ALBA 1 SPV S.R.L.

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

Up to Euro 300,000,000 Class A Asset Backed Floating Rate Notes due April 2040
Issue Price: 100%

Up to Euro 168,924,912 Class B Asset Backed Floating Rate Notes due April 2040
Issue Price: 100%



Alba 1 SPV S.r.l., a limited liability company incorporated under the laws of the Republic of Italy (the "Issuer"), intends to issue on 4 March 2011 (the "Issue Date") up to Euro 300,000,000 (the "Senior Notes Maximum Amount") Class A Asset Backed Floating Rate Notes due April 2040 (the "Senior Notes") and the up to Euro 168,924,912 (the "Junior Notes Maximum Amount") Class B Asset Backed Floating Rate Notes due April 2040 (the "Junior Notes" and, together with the Senior Notes, the "Notes") in the context of a securitisation transaction (the "Transaction") pursuant to Italian law 30 April 1999, No. 130 ("Disposizioni sulla cartolarizzazione dei crediti", as amended from time to time, hereinafter, the "Law 130" or also the "Securitisation Law").

This prospectus (the "Prospectus" or the "Offering Circular") is issued pursuant to article 2, paragraph 3, of the Securitisation Law in connection with the issuance of the Notes.

The Notes will be issued on a partly paid basis, pursuant to the terms provided in terms and condition of the Notes (the "Terms and Conditions"). On the Issue Date, the respective Notes Initial Instalment Payment (as defined below) will be paid by Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber (both as defined below), in accordance with the relevant Subscription Agreement (as defined below and subject to the terms and conditions provided therein). Subject to and in accordance with the procedures set forth in the Terms and Conditions, during the Ramp-Up Period the Issuer may request the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber to pay the relevant Notes Further Instalment Payments (as defined below). Each Notes Further Instalment Request (as defined below) shall be sent by the Issuer to the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber 4 Business Days prior to each Monthly Payment Date or Quarterly Payment Date, as the case may be and shall include the information specified in the Terms and Conditions.

As at the Issue Date, the Notes will not be listed on any stock exchange and are not expected to be assigned any public credit rating.

The Transaction consists of the following three phases: (a) a first phase, being the Ramp-Up Period, which will start on the Issue Date and end on the earlier of (i) the date on which the Principal Amount Outstanding of the Senior Notes is equal to Euro 300,000,000, (ii) the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered and (iii) the Monthly Payment Date falling on September 2011 (included) (the "Ramp-Up Period End Date"); (b) a second phase (excluding the case in which the Ramp-Up Period End Date is the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered), being the Revolving Period, which will commence on (but excluding) the Ramp-Up Period End Date and end on the earlier of (i) the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered and (ii) the Quarterly Payment Date falling on January 2013 (included); and (c) a third phase, being the Amortisation Period which will commence on the Quarterly Payment Date falling on April 2013 (included), and ending on the Cancellation Date.

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be collections received in respect of a pool of monetary claims and other connected rights arising out of lease contracts (the "Lease Contracts") between Alba Leasing S.p.A. (the "Originator" or "Alba Leasing"), or its assignor, as lessor, and the lessees (the "Lessees"). The first pool of claims and connected rights (the "Initial Portfolio"), arising from an initial portfolio of Lease Contracts originated by the Originator (or its assignor), has been transferred from the Originator to the Issuer pursuant to the terms of a master receivables purchase agreement (the "Master Receivables Purchase Agreement") and a first transfer agreement (the "First Transfer Agreement"), both entered into on 11 February 2011, and amended on 2 March 2011. Subject to the terms of the Master Receivables Purchase Agreement, the Originator is allowed to sell to the Issuer which, upon occurrence of the conditions set forth in the Master Receivable Purchase Agreement, shall purchase from the Originator (i) during the Ramp-Up Period, additional portfolios of Receivables (the "Additional Portfolios") and (ii) during the Revolving Period, subsequent portfolios of Receivables (the "Subsequent Portfolios" and each of the Initial Portfolio, any Additional Portfolio and any Subsequent Portfolio, a "Portfolio", and, collectively, the "Portfolios"), pursuant to transfer agreements to be entered into from time to time between the Issuer and the Originator in compliance with the terms of the Master Receivables Purchase Agreement (the "Subsequent Transfer Agreements" and together with the First Transfer Agreement, the "Transfer Agreements" and each a "Transfer Agreement").

There is not certainty that the Notes will receive their full principal outstanding and all the interest accrued thereon and ultimately the obligations of the Issuer to pay principal and interest on the Notes could be reduced as a result of losses incurred in respect of the Portfolios. If the Notes cannot be redeemed in full on the Cancellation Date, as a result of the Issuer having insufficient funds available to it in accordance with the Terms and Conditions for application in or towards such redemption, the Issuer will have no other funds available to it to be paid to the Noteholders, because the Issuer has no assets other than those described in this Offering Circular. If any amounts remain outstanding in respect of the Notes upon expiry of the Cancellation Date, such amounts (and the obligations to make payments in their respect) will be deemed to be released by the Noteholders and the Notes will be cancelled. The amount and timing of repayment of principal under the Claims will affect also the yield to maturity of the Notes, which cannot be predicted depending, inter alia, on the level of prepayments which will occur under the Portfolios.

By virtue of the operation of Article 3 of the Securitisation Law and of the Transaction Documents, the Issuer's right, title and interest in and to the Portfolios 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 creditor of the Issuer in respect of any costs, fees and expenses in relation to

the Securitisation.

The Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at an annual rate (the "**Rate of Interest**") equal to the Relevant EURIBOR (as defined below), plus the following margins: (a) in respect of the Senior Notes: 1.25% per annum up to (but excluding) the Quarterly Payment Date falling on October 2012 (the "**Step Up Date**") and 1.75% thereafter; and (b) in respect of the Junior Notes, 2% per annum.

Interest in respect of the Notes will accrue on a daily basis and will be payable on 20 April 2011 (the "**First Quarterly Payment Date**") and thereafter quarterly in arrears on the twentieth day of January, April, July and October of each year or if any such day is not a Business Day (as defined below), the following Business Day (each a "**Quarterly Payment Date**"), in respect of the Quarterly Interest Period (as defined below) ending immediately prior thereto and in accordance with the applicable Priority of Payments.

All payments of principal and interest on the Notes will be made free and clear of any withholding or deduction for Italian withholding taxes, subject to the requirements of Legislative Decree No. 239 of 1 April 1996 as amended by Italian Law No. 409 of 23 November 2001 and as subsequently amended and supplemented, unless the Issuer is required by any applicable law to make such a withholding or deduction. If any withholding tax is applicable to the Notes, payments of interest on, and principal of the Notes will be made subject to such withholding tax, without the Issuer or any other person being obliged to pay any additional amounts to any holder of Notes of any Class as a consequence. For further details, see the section entitled "Taxation".

Before the Final Maturity Date, the Notes will be subject to mandatory redemption in whole or in part in certain circumstances as set out in Condition 8.2 (Redemption, Purchase and Cancellation – Mandatory Redemption). Before the Final Maturity Date, the Notes will be subject to optional redemption (in whole but not in part or, with the prior consent of the Junior Noteholders, in whole (with regards to the Senior Notes) and in whole or in part (as regards the Junior Notes)) in certain circumstances as set out in Condition 8.3 (Redemption, Purchase and Cancellation – Optional Redemption) or Condition 8.4 (Redemption, Purchase and Cancellation – Redemption for Taxation). Unless previously redeemed in full or cancelled in accordance with the Terms and Conditions, the Notes are due to be repaid on the Final Maturity Date. The Notes, to the extent not redeemed in full by the Cancellation Date, shall be cancelled on such date.

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 Arranger, the Originator, the Servicer, the Back-Up Servicer, the Representative of the Noteholders, the Computation Agent, the Cash Manager, the Account Bank, the Paying Agent, the Custodian Bank, the Hedging Counterparty, the Corporate Services Provider, the Initial Senior Notes Subscriber or the Initial Junior Notes Subscriber. 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 Holder. 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 Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any other state securities laws of the U.S. and may be subject to U.S. tax laws. Subject to certain exceptions, the Notes may not be offered or sold within the U.S. or for the benefit of U.S. Persons (as defined in Regulation S under the Securities Act). See "**Subscription and Sale**".

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**".

Arranger

Banca IMI S.p.A.

Dated 4 March 2011

Responsibility statements

None of the Issuer, the Arranger, the Servicer, the Back-Up Servicer, the Representative of the Noteholders, the Computation Agent, the Cash Manager, the Account Bank, the Custodian Bank, the Paying Agent, the Hedging Counterparty, the Corporate Services Provider and the Sole Quotaholder, or any other party to the Transaction Documents other than the Originator have undertaken or will undertake any investigation, search or other action to verify the details of the Receivables sold by the Originator to the Issuer; nor has any of the Issuer, the Arranger, the Servicer, the Back-Up Servicer, the Representative of the Noteholders, the Computation Agent, the Cash Manager, the Account Bank, the Custodian Bank, the Paying Agent, the Hedging Counterparty, the Corporate Services Provider and the Sole Quotaholder or any other party to the Transaction Documents other than the Originator undertaken, nor will they undertake, any investigation, search or other action to establish the creditworthiness of the Lessees. In the Master Receivables Purchase Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables and has agreed, subject to certain terms and conditions, to indemnify the Issuer in respect of certain costs, expenses and liabilities of the Issuer incurred in connection with the purchase and ownership of the Receivables.

The Issuer accepts responsibility for the information contained in this Prospectus, other than that information for which the Originator 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.

The Originator accepts responsibility for the relevant information included in this Prospectus in the sections headed "The Originator" and "The Portfolios", for any information relating to the relevant Lease Contracts, Lessees, Assets and any other information contained in this document relating to itself and the Receivables. To the best of the knowledge and belief of the Originator (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.

Certain market information included in the section headed "The Originator" has been reproduced accurately from information published by certain trade associations identified therein and as far as the Originator is aware and is able to ascertain from such published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Save as described under the section headed "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 Senior Notes has an interest material to such offer.

Representations about the 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 the Issuer, Alba Leasing (in any capacity), 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 of the 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, Alba Leasing or 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 the Originator

The Hedging Counterparty and their affiliates may, from time to time, enter into other business

relations with the Originator including, but not limited to, the provision of lending and advisory services.

Limited recourse

The Notes constitute direct, secured, limited recourse obligations of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by the Arranger, Alba Leasing (in any capacity), the Lessees, the Representative of the Noteholders, the Account Bank, the Cash Manager, the Paying Agent, the Computation Agent, the Hedging Counterparty, the Servicer, the Back-Up Servicer, the Corporate Services Provider, the Initial Senior Notes Subscriber or the Initial Junior Notes Subscriber. Furthermore, none of such persons accepts liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

By virtue of the operation of Article 3 of the Securitisation Law and of the Transaction Documents, the Issuer's right, title and interest in and to the Portfolios 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 creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. Amounts derived from the Portfolios will not be available to any other creditors of the Issuer.

The Noteholders, by reason of holding the Notes, 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 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 to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, and may not be used for the purpose of an offer to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

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

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR APPROVED BY, ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

The Notes are complex instruments which involve a high degree of risk and are suitable for purchasing only by sophisticated investors which are capable of understanding the risks involved. In

particular the Notes should not be purchased by, or sold to, individuals and other non-expert investors.

No action has been or will be taken which would allow an offering (nor an "offerta al pubblico di prodotti finanziari") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Accordingly, the Notes may not be offered, sold or delivered and neither may this document nor any other offering material relating to the Notes be distributed or made available to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

Neither this Prospectus nor any other information supplied in connection with the issue of the Notes should be considered as a recommendation or constituting an invitation or offer by the Issuer that any recipient of this Prospectus, or of any other information supplied in connection with the issue of the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the 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 Notes and the distribution of this document, see the section entitled "Subscription and Sale".

Pursuant to the Subscription Agreements, the Initial Senior Notes Subscriber and the Junior Notes Initial Subscriber has undertaken not to sell any of the Notes before the Ram-Up Period End Date. In addition, under the Junior Notes Subscription Agreement Alba Leasing has undertaken to retain, on an on going basis, a material net economic interest which, in any event, shall not be less than 5% in this Transaction in accordance with Article 122a of the Directive 2006/48/EC (as amended) of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (the "CRD"). As of the date of this Prospectus, such interest will, in accordance with Article 122a, paragraph (1) sub d), of the CRD, be comprised of the retention by Alba Leasing of the Junior Notes. Moreover, under the Intercreditor Agreement, Alba Leasing has undertaken to prepare: (a) until it acts as Servicer, Servicer Reports, or (b) in the event that its appointment as Servicer is terminated, monthly reports, in which information with regard to the Receivables will be disclosed publicly together with an overview of the retention of material net economic interest by Alba Leasing with a view of complying with Article 122a paragraph (7) of the CRD.

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.

The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Words and expressions in this document shall, except as otherwise specified or so far as the context otherwise requires, have the same meanings as those set out herein and in the Terms and Conditions. These and other terms used in this document are subject to the definitions of such terms set out in the Transaction Documents, as amended from time to time.

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TRANSACTION SUMMARY

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. PRINCIPAL PARTIES

Issuer

Alba 1 SPV S.r.l., a company with a sole quotaholder incorporated as a *società a responsabilità limitata* under the laws of the Republic of Italy under the Securitisation Law having its registered office at Via Vittorio Alfieri, 1, 31015 Conegliano (Treviso), Italy, Fiscal Code and registration with the Companies Register in Treviso No. 04333910265, with paid-in share capital of Euro 10,000.00, enrolled under number 41840 in the *elenco generale* held by Bank of Italy pursuant to article 106 of Legislative Decree No. 385 of 1 September 1993.

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

Originator

Alba Leasing S.p.A. ("Alba Leasing"), a company incorporated as a *società per azioni* under the laws of the Republic of Italy, whose registered office is at Via Sile 18, 20139 Milan, with paid-in share capital of Euro 255,000,000, Fiscal Code and registration with the Companies Register in Milan No. 06707270960.

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

Servicer

Alba Leasing or any other person from time to time acting as Servicer. The Servicer will act as such pursuant to the Servicing Agreement.

Back-Up Servicer

Selmabipiemme Leasing S.p.A. The Back-Up Servicer will act as such pursuant to the Back-Up Servicing Agreement.

Computation Agent

Securitisation Services S.p.A. ("Securitisation Services"), a company incorporated as a *società per azioni* under the laws of the Republic of Italy, whose registered office is at Via Vittorio Alfieri No. 1, 31015 Conegliano (Treviso), Italy, fiscal code and enrolment with the Companies' Register of Treviso under No. 03546510268, with paid-in share capital of Euro 1,595,055.00. The Computation Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.

Account Bank	The Bank of New York Mellon (Luxembourg) S.A., Italian Branch or any other person from time to time acting as Account Bank. The Account Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Custodian Bank	The Bank of New York Mellon S.A.\N.V., London Branch , a public limited liability credit institution organised under the laws of Belgium, with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium operating through its branch at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom. The Custodian Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Paying Agent	The Bank of New York Mellon (Luxembourg) S.A., Italian Branch , a company incorporated under the laws of the Grand Duchy of Luxembourg, acting through its Italian branch, having its registered office at via Carducci, 31, 20123, Milan, Italy. The Paying Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Cash Manager	Alba Leasing or any other person from time to time acting as Cash Manager. The Cash Manager will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Corporate Services Provider	Securitisation Services or any other person from time to time acting as Corporate Services Provider. The Corporate Services Provider will act as such pursuant to the Corporate Services Agreement.
Hedging Counterparty	Banca IMI S.p.A. ("Banca IMI") , a bank incorporated in Italy as a <i>società per azioni</i> , whose registered office is at Largo Mattioli 3, 20121 Milano, with paid-in share capital of Euro 962,464,000, fiscal code and registration number to the Register of Enterprises of Milan No. 04377700150, enrolled in the register of banks held with the Bank of Italy, participant to the Banking Group "Intesa Sanpaolo" (enrolled in the register of the Banking Group), subject to the activity of management and coordination (" <i>attività di direzione e coordinamento</i> ") of Intesa Sanpaolo S.p.A.. The Hedging Counterparty will act as such pursuant to the Master Hedging Agreement.
Representative of the Noteholders	Securitisation Services or any other person from time to time acting as Representative of the Noteholders. The Representative of the Noteholders will act as such pursuant to the Subscription Agreements, the Intercreditor Agreement, the Terms and Conditions and the Rules of the Organisation of

the Noteholders.

Sole Quotaholder

SVM Securitisation Vehicles Management S.r.l. ("SVM") a company incorporated as a *società a responsabilità limitata* under the laws of the Republic Italy, with paid-in share capital of Euro 30,000.00, whose registered office is at Via Vittorio Alfieri, 1, 31015 Conegliano (Treviso), Italy, VAT Code and registration with the Companies Register in Treviso No. 03546650262, in its capacity as sole quotaholder.

Initial Senior Notes Subscriber

DUOMO FUNDING P.L.C., a limited liability company incorporated under the laws of the Ireland, the registered office of which is at Riverside One, Sir John Rogersons Quay, Dublin 2 Ireland, registered under number 394404.

Initial Junior Notes Subscriber

Alba Leasing.

Arranger

Banca IMI.

For further details, see the section entitled "*Subscription and Sale*".

2. PRINCIPAL FEATURES OF THE NOTES

The Notes

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

- (i) Up to Euro 300,000,000.00 Class A Asset Backed Floating Rate Notes due April 2040 (the "**Senior Notes**") and
- (ii) Up to Euro 168,924,912 Class B Asset Backed Floating Rate Notes due April 2040 (the "**Junior Notes**").

Issue Price

The Notes will be issued at 100% of their principal amount.

Partly Paid

The Notes will be issued on a partly paid basis, pursuant to the terms provided in Condition 2 (*Partly Paid Notes*). On the Issue Date, the respective Notes Initial Instalment Payment will be paid by the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber, in accordance with the Terms and Conditions and the relevant Subscription Agreement in order to fund the Initial Issue Price of the Notes. Subject to and in accordance with the procedures set forth in Condition 2 (*Partly Paid Notes*), during the Ramp-Up Period the Issuer may request the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber to pay the relevant Notes Further Instalment Payments and to increase the Principal Amount Outstanding of the Notes. Subject to and in

accordance with the procedures set forth in Condition 2 (*Partly Paid Notes*), during the Ramp-Up Period the Issuer may request the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber to pay the relevant Notes Further Instalment Payments (the "**Notes Further Instalment Request**"). Each Notes Further Instalment Request shall be sent by the Issuer to the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber 4 Business Days prior to each Monthly Payment Date or Quarterly Payment Date, as the case may be (a "**Notes Further Instalment Request Date**") and shall include the information specified in Condition 2 (*Partly Paid Notes*).

Interest on the Notes

The Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at an annual rate (the "**Rate of Interest**") equal to the Relevant EURIBOR (as defined below), plus the following margins:

- (a) in respect of the Senior Notes: 1.25% *per annum* up to (but excluding) the Quarterly Payment Date falling on October 2012 (the "**Step Up Date**") and 1.75% thereafter; and
- (b) in respect of the Junior Notes: (i) 2% *per annum*.

Interest in respect of the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Quarterly Payment Date in accordance with the applicable Priority of Payments in respect of the Quarterly Interest Period ending immediately prior thereto. The First Quarterly Payment Date will be 20 April 2011.

Form and denomination of 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 Holder. The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be evidenced by, and title thereto will be transferable by means of, book entries in accordance with the provisions of (i) article 83-*bis* of the Legislative Decree No. 58 of 24 February 1998; and (ii) Regulation 22 February 2008. No physical document of title will be issued in respect of the Notes.

The Senior Notes will be issued in the denomination of Euro 100,000 and the Junior Notes will be issued in the denomination of Euro 50,037.

Status and subordination

The Notes constitute secured, direct and limited recourse obligations of the Issuer. Accordingly, the Issuer's obligations to make payments under the Notes shall be limited to the amounts received and recovered by the Issuer from the Portfolios and the other Issuer's Rights, which may be used for such purpose under the applicable Priority of Payments. The Notes are obligations solely of the Issuer and they are not obligations of, or guaranteed by, any of the other parties to any of the Transaction Documents.

Either prior to or after the service of a Trigger Notice, in respect of the obligations of the Issuer to pay interest and repay principal on the Notes, the Senior Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the Junior Notes; the Junior Notes will rank *pari passu* without preference or priority amongst themselves but subordinated to the Senior Notes.

Withholding on the Notes

As at the date of this Prospectus, payment 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 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.

In the event that any Notes are redeemed in whole or in part prior to the expiry of eighteen months from the Issue Date, the Issuer will be obliged to pay an additional amount in Italy which, at the date of this Prospectus, is equal to 20% 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 will be subject to mandatory redemption, in accordance with the applicable Priority of Payments, in full or in part on the Quarterly Payment Date falling in April 2013 and on each Quarterly Payment Date thereafter in accordance with Condition 8.2 (*Mandatory Redemption*), in each case if and to the extent that on such dates there are sufficient Issuer Available Funds (including, for the avoidance of doubt, proceeds deriving from any sale of the Portfolios) which may be applied towards redemption of the Notes, in accordance with the applicable Priority of Payments set out in Condition 6 (*Priority of Payments*).

Optional Redemption

Unless previously redeemed in full, the Issuer may redeem the Notes (in whole but not in part) at their Principal Amount Outstanding, together with all

accrued but unpaid interest thereon up to the date fixed for redemption and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes (or, with the prior consent of the Junior Noteholders, may redeem the Senior Notes (in whole) and the Junior Notes (in whole or in part) and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the relevant Notes to be redeemed), on any Quarterly Payment Date falling on or after April 2013, in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), provided that 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 its outstanding liabilities in respect of the relevant Notes to be redeemed and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with such Notes.

Any such redemption shall be effected by the Issuer on giving not less than 30 days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*) and provided that the Issuer has, prior to giving such notice, certified to the Representative of the Noteholders and produced satisfactory evidence to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person) to discharge all its outstanding liabilities in respect of the relevant Notes to be redeemed and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with such Notes.

The Issuer may obtain the necessary funds in order to effect the early redemption of the Notes in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) through the sale of all or part of the Portfolios and the relevant sale proceeds shall form part of the Issuer Available Funds.

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 Quarterly Payment Date:

- (a) the Issuer or any other person would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) from any payment of principal or interest on any Class of Notes, any amount for or on account of

any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Italy or any political or administrative sub-division thereof or any authority thereof or therein (or that amounts payable to the Issuer in respect of the Portfolios would be subject to withholding or deduction); and

- (b) the Issuer will have the necessary funds (not subject to the interests of any other person) to discharge all its outstanding liabilities in respect of the relevant Notes to be redeemed and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with such Notes;

(hereinafter the event under (a) above, the "**Tax Event**"), then the Issuer may, on any such Quarterly Payment Date at its option having given not less than 30 days' prior notice in writing to the Representative of the Noteholders and to the Noteholders in accordance with the Terms and Conditions, redeem the Notes (in whole but not in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to the date fixed for redemption and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes (or, with the prior consent of the Junior Noteholders, may redeem the Senior Notes (in whole) and the Junior Notes (in whole or in part) and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the relevant Notes to be redeemed), in accordance with Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*). No redemption for taxation shall occur prior to the Quarterly Payment Date falling in April 2013, unless the Representative of the Noteholders determines that it would be prejudicial to the interest of the Senior Noteholders not to proceed with the redemption prior to such Quarterly Payment Date.

Following the occurrence of a Tax Event, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by the Senior Noteholders) direct the Issuer to, dispose of the Portfolios 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*).

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 respective Principal Amount Outstanding on the Final Maturity Date.

Cancellation Date

The Notes will be cancelled on the Cancellation Date which is the earlier of:

- (a) the date on which the Notes have been redeemed in full;
- (b) the Final Maturity Date;
- (c) the date on which the Representative of the Noteholders has provided to the Issuer a certificate confirming that (i) all the Collections due in respect of all the Receivables comprised in the Portfolios have been received or recovered and/or the Receivables comprised in the Portfolios (then outstanding) have been fully written off by the Issuer (or on the Issuer behalf) and/or all judicial enforcement procedures in respect of the Portfolios have been completed and/or in its sole opinion there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolios 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, and (ii) the relevant Issuer Available Funds have been received and applied in accordance with the applicable Priority of Payments; and
- (d) the date on which the Representative of the Noteholders has provided to the Issuer a certificate confirming that (i) all the Receivables comprised in all the Portfolios have been sold and (ii) the relevant Issuer Available Funds have been received and applied in accordance with the applicable Priority of Payments.

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 the Collections and Recoveries made in respect of the Receivables arising out of Lease Contracts between the Originator, as lessor, and the Lessees, purchased and to be purchased by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement and the relevant Transfer Agreements.

Segregation of the Portfolios

By virtue of the operation of article 3 of the Securitisation Law and of the Transaction Documents, the Issuer's right, title and interest in and to the Portfolios 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 creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

Limited Recourse

Notwithstanding any other provision of the Transaction Documents and without prejudice to Condition 9.1 (*Non Petition*) and clause 2.3.3 of the Intercreditor Agreement, pursuant to Condition 9.2 (*Limited recourse obligations of Issuer*):

- (i) all obligations of the Issuer to each Noteholder including, without limitation, the obligations under any Transaction Document to which such Noteholder is a party (including any obligation for the payment of damages or penalties) but excluding in any case the obligation of payment of (i) the Initial Purchase Price of the Initial Portfolio (decreased of an amount equal to the Retention Amount) and of any other Portfolio, (ii) the Excess Indemnity Amount, (iii) any Residual Optional Instalment and (iv) any other amount which is expressly excluded from the Issuer Available Funds under the Transaction Documents, are limited recourse obligations of the Issuer and arise limited to the lower of (x) the nominal amount of such obligation and (y) the Issuer Available Funds which may be applied for the relevant purpose in accordance with the applicable Priority of Payments; in this regard, without prejudice to what provided for in Condition 13.1(i) (*Trigger Events - Non Payment*), if the Issuer Available Funds are insufficient to pay any amount due and payable to the Noteholders on any Quarterly

Payment Date in accordance with the applicable Priority of Payments, the shortfall then occurring will not be due and payable until a subsequent Quarterly Payment Date on which the Issuer Available Funds may be used for such purpose in accordance with the relevant Priority of Payments, provided however that any claim towards the Issuer shall be deemed waived and cancelled on the Cancellation Date. Such shortfall will not accrue interest unless otherwise provided in the Transaction Documents;

- (ii) each Noteholder acknowledges and agrees that it will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the 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;
- (iii) each Noteholder acknowledges and agrees that the limited recourse nature of the obligations under the Notes or any Transaction Documents produces the effect of a *contratto aleatorio* and accepts the consequences thereof, including but not limited to the provision of article 1469 of the Italian civil code and will have an existing claim against the Issuer only in respect of the funds referred to in Condition 9.2.1(a)(x) and (a)(y) (as applicable) which may be applied for the relevant purpose as at the relevant date and will not have any claim, by operation of funds referred to in Condition 9.2.1(a)(x) or (a)(y) above) or its contributed equity capital or any other assets of the Issuer whatsoever;
- (iv) each Noteholder acknowledges and agrees that all payments to be made by the Issuer to any Noteholder on each Quarterly Payment Date, whether under any Transaction Document to which such Noteholder is a party or otherwise, shall be made by the Issuer solely from the Issuer Available Funds;
- (v) each Noteholder undertakes not to make any claim or bring any action in contravention of the provisions of Condition 9.2 (*Limited Recourse obligations of Issuer*); and
- (vi) without prejudice to Condition 9.1 (*Non*

petition), each Noteholder undertakes to enforce any judgment obtained by such Noteholder in any action brought under any of the Transaction Documents to which such Noteholder is a party or any other document relating thereto only against the Monthly Issuer Available Funds or the Issuer Available Funds, as the case may be and not against any other assets or property or the contributed capital of the Issuer or of any quotaholder, director, auditor or agent of the Issuer.

Non Petition

Only the Representative of the Noteholders may pursue the remedies available under the 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. In particular, pursuant to Condition 9.1 (*Non Petition*), no Noteholder:

- (i) is entitled, otherwise than as 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) both before and following the delivery of a Trigger Notice, shall be entitled, until the date falling one year and one day after the date on which all the Notes and any other asset backed notes issued by the Issuer in the context of any Further Securitisation 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) both before and following the delivery of a Trigger Notice, 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,

provided however that Condition 9.1 (Non Petition), (i) without prejudice to Condition 6 (Priority of Payments), shall not prevent the Noteholders from taking any steps against the Issuer which do not involve the commencement or the threat of commencement of legal proceedings against the Issuer or which may not lead to the declaration of insolvency or liquidation of the Issuer and (ii) shall not apply with respect to the right of the Originator to receive payment of (a) the Initial Purchase Price of the Initial Portfolio (decreased of an amount equal to the Retention Amount) and the Initial Purchase Price of any Additional Portfolios or Subsequent Portfolios, (b) the Excess Indemnity Amount and (c) any Residual Optional Instalment.

Listing

No application has been made to list the Notes on any stock exchange.

Rating

Upon issuance, the Notes are not expected to be assigned any public credit rating.

Purchase of the Notes

The Issuer may not purchase any Notes at any time.

Governing Law

The Notes will be governed by Italian law.

3. THE TRANSACTION

Phases of the Transaction

The Transaction consists of the following three phases:

- (a) a first phase, being the Ramp-Up Period, which will start on the Issue Date and end on the earlier of (i) the date on which the Principal Amount Outstanding of the Senior Notes is equal to Euro 300,000,000, (ii) the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered and (iii) the Monthly Payment Date falling on September 2011 (included) (the "**Ramp-Up Period End Date**");
- (b) a second phase (excluding the case in which the Ramp-Up Period End Date is the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered), being the Revolving Period, which will commence on (but excluding) the Ramp-Up Period End Date and end on the earlier of (i) the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered and (ii) the Quarterly Payment Date falling on January 2013 (included); and

- (c) a third phase, being the Amortisation Period which will commence on the Quarterly Payment Date falling on April 2013 (included), and ending on the Cancellation Date.

Transfer of the Initial Portfolio

The Issuer has purchased from the Originator the Initial Portfolio on 11 February 2011, in accordance with the terms and conditions of the Master Receivables Purchase Agreement and the relevant Transfer Agreement, both as amended on 2 March 2011.

In order to fund the purchase price of the Initial Portfolio the Issuer has issued the Notes on 4 March 2011.

Transfer of Additional Portfolios and Subsequent Portfolios

Subject to the terms of the Master Receivables Purchase Agreement, the Originator is allowed to sell to the Issuer which shall purchase (i) during the Ramp-Up Period, Additional Portfolios and (ii) during the Revolving Period, Subsequent Portfolios.

The Initial Purchase Price of any Additional Portfolio will be paid by the Issuer out of (i) the Principal Instalments collected in respect of the Receivables and any other Monthly Issuer Available Funds or Issuer Available Funds, as the case may be, available to such purpose, and (ii) should the amounts under (i) not be sufficient to such purpose, the Notes Further Instalment Payments. The Initial Purchase Price of any Subsequent Portfolio will be paid by the Issuer out of the Issuer Available Funds in accordance with the applicable Priority of Payments.

According to the Master Receivables Purchase Agreement, the Initial Purchase Price of any Additional Portfolio or any Subsequent Portfolio, as the case may be, shall not be higher than the Maximum Purchase Amount.

4. ACCOUNTS

Collection Account

The Issuer has established the Collection Account with the Account Bank to which all the Collections and Recoveries made and the Indemnities paid in respect of the Portfolios will be credited, in accordance with the Servicing Agreement. Out of the Collection Account, on each Quarterly Payment Date (i) any Excess Indemnity Amount received by the Issuer on the immediately preceding Quarterly Settlement Period; and (ii) the Purchase Price of the Residual Optional Instalment equal to any Residual Optional Instalment collected by the Issuer on the

immediately preceding Quarterly Settlement Period, shall be paid to the Originator in accordance with the relevant Quarterly Settlement Report.

Payments Account

The Issuer has established the Payments Account with the Account Bank for the deposit, *inter alia*, of all amounts received from any party to a Transaction Document to which the Issuer is a party (other than amounts expressly provided to be paid into other Accounts) and into which, *inter alia*, the amount standing to the credit of the Investment Account 1 (one) Business Day prior to each Monthly Payment Date and 2 (two) Business Days prior to each Quarterly Payment Date to be used, respectively, as portion of the relevant Monthly Issuer Available Funds necessary to pay the Initial Purchase Price of any Additional Portfolio or as Issuer Available Funds, as the case may be, on the immediately following Payment Date and in general any sums arising from the liquidation, disposal or maturity of the Eligible Investments (including any profit generated thereby or interest matured thereon) to be used, respectively, as portion of the relevant Monthly Issuer Available Funds necessary to pay the Initial Purchase Price of any Additional Portfolio or as Issuer Available Funds, as the case may be, on the immediately following Payment Date, shall be credited 1 (one) Business Day prior to each relevant Monthly Payment Date or 2 (two) Business Days prior to each relevant Quarterly Payment Date. Out of the Payments Account, *inter alia*, on each Payment Date all payments shall be made in accordance with the Intercreditor Agreement, the applicable Priority of Payments and the relevant Payments Report.

Expenses Account

The Issuer has established the Expenses Account with Banca Antonveneta S.p.A., Conegliano Branch, into which, on the Issue Date, the Retention Amount will be credited out of the subscription price of the Notes.

During each Quarterly Settlement Period, the Retention Amount will be used by the Issuer to pay the Expenses and the taxes due and payable by the Issuer.

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

Principal Accumulation Account

The Issuer has established the Principal Accumulation Account with the Account Bank to which (i) on each Quarterly Payment Date prior to the beginning of the

Amortisation Period, the Principal Deficiency Amount shall be credited in accordance with the applicable Priority of Payments; and (ii) should a Notes Further Instalment Payment become due after the Payment Date immediately following the entering into of the relevant Transfer Agreement in accordance with the Subscription Agreements, such Notes Further Instalment Payment (net of the Required Debt Service Reserve Amount) shall be credited on the date of payment of such Notes Further Instalment Payment from the Payments Account. Out of the Principal Accumulation Account (i) the Initial Purchase Price of any Additional Portfolio or Subsequent Portfolio due (a) on a Quarterly Payment Date (net of the Notes Further Instalment Payments directly paid to the Originator in accordance with the Subscription Agreements) or (b) on a date which is not a Payment Date (upon occurrence of the condition precedent related to the payment of such Initial Purchase Price), shall be paid on the relevant due date to the Originator in accordance with the Master Receivables Purchase Agreement and the Cash Allocation, Management and Payment Agreement; (ii) the amount standing to the credit of such Eligible Account on each Quarterly Payment Date following payment of the Initial Purchase Price due on such date (net of any amount to be paid out of the Principal Accumulation Account under item (i)(b) above upon occurrence of the condition precedent related to the payment of such Initial Purchase Price (the "**Retained Amount**")) will be transferred on the following Business Day into the Investment Account.

Debt Service Reserve Account

The Issuer has established the Debt Service Reserve Account with the Account Bank to which (i) on the Issue Date, the Debt Service Reserve Amount shall be credited from the Payments Account; and (ii) on each Quarterly Payment Date before the delivery of a Trigger Notice until (but excluding) the Quarterly Payment Date on which the Senior Notes are redeemed in full or otherwise cancelled, the Issuer will credit the Issuer Available Funds in accordance with the Quarterly Pre-Enforcement Priority of Payments, to bring the balance of such account up to the Debt Service Reserve Amount.

The amount standing to the credit of the Debt Service Reserve Account will form part of the Issuer Available Funds on each Quarterly Payment Date.

Investment Account

The Issuer has established the Investment Account with the Custodian Bank into which, *inter alia*, amounts standing to the credit of the Collection Account, the Payments Account, the Principal Accumulation Account and the Debt Service Reserve

Account shall be credited in accordance with the Cash Allocation, Management and Payment Agreement and out of which, *inter alia*, in accordance with the provisions set forth in the Cash Allocation, Management and Payment Agreement and in the Custody Agreement, upon written instruction of the Cash Manager in the name and on behalf of the Issuer, all amounts standing to the credit thereof will be applied on any Business Day by the Custodian Bank for the purchase of Eligible Investments. The Eligible Investments deriving from the investment of funds standing to the credit of the Investment Account shall be deposited in such Eligible Account.

Collateral Account

To the extent required under the Master Hedging Agreement, the Issuer will establish in England or Wales a collateral account with an Eligible Institution in order to hold collateral posted by the Hedging Counterparty pursuant to the terms of the Master Hedging Agreement.

Quota Capital Account

The Issuer has established a quota capital account with Banca Antonveneta S.p.A., Conegliano Branch, into which its contributed quota capital has been deposited.

5. CREDIT STRUCTURE

Issuer Available Funds

On each Quarterly Payment Date, the Issuer Available Funds shall comprise the aggregate amounts (without duplication) of:

- (i) all Collections received during the immediately preceding Quarterly Settlement Period pursuant to the Servicing Agreement and credited to the Collection Account (including, for the avoidance of doubt, penalties and/or the Agreed Prepayments received and any other sums paid by the Lessees pursuant to the relevant Lease Contracts in respect of the Receivables);
- (ii) all Recoveries received during the immediately preceding Quarterly Settlement Period pursuant to the Servicing Agreement and credited to the Collection Account;
- (iii) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement or by the Servicer pursuant to the Servicing Agreement during the immediately preceding Quarterly Settlement Period (other than the Collections and the Recoveries) and credited to the Payments Account;
- (iv) all amounts paid to the Issuer pursuant to the

terms of the Master Hedging Agreement in relation to such Quarterly Payment Date (other than pursuant to the Credit Support Annex);

- (v) any interest accrued and credited on the Accounts (other than the Expenses Account and the Quota Capital Account) as of the last day of the immediately preceding Quarterly Settlement Period;
- (vi) any amounts credited as Debt Service Reserve Amount on the Quarterly Payment Date immediately preceding such Quarterly Payment Date;
- (vii) the net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of the Issuer Accounts during the Quarterly Settlement Period immediately preceding such Quarterly Payment Date;
- (viii) only toward payments of (a) the Initial Purchase Price of each Additional Portfolio and (b) with respect to each Junior Notes Further Instalment Payments, the relevant Required Debt Service Reserve Amount, the Notes Further Instalment Payments to be paid by the relevant Noteholders on such Quarterly Payment Date, in accordance with the Subscription Agreements, provided that, should such Notes Further Instalment Payments be paid following such Quarterly Payment Date, the relevant funds (net of the relevant Required Debt Service Reserve Amount) shall be directly applied to pay the Initial Purchase Price of the relevant Additional Portfolio in accordance with the Transaction Documents;
- (ix) any amount credited to the Principal Accumulation Account on the Quarterly Payment Date immediately preceding such Quarterly Payment Date as Principal Deficiency Amount and not utilised to purchase Subsequent Portfolios or Additional Portfolios;
- (x) any amount paid into the Payments Account from the Collateral Account in accordance with Clause 6.11.2 of the Cash Allocation, Management and Payments Agreement;
- (xi) any other amount received during the Quarterly Settlement Period immediately preceding such Quarterly Payment Date, not included in any of the items above (but excluding any amount expressly excluded from the Issuer Available Funds pursuant to

any of the items above and below);

- (xii) following delivery of a Trigger Notice or upon exercise of the Optional Redemption or Redemption for Taxation, all proceeds from the sale of the Receivables (also if credited to the Accounts following the Quarterly Settlement Date immediately preceding such Quarterly Payment Date),

but excluding: (i) any Principal Instalment collected and/or recovered in such Quarterly Settlement Period and utilised on (or about) a Monthly Payment Date towards payment of the Initial Purchase Price of any Additional Portfolio, (ii) any Residual Optional Instalment collected by the Issuer in the immediately preceding Quarterly Settlement Period and (iii) any Excess Indemnity Amount.

Trigger Events

The Terms and Conditions provide the following Trigger Events:

- (i) *Non-payment:*
 - a. on any Quarterly Payment Date (provided that a 3 Business Days' grace period shall apply) the amount paid by the Issuer as interest on the Most Senior Class of Notes is lower than the relevant Interest Amount; or
 - b. on any Quarterly Payment Date during the Amortisation Period (provided that a 5 Business Days' grace period shall apply) the amount paid by the Issuer as principal on the Senior Notes is lower than the relevant Principal Deficiency Amount (provided however that, for the avoidance of doubt, non payment of principal on the Senior Notes, due to the Servicer not having provided the Quarterly Settlement Report (as described in Condition 6.1(B) (*Priorities of Payments - Quarterly Pre-Enforcement Priority of Payments*)) shall not constitute a Trigger Event); or
- (ii) *Breach of other obligations:*

The Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party

(other than any obligation specified in (i) above) which is in the Representative of the Noteholders' reasonable opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 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 reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 days will be given); or

(iii) *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 30 days after the Representative of the Noteholders has served a notice requiring remedy; or

(iv) *Insolvency of the Issuer:*

An Insolvency Event occurs in respect of the Issuer; or

(v) *Unlawfulness:*

It is or will become unlawful for the Issuer to perform or comply with any of its material 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:

- (1) in the case of a Trigger Event under (i) and (v) above, shall; and/or
- (2) in the case of a Trigger Event under (ii) and (iii) above, if so directed by an Extraordinary Resolution of the Senior Noteholders, shall; and/or

- (3) 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 Senior 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 the Post-Enforcement Priority of Payments.

Following the delivery of a Trigger Notice, the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall, if so requested by an Extraordinary Resolution of the Senior Noteholders) direct the Issuer to, dispose of the Portfolios, subject to the terms and conditions of the Intercreditor Agreement, provided that the Originator shall have in such circumstance a pre-emption right to purchase the Portfolios at the terms and conditions specified in the Intercreditor Agreement.

Purchase Termination Events

The occurrence of each and any of the following events on any date will constitute a purchase termination event (a "**Purchase Termination Event**") in accordance with the Master Receivables Purchase Agreement:

- a) a Trigger Notice is delivered to the Issuer by the Representative of the Noteholder;
- b) the Originator (in any role under the Transaction Documents) defaults in the performance of any of its obligations under the Master Receivables Purchase Agreement and the Servicing Agreement or under any other Transaction Document to which it is a party, if such default (i) is materially prejudicial to the interests of the Senior Noteholders; and (ii) remains unremedied within 20 (twenty) Business Days (or 5 (five) Business Days, where the default relates to an obligation to pay) after the delivery by the Issuer of a written notice to the Originator requiring the default to be remedied;
- c) any of the representations and warranties given by the Originator under any of the Master Receivables Purchase Agreement or the Servicing Agreement is breached or is untrue, incomplete or inaccurate if the relevant breach (i) is materially prejudicial to the interests of the Senior Noteholders, and (ii) remains unremedied within 20 (twenty) Business Days (or 5 (five) Business Days,

where the default relates to an obligation to pay) after the delivery by the Issuer of a written notice to the Originator requiring the default to be remedied;

- d) the Originator is declared insolvent or admitted to any bankruptcy proceedings or the Originator has adopted a resolution aimed at obtaining the admission to any of such proceedings; a liquidator or administrative receiver is appointed or the Originator has adopted a resolution aimed at obtaining such appointments; the whole or a substantial part of the Originator's assets are subject to enforcement proceedings;
- e) the Originator carries out any action for the purpose of rescheduling its own debts or postponing their relevant fulfilment, executes any extrajudicial arrangement with its creditors (including arrangements for the assignment of its assets to its creditors), files any petition for the suspension of its own payments or any competent court grants to it a moratorium for the fulfilment of its own debts or the enforcement of any security granted by the Originator, if the Representative of the Noteholders, in its justified opinion, deems that any of the above events have or may have a material adverse effect on the Originator's financial condition, *provided that* the Originator has the right to renegotiate any subordinated loan granted to it by its controlling company;
- f) a resolution has been adopted for the dissolution or liquidation of the Originator, except if such resolution is adopted in connection with a corporate restructuring;
- g) the Originator resolves upon any material amendment of its corporate purpose (*oggetto sociale*) or the transfer of its registered office outside Italy;
- h) the Issuer terminates the Originator's appointment as Servicer pursuant to the Servicing Agreement;
- i) the Originator's external auditor expresses a negative assessment in the certification report (*relazione di certificazione*) relating to the Originator's annual financial statements or declares the impossibility to express an assessment in respect thereof;
- j) at any Quarterly Payment Date, the Debt Service Reserve Account is not (or will not

- be) credited out of the Issuer Available Funds and in accordance with the applicable Priority of Payments, with the Debt Service Reserve Amount, as calculated on the Payments Report Date immediately preceding the relevant Quarterly Payment Date;
- k) the Gross Cumulative Default Ratio, as evidenced in the relevant Quarterly Settlement Report, exceeds the respective Relevant Trigger;
- l) the Delinquency Ratio, as evidenced in the relevant Quarterly Settlement Report, exceeds 6.5% for two consecutive Quarterly Settlement Date; and
- m) the Asset Coverage Test is negative for 2 (two) consecutive Payments Report Dates immediately preceding a Quarterly Payment Date.

Upon occurrence of a Purchase Termination Event, the Representative of the Noteholders shall deliver a notice in accordance with the Terms and Conditions and the Transaction Documents (the "**Purchase Termination Event Notice**").

Pre-Enforcement Priorities of Payments

The Monthly Issuer Available Funds and the Issuer Available Funds, as the case may be, in respect of each Monthly Payment Date and Quarterly Payment Date, shall be applied in accordance with the orders of priority set out below.

Monthly Pre-Enforcement Priority of Payments

On each Monthly Payment Date during the Rump-Up Period, the Monthly Issuer Available Funds shall be applied (to the extent of the amounts necessary to such purpose) in or towards payment of the Initial Purchase Price due and payable to the Originator in respect of any Additional Portfolio.

Provided, however, that payments to the Originator under the Monthly Priority of Payments, if any, will be made on the later of: (i) the relevant Monthly Payment Date and (ii) the Business Day on which the relevant Formalities are finalised. In the latter case, such amounts will be retained by the Issuer in the Principal Accumulation Account until the Business Day on which the relevant Formalities, in accordance with the terms of the Master Receivables Purchase Agreement and the Cash Allocation

Management and Payments Agreement.

Any Monthly Issuer Available Funds not necessary to pay the Initial Purchase Price of Additional Portfolios on a Monthly Payment Date shall remain to the balance of the Account on which are credited (and may be invested in Eligible Investments in accordance with the Cash Allocation, Management and Payment Agreement) and will be used as Monthly Issuer Available Funds or Issuer Available Funds, as the case may be, on the earlier of (i) the next following Monthly Payment Date in respect of which a sale of an Additional Portfolio is made and (ii) the next following Quarterly Payment Date.

Quarterly Pre-Enforcement Priority of Payments

On each Quarterly Payment Date prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied in making or providing for the following payments in accordance with the following order of priority (the "**Quarterly Pre-Enforcement Priority of Payments**") (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) in or towards satisfaction of any and all taxes due and payable by the Issuer (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses);
- (ii) in or towards satisfaction of (a) *pari passu* and *pro rata* according to the respective amounts thereof of any due and payable Expenses (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses) thereafter (b) replenishment of the Expenses Account by an amount equal to the lower of (i) the Retention Amount and (ii) any Expenses and taxes paid during the immediately preceding Quarterly Settlement Period, and thereafter (c) the fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders;
- (iii) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Account Bank, the Custodian Bank, the Cash Manager, the Paying Agent, the Computation Agent, the Corporate Services

Provider, the Back-Up Servicer, the Servicer and any Other Issuer Creditors (other than the Hedging Counterparty) to the extent not specifically provided under any of the following items;

- (iv) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Hedging Counterparty under the Master Hedging Agreement other than (1) any amounts payable pursuant to the Credit Support Annex and (2) any Hedging Subordinated Payment;
- (v) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of interest due and payable in respect of the Senior Notes;
- (vi) until the Quarterly Payment Date (excluded) on which the Senior Notes are redeemed in full or otherwise cancelled, to credit to the Debt Service Reserve Account an amount (if any) to bring the balance of such account to the Debt Service Reserve Amount;
- (vii) (a) during the Ramp-Up Period and the Revolving Period, to credit the Principal Deficiency Amount into the Principal Accumulation Account to be used to pay the Initial Purchase Price of the Additional Portfolios and the Subsequent Portfolios (provided that, for the avoidance of doubt, any remainder shall remain credited to the Principal Accumulation Account) and (b) during the Amortisation Period, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of principal due and payable in respect of the Senior Notes for an amount equal to the Issuer Available Funds available after payments under items from (i) to (vi) above having been made, provided however that on any Quarterly Payment Date (if any) falling between the Revolving Period End Date (included) and the beginning of the Amortisation Period (excluded), such amount shall be credited to the Principal Accumulation Account and form part of the Issuer Available Funds of the next succeeding Quarterly Payment Date;
- (viii) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts

thereof, of any Hedging Subordinated Payment due and payable to the Hedging Counterparty under the Master Hedging Agreement;

- (ix) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts (other than the Deferred Purchase Price) due and payable by the Issuer to the Originator pursuant to the Transaction Documents;
- (x) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, any interest due and payable on the Junior Notes;
- (xi) upon redemption in full of the Senior Notes, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of principal due and payable in respect of the Junior Notes, provided however that prior to the beginning of the Amortisation Period, such amount shall be credited to the Principal Accumulation Account and form part of the Issuer Available Funds of the next succeeding Quarterly Payment Date;
- (xii) to pay any surplus to the Originator as Deferred Purchase Price;

provided, however, that:

- (A) payments to the Originator under item (vii)(a) above, if any, will be made on the later of: (i) the relevant Quarterly Payment Date and (ii) the Business Day on which the relevant Formalities are finalised. In the latter case, such amounts will be retained by the Issuer in the Principal Accumulation Account until the Business Day on which the relevant Formalities are finalised, in accordance with the terms of the Master Receivables Purchase Agreement and the Cash Allocation Management and Payments Agreement; and
- (B) (x) should the Computation Agent not receive the Quarterly Settlement Report within the third Business Day following the Quarterly Settlement Report Date, it shall prepare the relevant Payments Report by applying any amount standing to the credit of the Issuer's Accounts to pay item from (*first*) to (*sixth*) of the Quarterly Pre-Enforcement Priority of

Payments (provided that, in respect to any amount to be calculated on the basis of the Quarterly Settlement Report, the Computation Agent shall take into account the amounts indicated in the latest available Quarterly Settlement Report, the Computation Agent shall take into account the amounts indicated in the latest available Quarterly Settlement Report (the "**Latest Report**")); and (y) the Computation Agent shall not be liable for any liability suffered or incurred by any other Party or by any Other Issuer Creditor as a result of taking into account the amounts indicated in the Latest Report. In addition, the Parties agree that the Computation Agent on the immediately following Payments Report Date, subject to having received the relevant Quarterly Settlement Report, shall prepare a Payments Report which shall provide for the necessary adjustment in respect of payments made on the basis of the Latest Report and in respect of amounts unpaid in the preceding Quarterly Payment Date.

The Issuer shall, if necessary, make the payments set out under item (i), (ii)(a) and (vii)(a) above also during the relevant Quarterly Interest Period.

Post-Enforcement Priority of Payments

Following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Quarterly Payment Date in making or providing for the following payments in the following order of priority (the "**Post-Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) in or towards satisfaction of any and all taxes due and payable by the Issuer (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such taxes);
- (ii) in or towards satisfaction of (a) *pari passu* and *pro rata* according to the respective amounts thereof of any due and payable Expenses (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses) thereafter (b) replenishment of the Expenses Account by an amount equal to the lower of (i) the Retention Amount and (ii) any Expenses and taxes paid during the immediately preceding Quarterly Settlement Period, and thereafter (c) the fees, costs and

expenses of, and all other amounts due and payable to, the Representative of the Noteholders;

- (iii) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Account Bank, the Custodian Bank, the Cash Manager, the Paying Agent, the Computation Agent, the Corporate Services Provider, the Back-Up Servicer, the Servicer and any Other Issuer Creditors (other than the Hedging Counterparty) to the extent not specifically provided under any of the following items;
- (iv) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Hedging Counterparty under the Master Hedging Agreement other than (1) any amounts payable pursuant to the Credit Support Annex and (2) any Hedging Subordinated Payment;
- (v) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of interest due and payable in respect of the Senior Notes;
- (vi) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the principal amount outstanding of the Senior Notes, provided that such amount prior to the beginning of the Amortisation Period shall be credited to the Principal Accumulation Account and form part of the Issuer Available Funds of the next succeeding Quarterly Payment Date;
- (vii) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any Hedging Subordinated Payment due and payable to the Hedging Counterparty under the Master Hedging Agreement;
- (viii) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts (other than the Deferred Purchase Price) due and payable by the Issuer pursuant to the Transaction Documents;
- (ix) in or towards satisfaction, *pari passu* and *pro*

rata according to the respective amounts thereof, of interest due and payable in respect of the Junior Notes;

- (x) upon redemption in full of the Senior Notes, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of principal due and payable in respect of the Junior Notes, provided however that prior to the beginning of the Amortisation Period, such amount shall be credited to the Principal Accumulation Account and form part of the Issuer Available Funds of the next succeeding Quarterly Payment Date;
- (xi) to pay any surplus to the Originator as Deferred Purchase Price.

The Issuer shall, if necessary, make the payments set out under items (i) and (ii)(a) above also during the relevant Quarterly Interest Period.

6. REPORTS

Servicer Reports

Under the Servicing Agreement, the Servicer has undertaken to prepare the following reports:

- (i) a Quarterly Settlement Report on each Quarterly Settlement Report Date, and
- (ii) during the Ramp-Up Period, a Monthly Settlement Report on each Monthly Settlement Report Date, in case the Originator intends to transfer an Additional Portfolio on a Monthly Settlement Report Date,

setting out, *inter alia*, detailed information in relation to, *inter alia*, the Collections and the Recoveries in respect of the Receivables comprised in the Portfolios.

Custodian Bank Report

Under the Cash Allocation, Management and Payment Agreement, the Custodian Bank has undertaken to prepare, no later than one Business Day prior to each Quarterly Settlement Report Date, the Custodian Bank Report setting out details of the Eligible Investments made in the immediately preceding Quarterly Settlement Period out of the funds of the Investment Account and the amounts deriving (and which will derive) from the disposal and liquidation of such Eligible Investments. In addition, upon request of the Computation Agent (to be made, if necessary, in case the Originator has sent

an Offer Notice to the Issuer), the Custodian Bank shall promptly deliver to the Issuer, the Cash Manager, the Computation Agent, the Representative of the Noteholders and the Corporate Services Provider a Custodian Bank Report setting out details of the Eligible Investments made in the immediately preceding Monthly Settlement Period (and in any Monthly Settlement Period falling after the immediately preceding Quarterly Payment Date to the extent not already disinvested for the purchase of Additional Portfolios) out of the funds of the Investment Account and the amounts deriving (and which will derive) from the disposal and liquidation of such Eligible Investments.

Payments Report

Under the Cash Allocation, Management and Payment Agreement, the Computation Agent has undertaken to prepare, *inter alia*, on each Payments Report Date immediately preceding a Quarterly Payment Date the 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 Quarterly Payment Date, in accordance with the applicable Priority of Payments.

Investor Report

Under the Cash Allocation, Management and Payment Agreement, the Computation Agent has undertaken to prepare on each Investor Report Date the Investors Report setting out certain information with respect to the Notes.

7. TRANSFER AND ADMINISTRATION OF THE PORTFOLIOS

Master Receivables Purchase Agreement

Pursuant to the Master Receivables Purchase Agreement, the Issuer has purchased from the Originator, by entering into a first transfer agreement (the "**First Transfer Agreement**") both entered into on 11 February 2011, and amended on 2 March 2011, an initial portfolio of Receivables (the "**Initial Portfolio**") funding such purchase out of the proceeds deriving from the Notes Initial Instalment Payments. Subject to the terms of the Master Receivables Purchase Agreement, the Originator is allowed to sell to the Issuer which, upon occurrence of the conditions set forth in the Master Receivable Purchase Agreement, shall purchase from the Originator (i) during the Ramp-Up Period, additional portfolios of Receivables (the "**Additional Portfolios**") and (ii) during the Revolving Period, subsequent portfolios of Receivables (the "**Subsequent Portfolios**" and each of the Initial Portfolio, any Additional Portfolio and any Subsequent Portfolio, a "**Portfolio**", and, collectively, the "**Portfolios**"), pursuant to transfer agreements to be entered into from time to time

between the Issuer and the Originator in compliance with the terms of the Master Receivables Purchase Agreement (the "**Subsequent Transfer Agreements**") and together with the First Transfer Agreement, the "**Transfer Agreements**" and each a "**Transfer Agreement**").

The Initial Purchase Price of any Additional Portfolio will be paid by the Issuer out of (i) the Principal Instalments collected in respect of the Receivables and any other Monthly Issuer Available Funds or Issuer Available Funds, as the case may be, available to such purpose and (ii) should the amounts under (i) not be sufficient to such purpose, the Notes Further Instalment Payments. The Initial Purchase Price of any Subsequent Portfolio will be paid by the Issuer out of the Issuer Available Funds in accordance with the applicable Priority of Payments.

According to the Master Receivables Purchase Agreement, the Initial Purchase Price of any Additional Portfolio or any Subsequent Portfolio, as the case may be, shall not be higher than the Maximum Purchase Amount.

Key features of the sales of Portfolios

The Initial Portfolio has been transferred, and each Additional Portfolio and Subsequent Portfolio will be transferred, without recourse (*pro soluto*), in accordance with the Securitisation Law and subject to the satisfaction of certain conditions set forth in the Master Receivables Purchase Agreement.

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

Representation and Warranties in relation to the Originator and the Portfolios

Under the Master Receivables Purchase Agreement, the Originator have given certain representations and warranties to the Issuer in relation to, *inter alia*, themselves and the Receivables comprised in each Portfolio and have agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the purchase and ownership of such Receivables.

For further details, see the section entitled "*Description of the Master Receivables Purchase Agreement*".

Servicing Agreement

Pursuant to the Servicing Agreement entered into on 11 February 2011 between the Issuer, Alba Leasing, as Servicer, the Servicer has agreed to administer and service the Receivables comprised in the Portfolios in accordance with the terms thereof and

in compliance with the Securitisation Law. Under the terms of the Servicing Agreement, the Servicer may delegate to third parties certain activities concerning the Receivables, without prejudice however to the responsibilities of the Servicer for any activities so delegated.

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

8. OTHER TRANSACTION DOCUMENTS

Intercreditor Agreement

Pursuant to the Intercreditor Agreement, the Issuer, the Representative of the Noteholders (on its own behalf and as agent of the Noteholders) and the Other Issuer Creditors have agreed to, *inter alia*, (i) the application of the Monthly Issuer Available Funds and the Issuer Available Funds, in accordance with the applicable 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 Portfolios.

For further details, see the section entitled "*Description of the other Transaction Documents*".

Cash Allocation, Management and

Payment Agreement

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

Pursuant to the terms of the Cash Allocation, Management and Payment Agreement, amounts standing from time to time to the credit of the Investment Account may be invested in Eligible Investments in accordance with the terms thereof.

For further details, see the section entitled "*Description of the other Transaction Documents*".

Mandate Agreement

Pursuant to the Mandate Agreement, the Representative of the Noteholders will be authorised, subject the delivery of a Trigger Notice, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

For further details, see the section entitled "*Description of the other Transaction Documents*".

Deed of Pledge

Pursuant to the Deed of Pledge, as security for the Secured Obligations the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors all existing and future monetary claims and rights deriving from certain Transaction Documents (other than the Receivables, the Collections and the Recoveries).

For further details, see the section entitled "*Description of the other Transaction Documents*".

Deed of Charge

Pursuant to the Deed of Charge (governed by English Law), 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 Master Hedging Agreement, the Eligible Investments and all the amounts and securities from time to time standing to the credit of the Investment Account, the Collateral Account (if opened in England and Wales) and any other future accounts which the Issuer may open in England or Wales pursuant to the Transaction Documents, 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 other Transaction Documents*".

Master Hedging Agreement

Pursuant to the terms of an ISDA 1992 Master Agreement (Multicurrency – Cross Border) (the "**ISDA Master Agreement**"), the schedule thereto (the "**Schedule**") and the credit support annex thereto (the "**Credit Support Annex**") and one or more confirmations (each a "**Hedging Confirmation**" and together with the ISDA Master Agreement, the Schedule and the Credit Support Annex (the "**Master Hedging Agreement**"), the Issuer has hedged and will hedge its potential floating interest rate exposure in relation to its obligations under the Senior Notes.

For further details, see the section entitled "*Description of the other Transaction Documents*".

Corporate Services Agreement

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

For further details, see the section entitled "*Description of the other Transaction Documents*".

Letter of Undertaking

Pursuant to the Letter of Undertaking, the Originator has undertaken to provide the Issuer with all necessary monies in order for the Issuer to pay certain losses, costs, expenses or liabilities indicated therein.

For further details, see the section entitled "*Description of the other Transaction Documents*".

Quotaholder Agreement

Pursuant to the Quotaholder Agreement, 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.

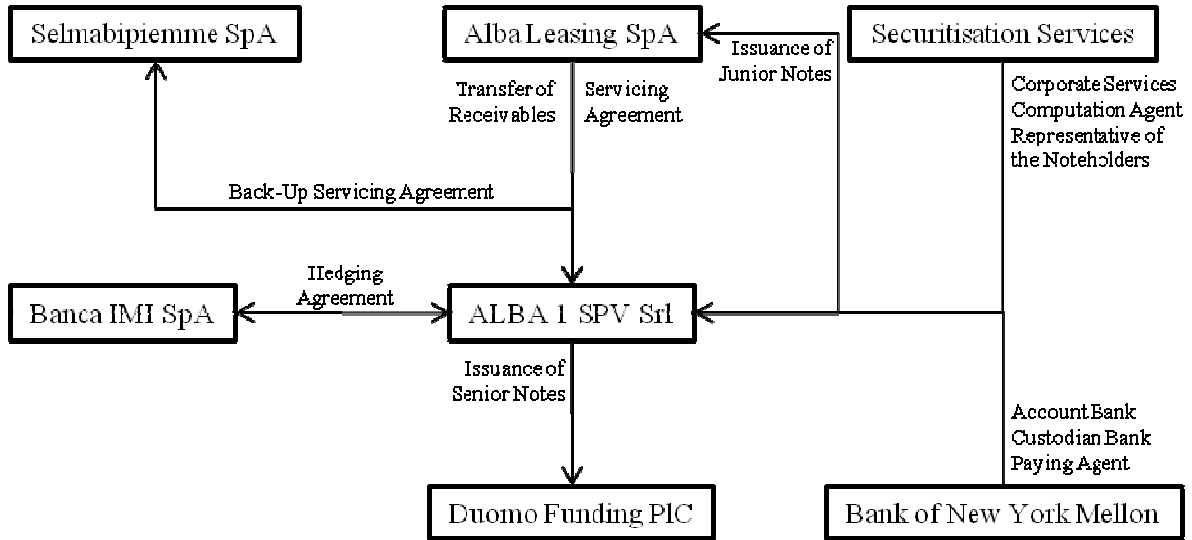
For further details, see the section entitled "*Description of the other Transaction Documents*".

Back-Up Servicing Agreement

Pursuant to the Back-Up Servicing Agreement, the Back-Up Servicer has agreed to act as substitute Servicer subject to, *inter alia*, the appointment of Alba Leasing as Servicer being terminated, in accordance with the terms of the Servicing Agreement.

For further details, see the section entitled "*Description of the other Transaction Documents*".

TRANSACTION DIAGRAM



RISK FACTORS

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

1. Securitisation Law

The Securitisation Law was enacted in Italy on 30 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 Ministerial Decree No. 29 issued by the Ministry of Economics and Finance on 17 February 2009, on the terms for the registration of the financial intermediaries in the general register held by the Bank of Italy pursuant to article 106 of the Banking Act, and the Legislative Decree 13 August 2010 No. 141 which has, *inter alia*, entirely replaced, as from 19 September 2010, Title V of the Banking Act, even though the implementing regulations with respect to the amended provisions on the registration of financial intermediaries have not yet been issued by the Bank of Italy; and, for tax purposes, *inter alia*, (iii) the Circular No. 8/E issued by *Agenzia delle Entrate* on 6 February 2003 on the tax treatment of issuers (for further details, see paragraph "*Tax treatment of the Issuer*" below of this 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.

2. Suitability

Structured securities, such as the Notes, are sophisticated instruments, which can involve a significant degree of risk. Prospective investors in the Notes should ensure that they understand the nature of the 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 Notes and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition.

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

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

3. Source of payments to the Noteholders

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Arranger, Alba Leasing (in any capacity), the Lessees, the Representative of the Noteholders, the Account Bank, the Custodian Bank, the Cash Manager, the Paying Agent, the Computation Agent, the Hedging Counterparty, the Servicer, the Back-Up Servicer, the Corporate Services Provider, the Senior Notes Subscriber and the Junior Notes Subscriber. None of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due under the Notes.

The Issuer will not have any significant assets as at the Issue Date other than the Initial Portfolio, the Collections derived therefrom and its rights under the Transaction Documents to which it is a party. Consequently, there is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the delivery of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes, or to repay the Notes in full.

4. Issuer's ability to meet its obligations under the Notes

The ability of the Issuer to meet its payment obligations in respect of the Notes will be dependent on the receipt by the Issuer of: (i) the Collections and the Recoveries in respect of the Portfolios made on its behalf by the Servicer; (ii) any payments made by the Hedging Counterparty under the Master Hedging Agreement; and (iii) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

The Issuer is subject to the risk of delay arising between the receipt of payments due from Lessees under the Receivables comprised in the Portfolios at the scheduled Quarterly Payment Dates, which may result in the Issuer being unable to discharge all amounts payable under the Notes as they fall due.

The Issuer is subject to the further risk of failure by the Servicer to collect or recover sufficient funds in respect of the Portfolios in order to discharge all amounts payable under the Notes when they fall due, as well as the risk of default in payment by the Lessees and the failure to realise or recover sufficient funds in respect of the Delinquent Lease Contracts and the Defaulted Lease Contracts in order to discharge all amounts due by the Lessees under the Lease Contracts.

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

After the Notes have become due and payable 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, in accordance with the terms and conditions of the Transaction Documents.

5. Limited recourse nature of the Notes

The Notes will be limited recourse obligations of the Issuer. Noteholders will receive payment in respect of principal and interest on the Notes only if, and to the extent that, the Issuer has sufficient funds to make such payment. If there are not sufficient funds available to the Issuer to pay in full all principal and interest due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts.

6. Subordination of the Notes

Either prior to or after the service of a Trigger Notice, in respect of the obligations of the Issuer to pay interest and repay principal on the Notes, the Senior Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the Junior Notes; the Junior Notes will rank *pari passu* without preference or priority amongst themselves but subordinated to the Senior Notes.

7. 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 right, title and interest in and to the Portfolios and to any sums collected therefrom will be segregated (to the extent deposited on the Issuer's Accounts) from all other assets of the Issuer (including any other receivables purchased by the Issuer under further securitisation transactions 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 Transaction. Amounts derived from the Receivables will not be available to any other creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

The Issuer is unlikely to have a large number of creditors unrelated to the Transaction or to any Further Securitisation because (a) the corporate object of the Issuer, as contained in its by-laws (*statuto*), is very limited, and (b) the Issuer will provide certain covenants in the Intercreditor Agreement and in the Terms and Conditions which contain restrictions on the activities which the Issuer may carry out (including incurring further substantial debt). As a result, the Issuer may only carry out limited transactions in connection with the Transaction and, subject to the satisfaction of Condition 5.2 (*Covenants - Further Securitisations*), the Further Securitisations. Accordingly, the Issuer is less likely to have creditors who would claim against it other than those related to the Transaction or to a Further Securitisation (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 party 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. 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 Quarterly 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 Quarterly Settlement Period. For further details, see paragraph "*Further Securitisations*" of this section entitled "*Risk Factors*" and the section "*The Issuer*".

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 Notes.

8. Projections, forecasts and estimates

Estimates of the expected average lives of the Notes included herein, together with any other projections, forecasts and estimates in this Prospectus, are forward-looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from

actual results. Accordingly, actual results may vary from the projections, and the variations may be material.

9. No independent investigation in relation to the Portfolios

None of the Issuer or any other party to the Transaction Documents (other than the Originator) has undertaken or will undertake any investigations, searches or other actions to verify the details of the Receivables comprised in the Portfolios nor has any such person undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Lessee. Each such person will rely solely on representations and warranties given by the Originator under the Master Receivables Purchase Agreement in respect of, *inter alia*, the Receivables and the Lease Contracts, and deemed to be repeated each time specified under the Master Receivables Purchase Agreement.

There can be no assurance that the assumptions used in modelling the cash flows of the Receivables comprised in the Portfolios accurately reflect the status of the underlying Lease Contracts.

The only remedies of the Issuer in respect of the occurrence of a breach of a representation or 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 in accordance with the terms and conditions of the Master Receivables Purchase Agreement. For further details, see the section entitled "*The Master Receivables Purchase Agreement*". There can be no assurance that the Originator will have the financial resources to honour such indemnification obligations.

10. Claw-back of the sales of the Receivables

Assignments executed under the Securitisation Law may be clawed back by a receiver of the Originator under article 67, paragraphs 1(4) and 2 of the Italian Royal Decree No. 267 of 16 March 1942 (the "**Bankruptcy Law**"), but only in the event that the Originator was insolvent when the relevant assignment was entered into and was executed within three months of the adjudication of bankruptcy of the Originator or, in cases where paragraph 1(1), 1(2) and 1(3) of article 67 of the Bankruptcy Law applies, within six months of the adjudication of bankruptcy of the Originator. Under the Master Receivables Purchase Agreement, the Originator has represented and warranted that it was solvent as of the date of the signing of the Master Receivables Purchase Agreement, and, upon purchase of any Additional and Subsequent Portfolio, the Originator shall deliver, in accordance with the Master Receivables Purchase Agreement (i) a certificate of good standing of the Chamber of Commerce (*certificato di vigenza della Camera di Commercio*); (ii) a solvency certificate signed by a representative duly authorized by the Originator; and (iii) a certificate of the bankruptcy court ("*tribunale civile – sezione fallimentare*") confirming that the Originator is not subject to any insolvency or similar proceedings (to the extent such certificate is released by the competent court).

11. Claw-back action against the payments made to companies incorporated under the Securitisation Law

According to article 4 of the Securitisation Law, the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action according to article 67 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the six months or one year suspected period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back

action according to article 67 of the Bankruptcy Law.

12. Risk of avoidance of prepayments upon the insolvency of the Lessees

Pursuant to article 65 of the Bankruptcy Law, payments of receivables made in the two years preceding the payer's declaration of insolvency are ineffective as against the payer's creditors (including a receiver in the payer's insolvency) if the receivables fall due on or after the payer's declaration of insolvency. An Italian Supreme Court decision (*Corte di Cassazione*, decision No. 4842 of 5 April 2002), overruling the view taken by previous decisions, has held that prepayments of loans (in any form including pursuant to financial leasing contracts) generally fall within the scope of application of article 65 of the Bankruptcy Law, irrespective of the borrower (or lessee) being entitled to prepay the loan (or lease contracts) by statute or pursuant to an express provision of the relevant agreement. Whilst as a result of the provisions of article 4 of the Securitisation Law, no claw-back under article 67 of the Bankruptcy Law would apply to payments made by the assigned debtors to companies organised under the Securitisation Law (such as the Issuer), the application of article 65 of the Bankruptcy Law to such payments is not excluded by any provision of the Securitisation Law. Therefore it cannot be excluded that prepayments of the underlying Receivables, made to the Issuer by Lessees who may be subject to insolvency proceedings (*i.e.* corporate entities and private individuals carrying out certain business activities), may be subject to claw-back under article 65 of the Bankruptcy Law, with the consequence that the Issuer would be required to pay to the receiver of each such Lessee, in priority to any payment due by the Issuer under the Notes, any amount prepaid by such Lessee in the two years preceding the date such Lessee was declared insolvent.

This risk is mitigated, to some extent, by the fact that under the Bankruptcy Law individuals, who are entrepreneurs meeting the requirements set out in the Bankruptcy Law or are not owners of interests in an unlimited partnership, are not subject to insolvency proceedings.

13. Yield and payment considerations

The yield to maturity of the Notes will depend on, *inter alia*, the amount and timing of repayment of principal (including prepayments and proceeds from the sale of the Assets upon termination of the Lease Contracts) on the Receivables and on the actual date of exercise (if any) by the Issuer of its option to early redeem the Notes pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*).

Such yield may be adversely affected by higher or lower rates of prepayment, delinquency and default on the Receivables. The respective rates of prepayment, delinquency and default on the Receivables cannot be predicted and are influenced by a wide variety of economic, social and other factors.

14. Right to future Receivables

Under the terms of the Master Receivables Purchase Agreement, the right to receive the Residual Optional Instalment (excluding any VAT then payable) is included in the Receivables assigned to (or that will be assigned to) the Issuer pursuant to the Master Receivables Purchase Agreement and the relevant Transfer Agreement. In addition, the Master Receivables Purchase Agreement provides the transfer by the Originator to the Issuer, in addition to the claims in respect of the lease rentals, of 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**"). Moreover, pursuant to the Master Receivables Purchase Agreement, if a Lease Contract is terminated, the Originator has transferred to the Issuer, by way of satisfaction, the claims (i) relating to the purchase price due for the sale of the relevant Asset and (ii) in case such leased Asset is leased to a new

lessee, the claims deriving from the relevant new lease contract (collectively, the "**Termination Claims**"). In the event that the Originator is or becomes insolvent, the court may treat the Issuer's claims to the Residual Optional Instalment, the Rental Increase Claims and the Termination Claims sold by the Originator as "future receivables". The Issuer's claims to any future receivables (i) that have not yet arisen at the time of the relevant Originator's admission to the relevant insolvency proceedings or (ii) which have arisen at such time but in respect of which the transfer formalities have not been completed before such date, might not be effective and enforceable against the insolvency receiver of the Originator. In fact, on the basis of certain case law, whilst future receivables are capable of being assigned so long as they are clearly identifiable, the formalities required to render the transfer of such future receivables enforceable as against third party creditors of the assignor (including a receiver in its insolvency), may only be performed after the relevant receivables have come into existence (and, based on certain court decisions, have become due and payable). In addition, according to a principle repeatedly confirmed by the case law, when future receivables come into existence, they initially do so as an asset of the assignor. As a result, based on this interpretation, if the assignor (in our case the Originator) has been declared insolvent after the time at which the future receivable has been transferred but before the time at which it has come into existence, that receivable does not become the property of the assignee (in our case the Issuer) but becomes part of the assignor's insolvency estate (in our case the Originator's insolvency estate).

15. Limited enforcement rights

The protection and exercise of the Noteholders' rights against the Issuer and the preservation and enforcement of the security under the 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 individual Noteholders to bring individual actions against the Issuer in certain circumstances.

16. Rights of set-off and other rights of Lessees

Under the 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 to them by the Originator if, and to the extent that, the relevant counterclaim has arisen before the notice of the sale to the Issuer of the relevant Receivables has been published in the Official Gazette and registered with the Issuer's Register of Companies pursuant to article 58, paragraph 2 of the Banking Act. Under the terms of the Master Receivables Purchase Agreement, the Originator has agreed to indemnify the Issuer from and against all damages and losses arising from the failure to collect or recover Receivables as a consequence of claims for set-off against the Originator brought by a Lessee.

At the date of this Prospectus, the assignment of the Initial Portfolio from the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement has already been duly published in the Official Gazette and registered with the Issuer's Register of Companies. In particular, the notice of the assignment of the Initial Portfolio was published in the Official Gazette No. 19 of 17 February 2011 and registered with the Register of Companies of Treviso on 14 February 2011.

17. Historical Information

The historical financial and other information set out in the sections headed "*The Originator*" and "*The Portfolios*" represent the historical experience of Alba Leasing. Alba Leasing accepts any responsibility for its fairness and accuracy. However, there can be no assurance that the future experience and performance of Alba Leasing as Servicer will be similar to the experience shown in this Prospectus.

18. Italian Usury Law

Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*") (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set on a quarterly basis by a decree issued by the Italian Treasury (the latest of these decrees having been issued on 23 September 2010 and published in the Official Gazette of 29 September 2010, No. 228).

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 certain 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 ("*Interpretazione autentica della legge 7 marzo 1996, n. 108*") (the "**Usury Law Decree**"), converted into Law No. 24 on 28 February 2001 ("*Conversione in legge, con modificazioni, del decreto-legge 29 dicembre 2000, n. 394, concernente interpretazione autentica della legge 7 marzo 1996, n. 108, recante disposizioni in materia di usura*"), 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 was reached. The Usury Law Decree also provided that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) were 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. 29/2002 (deposited on 25 February 2002), the Italian Constitutional Court (*Corte Costituzionale*) 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 under the terms of the Master Receivable Purchase Agreement, the Originator has represented and warranted to the Issuer, *inter alia*, that the terms and conditions of each Lease Contract comply with all applicable laws and regulations

from time to time into force, including usury provisions, and has undertaken to indemnify the Issuer from and against all damages, loss, claims, liabilities, costs and expenses incurred by it arising from the application of the Usury Law in relation to interest accrued, or to accrue, on Lease Contracts.

19. **Compounding of interest (*Anatocismo*)**

According to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interests 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 normativi*) to the contrary.

Banks and financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a quarterly basis on the grounds that such practice could be characterised as a customary practice (*uso normativo*). However, a number of judgments from Italian courts (including Judgments No. 2593/2003 and No. 2374/1999 of the Italian Supreme Court) have held that such practice do not meet the legal definition of customary practice (*uso normativo*).

In this respect, it should be noted that article 25 of Legislative Decree No. 342 of 4 August 1999 (the "**Decree 342**"), enacted by the Italian Government under a delegation granted pursuant to Law No. 142 of 19 February 1992 (the "**Legge Delega**"), has delegated to the Interministerial Committee of Credit and Savings (the "**CICR**") powers to fix the conditions for the capitalisation of accrued interests. Pursuant to a resolution of the CICR dated 9 February 2000 (the "**Resolution**"), banks can capitalise accrued interest due from clients provided that they capitalise with the same frequency interest owed to clients. In particular, in compliance with the provisions set forth in the Resolution, from the date on which the Resolution entered into force (*i.e.* 22 April 2000), the capitalisation of accrued interest will still be possible upon the terms established by the Resolution which further provided that all conditions applied in relation to contracts executed prior to its coming into force were to be adjusted so to comply with such new regulation by 30 June 2000 with effect from 1 July 2000. Decree 342 was challenged before the Italian Constitutional Court on the grounds that it falls outside the scope of the legislative powers delegated under the Legge Delega.

On 17 October 2000, the Italian Constitutional Court (Judgment No. 425/2000) upheld the challenge of article 25 of Decree 342 on the grounds of *eccesso di delega*, declaring such article as unconstitutional, thus null and void on the basis of conflict with Italian constitutional principles. In addition, the Italian Supreme Court stated (by way of decision No. 21095 of 4 November 2004, thereafter confirmed by decision No. 10376 of 2006 of 5 May 2006) that the practice by the banks to capitalise accrued interests on a quarterly basis is invalid also in relation to agreements executed before Judgment No. 2374/99 by the Italian Supreme Court and not only for those agreements executed after such judgment.

As a consequence thereof, to the extent the Originator were to capitalise interests in violation of the principle stated by article 1283 of the Italian civil code, a Lessee could challenge such practice and this could have a negative effect on the returns generated from the lease contracts.

However, prospective noteholders should note that under the terms of the Master Receivable Purchase Agreement, the Originator has represented that all Lease Contracts originated by it have been executed and performed in compliance with the provisions of article 1283 of the Italian civil code and have furthermore undertaken to indemnify the Issuer from and against 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 Italian law provisions concerning the capitalisation of accrued interest.

20. Servicing of the Receivables

Prior to their transfer to the Issuer, the Receivables comprised in any of the Portfolios have always been collected by Alba Leasing in its capacity as owner of such Receivables. Following their sale to the Issuer, the Receivables will be collected by Alba Leasing in its capacity as Servicer pursuant to the Servicing Agreement. Consequently, the net cash flows from the Receivables may be affected by the collection procedures adopted by Alba Leasing.

The Servicer has agreed to prepare and submit to, *inter alios*, the Issuer, the Representative of the Noteholders, the Computation Agent and the Account Bank the Quarterly Settlement Report, or the Monthly Settlement Report during the Ramp-Up Period, containing information as to the collections of interest, principal and penalties and any other amount due in respect of the Receivables.

21. Back-Up Servicer

Pursuant to the terms of the Back-Up Servicing Agreement, the Back-Up Servicer has undertaken to act as substitute Servicer of the Portfolios on the same terms and conditions of the Servicing Agreement, in the event that the appointment of Alba Leasing as Servicer is terminated, in accordance with the Servicing Agreement. For further details, see the section entitled "*Description of the Back-Up Servicing Agreement*".

22. Credit risk of Alba Leasing and Other Parties

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by Alba Leasing and the other parties to the Transaction Documents of their various obligations under the Transaction Documents to which they are a party. In particular, the timely payment of amounts due on the Notes will depend on the ability of Alba Leasing to service and collect the Receivables pursuant to the Servicing Agreement and on the ability of the Originator to comply with its indemnification obligations under the Master Receivables Purchase Agreement.

In particular, the Issuer is subject to the risk of the failure by Alba Leasing, in its capacity as Servicer to collect sufficient funds in respect of the Receivables in order to enable the Issuer to discharge all amounts payable under the Notes when due. In any case, there can be no assurance that the levels of Collections and Recoveries will be adequate to ensure timely and full receipt of all the amounts due under the Notes.

It is not certain that a suitable alternative servicer could be found to service the Portfolios in the event that (i) Alba Leasing becomes insolvent or its appointment as Servicer under the Servicing Agreement is otherwise terminated and (ii) the Back-Up Servicer fails or is unable for any reasons to replace Alba Leasing as Servicer, in accordance with the Back-Up Servicing Agreement (for further details, see the section entitled "*Description of the Back-Up Servicing Agreement*" and paragraph "*Back-Up Servicer*" above of this section entitled "*Risk Factors*"). If such an alternative servicer were to be found, it is not certain whether it would agree to service the Portfolios on the same terms and conditions of the Servicing Agreement. In such circumstances, the Issuer could attempt to sell the Portfolios, but there is no assurance that the amount received on such a sale would be sufficient to repay in full all amounts due to the Noteholders.

Without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will also depend on the receipt by the Issuer of payments made by the Hedging

Counterparty under the Master Hedging Agreement. In such case, the performance by the Issuer of its obligations thereunder is dependent on the solvency of, and continued performance by, the Hedging Counterparty (or any permitted successors and assigns appointed under the Master Hedging Agreement).

23. 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 Alba Leasing as its activity is 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.

24. 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 or the re-lease 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 Master Receivables Purchase Agreement of the sale proceeds or future rentals in a maximum amount determined in accordance with the Master Receivables Purchase Agreement (or, if only part of the Instalments under the terminated lease contract have been assigned to the Issuer, the Pro Rata Share of such sale proceeds or future rentals) deriving from the sale or the re-lease of the leased assets, being such assignment effective upon termination of the original financial lease contract. 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*".

25. Effect on Lease Contracts of insolvency of the Lessees or the Originator

Article 59 of Legislative Decree No. 5 of 9 January 2006 amended the 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 Bankruptcy Law ("**Article 72**").

As a result of the application of to Article 72, if the lessee is declared bankrupt, 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 in place of the lessee by assuming all of the relevant contractual obligations, or (ii) terminate such contract.

However, 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 (*curatela*) 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 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.

26. Terms of the Lease Contracts

The Lease Contracts entered into by Alba Leasing with the Lessees were entered into on the standard terms of Alba Leasing which include, *inter alia*, (i) no express right for the Lessee to terminate the Lease Contract earlier than its stated expiration date, and (ii) upon the expiration of each Lease Contract, a right of the Lessee to purchase the relevant Assets by paying the Residual Optional Instalment. The Originator has represented, in the Master Receivables Purchase Agreement, that the Lease Contracts conform to its standard forms of lease contracts as from time to time adopted.

27. Interest Rate Risk

The Issuer expects to meet its floating rate payment obligations under the 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 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 Senior Notes, the Issuer has entered into the Master Hedging Agreement in relation to the Portfolios with the Hedging Counterparty. Under the Intercreditor Agreement, the Issuer, on or about the date of purchase of each Additional Portfolio, have undertaken to enter into a further Hedging Transaction (documented by a further Hedging Confirmation under the Master Hedging Agreement) to hedge against the relevant potential interest rate exposure in relation to the floating rate interest obligations under the Senior Notes.

Pursuant to the Deed of Charge, 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 Master Hedging Agreement, 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 Charge*".

In the event of the early termination of the Master 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 Notes in full or even in part.

If either the Hedging Counterparty or the Issuer terminates the Master Hedging Agreement,

no assurance can be given that any replacement interest rate hedging agreement or agreements will continue to provide the Issuer with the same level of protection as the Master Hedging Agreement. For further details, see the section entitled "*Description of the Security Documents - The Master Hedging Agreement*".

28. Further Securitisations

The Issuer will not have as at the Issue Date any significant assets other than the Initial Portfolio, the Collections derived therefrom and the Issuer's Rights.

The Issuer may carry out Further Securitisations in addition to the Transaction provided that the conditions set out in 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 be, by operation of law and of the Transaction Documents, 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.

29. Limited nature of credit ratings should a rating be assigned to the Senior Notes

Each credit rating eventually assigned to the Senior Notes reflects the rating agencies' assessment only in relation to likelihood of timely payment of interest and the ultimate repayment of principal on or before the Final Maturity Date, not that such payments will be paid when expected or scheduled. These ratings will be based, among other things, on the rating agencies' determination of the value of the Portfolios, the reliability of the payments on the Portfolios and the availability of credit enhancement.

The ratings will not address, among others, the following:

- the possibility of the imposition of Italian or European withholding tax; or
- the marketability of the Senior Notes, or any market price for the Senior Notes; or
- whether an investment in the Senior Notes is a suitable investment for the Noteholder.

A rating is not a recommendation to purchase, hold or sell the Senior Notes.

Once assigned, the rating agencies may lower their ratings or withdraw their rating if, in the sole judgment of the rating agencies, the credit quality of the Senior Notes has declined or is in question. If any rating assigned to the Senior Notes is lowered or withdrawn, the market value of the Senior Notes may be affected.

30. The Representative of the Noteholders

The Terms and Conditions, the Rules of the Organisation of the Noteholders and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of different Classes of Notes, to exercise its powers, authorities, rights, duties and discretions in full accordance with the

provisions set forth in the Rules of the Organisation of the Noteholders. Remedies pursued by the Representative of the Noteholders in such circumstances may be adverse to the interest of the holders of the other (lower ranking) Classes of Notes.

31. Withholding Tax under the Notes

Payments under the Notes may in certain circumstances, described in the section headed "*Taxation*" of this Prospectus, be subject to a Decree 239 Deduction. In such circumstance, beneficial owner of an interest payment relating to the Notes of any Class will receive amounts of interest payable on the Notes net of a Decree 239 Deduction. At the date of this Prospectus, such Decree 239 Deduction, if applicable is levied at the rate of 12.5%, or such lower rate as may be applicable under the relevant double taxation treaty if applicable.

In the event that any Decree 239 Deduction or any other deduction or withholding for or on account of tax is imposed in respect of payments to Noteholders of amounts due pursuant to the Notes, the Issuer will not be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders.

Without prejudice to the above, in the event that any Notes are redeemed in whole or in part prior to the date which falls eighteen months after the date of issuance, the Issuer will be obliged to pay an additional amount of tax in Italy at a rate of twenty per cent. (20%) of all interest accrued on the principal amount repaid early up to the relevant repayment date. See "*Taxation*".

32. 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 (*Istruzioni per la Redazione dei Bilanci degli Intermediari Finanziari Iscritti nell' "Elenco Speciale", degli Imel, delle SGR e delle SIM*), 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 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 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.

33. EU Directive on the taxation of savings income

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income under which Member States are required starting from July 1, 2005, to provide to the tax authorities of another Member State the details of payments of interest (or similar income) paid by a person within its jurisdiction, qualifying as paying agent under the Directive, to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg, Austria and five European Third Countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain Member States' relevant dependent or associated territories (the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean) will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain Third Countries).

Belgium, Luxembourg or Austria may however elect to introduce automatic exchange of information during the transitional period, in which case they will no longer apply the withholding tax. Based on the available information, Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010.

The Council Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005. Pursuant to said decree Italian paying agents (e.g., banks, SIMs, SGRs., financial companies and fiduciary companies resident in Italy for tax purposes, permanent establishments in Italy of non-resident persons as well as any other person resident in Italy for tax purposes paying interest for professional or commercial reasons) are required to report to the Italian tax authorities details of interest payments made from 1 July 2005 to individuals which qualify as beneficial owners thereof and are resident for tax purposes in another EU Member State. Such information must be transmitted by the Italian tax authorities to the competent authorities of the State of residence of the beneficial owner of the interest payment by 30th June of the fiscal year following the fiscal year in which said interest payment is made.

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the Directive in their particular circumstances

34. Market for the Senior Notes

There is currently no market for the Senior Notes.

The Senior Notes have not been registered under the Securities Act and will be subject to significant restrictions on resale in the United States. There can be no assurance that a secondary market for any of the Senior Notes will develop or, if a secondary market does develop, that it will provide the holders of the Senior Notes with liquidity of investments or that it will continue for the life of such Senior Notes. Consequently, any purchaser of Senior Notes must be prepared to hold such Senior Notes until the Cancellation Date.

35. Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their

own regulatory position and none of the Issuer and the Originator makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the relevant Issue Date or at any time in the future.

In particular, in Europe, investors should be aware of Article 122a ("**Article 122a**") of the Directive 2006/48/EC (as amended) of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (the "**CRD**") which applies in general to new securitisations issued on or after 1 January 2011 and, after 31 December 2014, to existing securitisations where new underlying exposures are added or substituted after 31 December 2014. Article 122a restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. Article 122a also requires an EU regulated credit institution to be able to demonstrate that it has a comprehensive and thorough understanding of the key terms and risks of the transaction and it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a penal capital charge on the notes acquired by the relevant investor.

In particular, there remains considerable uncertainty with respect to Article 122a and it is not clear what will be required to demonstrate relevant compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non compliance with Article 122a should seek guidance from their regulator as well. Similar requirements to those set out in Article 122a are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings and certain hedge fund managers) in the future.

Finally, Article 122a and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

In order to fulfil the requirements of Article 122a, Alba Leasing has undertaken under the Junior Notes Subscription Agreement:

- (i) not to sell any of the Junior Notes before the Ramp-Up Period End Date;
- (ii) to retain, on an on going basis, a material net economic interest which, in any event, shall not be less than 5% in this Transaction in accordance with Article 122a. As of the Closing Date, such interest will, in accordance with Article 122a, paragraph (1) sub d), of the CRD, be comprised of the retention by Alba Leasing of the Junior Notes.

In addition, under the Intercreditor Agreement, Alba Leasing has undertaken to prepare:

- (a) until it acts as Servicer, Servicer Reports, or
- (b) in the event that its appointment as Servicer is terminated, monthly reports,

in which information with regard to the Receivables will be disclosed publicly together with an overview of the retention of material net economic interest by Alba Leasing with a view of complying with Article 122a paragraph (7) of the CRD.

36. Commingling risk

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections and the Recoveries held at the time the insolvency occurs, might be treated by the bankruptcy estate as an unsecured claim of the Issuer. The Servicing Agreement includes provisions in relation to the transfer of Collections into the Collection Account intended to reduce the amount of the monies from time to time subject to the commingling risk. In particular, pursuant to the Servicing Agreement, the Servicer has undertaken to perform certain actions aimed at ensuring that the sums due in respect of the Receivables will be paid directly into a dedicated bank account opened with the Servicer Account Bank, being the Servicer Account. Moreover, pursuant to the above provisions (i) no sums other than those due in respect of the Receivables shall be credited into the Servicer Account, (ii) no right of set-off can be exercised by the Servicer and the Servicer Account Bank in respect of the sums standing to the credit of the Servicer Account and (iii) any Collection paid into the Servicer Account shall be transferred, upon instruction of the Servicer, into the Collection Account on a daily basis and, in any event, no later than 17.00 (Milan time) of the Local Business Day following the date on which the relevant payment into such bank account is made.

The Servicer Account has been opened by the Servicer with Intesa Sanpaolo S.p.A. as Servicer Account Bank and will be at all times maintained with an Eligible Institution.

37. Statute of limitations

Certain rights of the Issuer under the Transaction Documents may become barred under statutes of limitation by operation of law. In particular, there is a possibility that the one year statute of limitation period set out in article 1495 of the Italian civil code could be held to apply to some or all of the representations and warranties given by the Originator in the Master Receivables Purchase Agreement, on the ground that such provisions may not be derogated from by the parties to a sale contract (*contratto di compravendita*) (such as the Master Receivables Purchase Agreement).

However, the parties to the Master Receivables Purchase Agreement have acknowledged and agreed that the representations and warranties given by the Originator thereunder were given as a separate and independent guarantee (which is in addition to those provided for by law) and, accordingly, the provision of article 1495 et seq. of the Italian civil code is not applicable in respect thereto.

38. Change of Law

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

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

THE PORTFOLIOS

General Description of the Portfolios

Pool	Total
Pool 1	75,914,330.49
Pool 2	221,545,696.06
Pool 3	49,550,873.30
Grand Total	347,010,899.85

Payment Frequency	Total
Quarterly	17,486,852.34
Monthly	329,524,047.51
Grand Total	347,010,899.85

Interest Rate Type	Total
Fix	10,636,898.39
Floating	336,374,001.46
Grand Total	347,010,899.85

Floating Interest Reference Rate	Total
Euribor1M	318,466,973.01
Euribor3M	17,907,028.45
Grand Total	336,374,001.46

Region	Total
Abruzzo	9,492,414.15
Basilicata	4,123,614.15
Calabria	5,891,986.40
Campania	8,831,314.36
Emilia Romagna	78,271,437.50
Friuli Venezia Giulia	2,541,108.35
Lazio	36,083,308.72
Liguria	3,528,803.37
Lombardia	102,749,760.82
Marche	1,793,174.42
Molise	806,198.85
Piemonte	17,048,184.26
Puglia	7,168,960.49
Sardegna	279,845.64
Sicilia	8,341,164.63
Toscana	19,044,383.46
Trentino Alto Adige	2,388,240.72
Umbria	2,151,936.44
Valle D'Aosta	81,762.15
Veneto	36,393,300.97
Grand Total	347,010,899.85

The Lease Contracts

The Lease Contracts have been entered into by Alba Leasing primarily with small and medium size private businesses, law firms, medical professionals and other individual entrepreneurs. The Lease Contracts are based on Alba Leasing's standard form, which incorporates certain standard terms and conditions and contains a description of the relevant Asset and the rental payments together with the specific provisions applicable to such Asset and other negotiated terms and conditions, if any. All the Lease Contracts are governed by Italian law.

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

Lease contracts expressly prohibit the lessee from terminating the contract earlier than its stated expiration date. However, the Originator often waive such prohibition when a Lessee specifically and reasonably requires termination, and in these cases operates in such a way as not to incur any adverse financial consequences. Historically, only a small percentage of the Originators' lease contracts have been terminated by negotiated early settlement. Upon the expiration of each lease contract, the lessee may, but is not under an obligation to, purchase the relevant asset by paying the Residual Optional Instalment. Such option is exercised by most lessees and, in the case of real estate lease contracts, the Originator' experience has been that the purchase option is always exercised.

Rentals related to the Lease Contracts are paid by debiting the relevant amounts to the Lessee's bank account through an automatic debit system, and crediting such amounts to Alba Leasing through the RID system.

The Assets

The underlying Assets covered by the Lease Contracts comprised in the Portfolios may be classified into three pools:

- **Pool No. 1** comprises Receivables originated under Lease Contracts the related Assets of which are "*beni mobili registrati*" (i.e. motor vehicles, cars, light lorries, trucks, commercial vans and other automobiles);
- **Pool No. 2** comprises Receivables originated under Lease Contracts the related Assets of which are equipment and machinery; and
- **Pool No. 3** comprises Receivables originated under Lease Contracts the related Assets of which are real estate assets.

The Eligibility Criteria for the Portfolios

The Receivables comprised in each Portfolio assigned and that will be assigned from time to time to the Issuer, will be selected on the basis of the following general objective criteria (the "**Common Criteria**"), as well as on the basis of additional objective criteria (the "**Specific Criteria**"), if any, to be intended cumulative with the Common Criteria (collectively, the "**Eligibility Criteria**") in order to ensure that such Receivables have the same legal and financial characteristics.

Common Criteria

The Receivables comprised in each Portfolio, as at the relevant Valuation Date (or on the different

date indicated in the relevant *criterium*), fulfilled the following Common Criteria, to be intended as cumulative:

- (i) the relevant Lease Contracts provide the effective date of the leasing not before 1 January 2010,
- (ii) the relevant Lease Contracts are denominated in Euro;
- (iii) the Instalments related to the Lease Contracts are payable by the relevant Lessee through direct debit (*RID*);
- (iv) the relevant Lease Contracts provide for the payment of the relevant Instalments on a monthly or quarterly basis;
- (v) the relevant Lease Contracts provide for a fixed interest rate or, in case of floating interest rate, the relevant indexation is linked to a one-month Euribor or three-month Euribor;
- (vi) the relevant Lease Contracts are governed by the Italian law;
- (vii) the relevant Lease Contracts have not been entered pursuant to law No.1329, dated 29 November 1965 (the so called "*Legge Sabatini*", as further amended and integrated), as eventually indicated in the related Lease Contracts, nor on the basis of any other facility or contribution by the State or public administrations or public entities, or private companies, being directly or indirectly, controlled by a public administration, nor on the basis of any provision, giving right to any *droit de suite* (*diritto di seguito*), property or other privilege in favour of such entities, save for the facilities or contributions provided by the law No. 240, dated 21 May 1981;
- (viii) whose Debtor declared, in the relevant Lease Contracts, to be domiciled in Italy;
- (ix) the Debtors are not employees or shareholders of the Originator, nor public administrations or public entities, nor private companies, being directly or indirectly controlled by a public administration;
- (x) the Debtors are not subject to any bankruptcy or insolvency proceedings, nor are in default of payment of any Instalment, due to the Originator, after 30 days from the relevant due date;
- (xi) the Debtors have duly and timely paid at least one Instalment;
- (xii) whose Debtors have duly and timely paid all the Instalments or there are no Instalments due and unpaid for more than 30 days from the relevant due date;
- (xiii) the Lease Contracts provide the obligation of the relevant Lessee to enter into an insurance policy issued by a primary insurance company in order to guarantee the Asset, by constituting an appendix (*appendice di vincolo*) in favour of the Originator;
- (xiv) the Assets under the Lease Contracts include: real estate assets located in Italy, industrial vehicles or other vehicles registered in Italy or instrumental assets (such as machineries and equipments);
- (xv) the Assets under a Lease Contract are not subject to any enforcement proceedings, precautionary or similar measure against the Originator;
- (xvi) none of the Debtors has ever notified a report of theft of the Assets;

- (xvii) the building of the Assets have been realised and the Assets have been delivered to the relevant Debtor;
- (xviii) the Lease Contracts provide the relevant Debtor to be obliged to perform all the due payments also in case the Asset should not meet the requirements for its scope of use, should be destroyed or should not be at disposal of the relevant Debtor for any reason not ascribable to the Originator;
- (xix) the Lease Contracts expressly provide the possibility in favour of the relevant Debtor to purchase the relevant Asset at the expiration of the Lease Contract;
- (xx) the Receivables derive from instalment whose amount has been contractually agreed and each instalment consists of a principal component and an interest component;
- (xxi) pursuant to the relevant Lease Contract, the Lessee must pay at least two instalments after 1 February 2011;
- (xxii) the initial contractual duration of the Lease Contracts is not extended over a period of:
 1. 120 months for those Lease Contracts concerning auto vehicles and industrial vehicles;
 2. 216 months for those Lease Contracts concerning real estate and property assets;
 3. 120 months for those Lease Contracts concerning instrumental assets;
- (xxiii) In relation to which the payment date of the last Instalment (as indicated in the relevant Lease Contract) does fall on after 1 December 2030;
- (xxiv) the payment of the Instalments (also with regard to the principal component) as at the Valuation Date is not suspended in compliance with (i) *moratorium (accordi di moratoria)* entered into between the Originator and the relevant Lessee; or (ii) the convention, executed on 3 August 2009 (as subsequently extended) by and between the Ministry of Economy and Finance, the Italian Banking Association and the associations representing the enterprises (Casartigiani, CIA, CAN, Coldiretti, Confagricoltura e Confapi).

Specific Criteria of the Initial Portfolio

The Initial Portfolio has been selected on the basis, collectively, of (i) the Common Criteria, and (ii) the following Specific Criteria:

- (i) excluding those receivables related to instalments which have not been identified with any code such as "ALB01MMAA", notified to the assigned debtors and delivered by means of "postel" or similar service with due date comprise between 1 March 2011 and the date identified by the month and year as indicated in such code, respectively as "mm" and "aa".

Specific Criteria of the Additional Portfolios or Subsequent Portfolios

The Specific Criteria of each Additional Portfolios and each Subsequent Portfolios from time to time selected by the Originator (among those set out below or among any other additional criteria chosen by the Originator), will be specified in the relevant Offer Notice. It being understood that, in any case, the Specific Criteria may not be in contrast with the Common Criteria and may be also utilised in order to select each of the Additional Portfolios or the Subsequent Portfolios, so that the relevant

Initial Purchase Price is equal to and not higher than the relevant Maximum Purchase Amount.

Among the Specific Criteria, the Originator may select the following:

- (i) excluding those receivables related to instalments which have not been identified with any code such as "ALB01MMAA", notified to the assigned debtors and delivered by means of "postel" or similar service with due date comprise between [*INSERT DATE*] and the date identified by the month and year as indicated in such code, respectively as "mm" and "aa".

THE ORIGINATOR

Alba Leasing SpA ("**Alba Leasing**") is the new leasing company incorporated at the beginning of 2010 following the turnaround of Banca Italease Group. Banca Italease assigned to Alba Leasing its outstanding performing portfolio of approximately € 4.9 bn originated through the banking channel.

Alba Leasing is owned by Banca Popolare Emilia Romagna (36.43%, rated A- by Fitch and S&P), Banco Popolare Group (32.79%, rated A- by Fitch and S&P, A2 by Moody's), Banca Popolare di Sondrio (20.95%, rated A by Fitch) and Banca Popolare di Milano (9.83% rated A- by Fitch and S&P, A1 by Moody's) with a total shareholder capital of around € 360 mn.

The main origination channel is through the shareholder networks spread around Italy (approx. 4,500 branches and 2 million customers). Alba Leasing has a unique track record on the Italian leasing market (40 years of experience). It has originated, since inception, a granular portfolio of new leasing receivable of € 800 mn (average ticket size € 90k).

Strategies include:

- wide and efficient coverage all around Italy, which means:
 - Origination mainly through shareholder local branches (no brokers): (approx. 4,500 branches and 2 million customers)
 - Wide range of leasing products, tailored on customer needs
 - No big tickets
 - Active origination platform with the support of other local banks, with a bilateral agreement
- operative efficiency, by means of the optimization of the internal procedures
- new internal rating scoring, capable of monitoring the credit risk and the level of defaults, with primary focus on small tickets.

Alba Leasing is able to provide a large variety of leasing products to its customers (inclusive of energy leasing and leasing to public sector). The new production is originated through an innovative internal process capable of assessing, in a very detailed way, the risk exposure.

As of 31st December 2010, the total outstanding portfolio accounted approximately Euro 4.8 billion of Euro.

According to Assilea data, Alba ranked among the top ten Italian leasing companies, with a market share of 3,2%, with a focus on the equipment sector, reaching a market share of 5,90%.

THE ISSUER

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 2 November 2009 as a limited liability company with a sole quotaholder (*società a responsabilità limitata con un unico socio*). The Issuer was previously named "Lipsi Finance S.r.l." and it changed its name into its current name (*i.e.* "Alba 1 SPV S.r.l.") pursuant to a resolution passed by the quotaholders' meeting of the Issuer on 28 October 2010. The registered office of the Issuer is in Via Vittorio Alfieri 1, 31015 Conegliano (Treviso), Italy, and its telephone number is +39-0438360926. The Issuer is registered with No. 04333910265 in the Companies Register of Treviso and with No. 41840 in the General Register held by Bank of Italy pursuant to Article 106 of the Banking Act. Since the date of its incorporation, the Issuer has not engaged in any business not related with the purchase of the Portfolios, no dividends have been declared or paid, other than: (i) the authorisation and the execution of the Transaction Documents to which it is a party; (ii) the activities incidental to any registration under the laws of the Republic of Italy; (iii) the activities referred to or contemplated in this Prospectus and in the Transaction Documents; and (iv) the authorisation by it of the Notes.

Quotaholding

The authorised equity capital of the Issuer is €10,000.00. The issued and paid-up equity capital of the Issuer is €10,000.00. No other amount of equity capital has been agreed to be issued. The sole quotaholder of the Issuer (the "**Sole Quotaholder**") is SVM Securitisation Vehicles Management S.r.l.

Pursuant to a quotaholders' agreement dated the Closing Date between the Issuer, the Representative of the Noteholders and SVM Securitisation Vehicles Management S.r.l. (the "**Quotaholder Agreement**"), SVM Securitisation Vehicles Management S.r.l. has agreed certain provisions in relation to the management of the Issuer. The Quotaholder Agreement also provides that the Sole Quotaholder will not approve the payment of any dividends or any repayment or return of capital by the Issuer prior to the date on which all amounts of principal and interest on the Notes have been paid in full. The Quotaholder Agreement, and any non-contractual obligations arising out of and in connection with it, are governed by Italian law.

Special purpose vehicle

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed Securities and accordingly it may carry out further securitisation transactions in addition to the Transaction, subject to the provisions set forth in the Terms and Conditions.

Accounting treatment of the Claims

Pursuant to the Bank of Italy's regulations, the accounting information relating to the securitisation of the Claims will be contained in the explanatory notes to the Issuer's accounts (*nota integrativa*). The explanatory notes, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

Accounts of the Issuer

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year, with the exception of the first fiscal year, which started on 2 November 2009 and ended on 31 December 2010.

Issuer's Principal Activities

The principal corporate object of the Issuer as set out in Article 3 of its by-laws (*statuto*) and in

compliance with the Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*).

The issuance of the Notes was approved by means of a resolution of the Sole Quotaholder held on 29 October 2010. So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the relevant Terms and Conditions, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Portfolios, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Terms and Conditions) or increase its capital. The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in the Terms and Conditions.

Management

The Issuer is managed by a sole director, currently Mr Paolo Gabriele, appointed with the quotaholders' meeting held on 28 October 2010. The domicile of Mr Paolo Gabriele, in his capacity as sole director of the Issuer, is at Via Vittorio Alfieri, 1, 31015 Conegliano (TV).

Capitalisation and Indebtedness Statement

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes now being issued on the Issue Date, is as follows:

Issued equity capital

fully paid up Euro 10,000

In connection with the issue by the Issuer of the Notes referred to in this Prospectus, the transaction would be reported as an off-balance sheet transaction in the *Nota Integrativa* to the financial statements of the Issuer at the date the transaction is completed, as follows:

Off-balance sheet assets and liabilities as of the date of this Prospectus

Euro 225,557,084.90, equal to the Senior Notes Initial Instalment Payment

Euro 127,005,989.34, equal to the Junior Notes Initial Instalment Payment

TOTAL INDEBTEDNESS Euro 352,563,074.24

Following the issue of the Notes and save for the foregoing, the Issuer shall have no borrowings or indebtedness in the nature 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.

USE OF PROCEEDS

Proceeds available to the Issuer from the Notes Initial Instalment Payments will be applied by the Issuer in or towards full payment of the Initial Purchase Price of the Initial Portfolio and, with respect to the Junior Notes Initial Instalment Payment, also to fund the Debt Service Reserve Amount as of the Issue Date.

Proceeds available to the Issuer from any Notes Further Instalment Payment, will be applied by the Issuer in or towards full payment of the Initial Purchase Price of any Additional Portfolio and, with respect to each Junior Notes Further Instalment Payment, also to fund the relevant Required Debt Service Reserve Amount.

DESCRIPTION OF THE MASTER RECEIVABLES PURCHASE AGREEMENT

The description of the Master Receivables Purchase Agreement set out below is a summary of certain features of the agreement and is qualified by reference to the detailed provisions of the Master Receivables Purchase Agreement. Prospective Noteholders may inspect a copy of the Master Receivables Purchase Agreement upon request at the registered office of the Representative of the Noteholders. Capitalised terms used in the description below, to the extent not defined in this Offering Circular, shall have the meanings ascribed to them in the Master Definition Agreement.

General

On 11 February 2011, the Issuer and the Originator entered into the Master Receivables Purchase Agreement, as amended on 2 March 2011, setting out, *inter alia*, the terms and conditions for the sale of the Initial Portfolio and any Additional Portfolio or Subsequent Portfolio, as the case may be, transferred and that will be transferred by the Originator to the Issuer.

The Initial Portfolio

Under the Master Receivables Purchase Agreement and the First Transfer Agreement, the Issuer purchased, on 11 February 2011, the Initial Portfolio from the Originator (with economic effects as of 1 February 2011), the Initial Purchase Price of which was funded through the net proceeds of the Notes Initial Instalment Payments.

Additional Portfolios and Subsequent Portfolios

Subject to the terms of the Master Receivables Purchase Agreement, the Originator is allowed to sell to the Issuer which, upon occurrence of the conditions set forth in the Master Receivable Purchase Agreement, shall purchase from the Originator (i) during the Ramp-Up Period, additional portfolios of Receivables (the "**Additional Portfolios**") and (ii) during the Revolving Period, subsequent portfolios of Receivables (the "**Subsequent Portfolios**" and each of the Initial Portfolio, any Additional Portfolio and any Subsequent Portfolio, a "**Portfolio**", and, collectively, the "**Portfolios**"), pursuant to transfer agreements to be entered into from time to time between the Issuer and the Originator in compliance with the terms of the Master Receivables Purchase Agreement (the "**Subsequent Transfer Agreements**" and together with the First Transfer Agreement, the "**Transfer Agreements**" and each a "**Transfer Agreement**").

The Initial Purchase Price of any Additional Portfolio will be paid by the Issuer out of (i) the Principal Instalments collected in respect of the Receivables and any other Monthly Issuer Available Funds or Issuer Available Funds, as the case may be, available to such purpose and (ii) should the amounts under (i) not be sufficient to such purpose, the Notes Further Instalment Payments. The Initial Purchase Price of any Subsequent Portfolio will be paid by the Issuer out of the Issuer Available Funds in accordance with the applicable Priority of Payments.

According to the Master Receivables Purchase Agreement, the Initial Purchase Price of any Additional Portfolio or any Subsequent Portfolio, as the case may be, shall not be higher than the Maximum Purchase Amount.

Key features of the sales of the Portfolios

The Initial Portfolio has been transferred, and each Additional Portfolio and Subsequent Portfolio will be transferred, without recourse (*pro soluto*), in accordance with the Securitisation Law and subject to the satisfaction of certain conditions set forth in the Master Receivables Purchase Agreement.

The Initial Portfolio has been selected and each Additional Portfolio and Subsequent Portfolio will be

selected, as the case may be, on the basis of the Eligibility Criteria (for further details, see the section entitled "*The Portfolios*").

Representations and warranties as to matters affecting the Originator

The Master Receivables Purchase Agreement contains representations and warranties given by the Originator as to matters of law and fact affecting the Originator including, among others:

- (a) the Originator is a legal entity, validly incorporated and which is existing and solvent in accordance with Italian law;
- (b) the Originator has taken all actions and obtained all authorisations necessary for the execution and the completion of the Master Receivables Purchase Agreement and all other Transaction Documents to which it is a party;
- (c) the execution and the completion by the Originator of the Master Receivables Purchase Agreement and all other Transaction Documents to which it is a party do not breach nor violate: (i) its constitution documents or by-laws; (ii) any relevant laws or regulations in force; (iii) contracts, deeds, agreements or other documents which are binding upon the Originator; or (iv) any judicial proceedings, decisions, arbitral awards, injunctions or any decrees which are binding or influential upon the Originator or upon its assets;
- (d) the Master Receivables Purchase Agreement and all other Transaction Documents to which the Originator is a party (i) constitute obligations which are, valid and binding on the Originator and which are validly enforceable against it, subject to the terms and conditions thereof and (ii) have been entered into by the Originator in the course of its commercial activity;
- (e) no disputes, judicial proceedings, arbitral proceedings or legal actions exist, are pending or are threatened against the Originator in respect of its assets (including the Receivables) or its business activities nor are there any commenced or threatened disputes, judicial proceedings, arbitral proceedings or legal actions before any court or applicable regulatory authority which could prejudice the capacity of the Originator to definitively and irrevocably transfer, with no possibility of revocation, the Receivables in accordance with the terms of the Master Receivables Transfer Agreement, or which could prejudice the Originator from diligently fulfilling its obligations under the Master Receivables Purchase Agreement and all other Transaction Documents to which it is a party;
- (f) no facts or circumstances exist which could render the Originator insolvent or otherwise unable to diligently fulfil its obligations or which could expose it to insolvency proceedings, nor has any step been taken for liquidation or winding up of the Originator, nor have any other acts been taken against the Originator which may prejudice its ability to acquire or sell the Receivables or to fulfil the obligations undertaken by the Issuer under the terms of the Master Receivables Purchase Agreement or fulfil its obligations under any other Transaction Documents to which the Originator is a party, nor shall the execution of the Master Receivables Purchase Agreement any other Transaction Documents to which it is a party cause the Originator to become insolvent;
- (g) the financial statement as at 31 December 2009 has been prepared in compliance with the general accounting standards, in accordance with the Italian law, and has been positively certified by external auditors acknowledged at international level;
- (h) there has been no material adverse change in the financial and administrative condition of the Originator since the date of its most recent audited balance sheet which may prejudice the Originator's ability to comply with and diligently fulfil its obligations under the Master

Receivables Purchase Agreement and all other Transaction Documents to which it is a party;
and

- (i) the Originator is not in breach of the terms of any contract (including, by way of example, the Leases) to which it is a party, save for breaches which would not prejudice its ability to comply with and diligently fulfil its obligations under the Master Receivables Purchase Agreement and all other Transaction Documents to which it is a party.

Representations and warranties in relation to the Receivables

The Master Receivables Purchase Agreement contains representations and warranties of the Originator in respect of the Receivables originated by it comprised in each Portfolio sold to the Issuer, including, among others, that:

- (a) the Receivables are existent and constitute valid, legal and binding obligations of the Lessee and/or any Guarantors, in the amounts set out in the relevant Offer Notice;
- (b) the prospectus of the Receivables attached to each Offer Notice provides in relation to the Receivables comprised in the relevant Portfolio all information required by the terms of the Master Receivables Purchase Agreement and such information are true, correct and complete;
- (c) as at the relevant Valuation Date and Transfer Date, none of the Receivables relates to a Delinquent Lease Contract or a Defaulted Lease Contract;
- (d) all permits, approvals and authorisations have been obtained from and all registrations have been made with the relevant authorities, which are necessary for the transfer of the Receivables and for the payment of the same by the relevant Lessees;
- (e) to the best of the Originator's knowledge, the Receivables comprised in the relevant Portfolio constitute a portfolio of homogenous monetary rights within the meaning and for the purposes of Securitisation Law;
- (f) the Originator has selected the Receivables comprising the relevant Portfolio faithfully respecting the applicable Eligibility Criteria;
- (g) the Receivables derive from Lease Contracts which have been duly executed by duly authorised individuals with all rights, powers and authorisation to do so;
- (h) each Lease Contract is governed by Italian law;
- (i) each Lease Contract, as well as any other contract, agreement, deed or document related thereto, has been executed in compliance with all applicable laws and regulations, including, but not limited to, the laws and regulations governing leasing activities and the usury law;
- (j) each Lease Contract has been executed in compliance with the contractual standards utilised from time to time for lease contracts by the Originator and no amendments have been made to any Lease Contract since the date of execution which may prejudice the rights of the Originator;
- (k) the Originator has possession of all complete and diligently kept books, registers, information and documents relating to each of its Lease Contracts, Receivables, Lessees and Assets;
- (l) as at the relevant Valuation Date and Transfer Date, there are no disputes, judicial proceedings (civil or administrative), arbitral proceedings or legal proceedings in course, pending or threatened in relation to the Lease Contracts or the Receivables;

- (m) as far as the Originator is aware on the basis of the information provided at the date of entering into of the relevant Lease Contract, all the real estate Assets comply with all applicable planning and building laws and regulations and all historical and architectural restrictions or, otherwise, a valid petition of amnesty with reference to any existing irregularity had been duly filed with the competent authorities;
- (n) as far as the Originator is aware, the real estate Assets have been completed and are not under construction and conform with the description set out in the relevant Lease Contract and have been registered at the competent land registry or, otherwise, an application for such registration has been duly filed;
- (o) as far as the Originator is aware, all real estate Assets comply with all applicable laws and regulations concerning health and safety and environmental protection (*legislazione in materia di igiene, sicurezza e tutela ambientale*);
- (p) the Lessors have entered into the Lease Contracts in the course of their commercial activity;
- (q) all the insurance policies are legal and valid pursuant to the terms thereof. Such insurance policies cover a value, for real estate Assets and other Assets other than motor vehicles, of at least the amount financed by the Lease Contract and for motor vehicles, of at least the market value for such motor vehicle.
- (r) the assignment by the Lessees of the rights owing to them under the insurance policies does not impact upon the validity of the insurance policies or the rights so assigned;
- (s) there is no possibility of set-off of receivables eventually claimed by the Lessees towards the Originator and the Receivables;
- (t) as far as the Originator is aware, the Assets of the Lease Contracts are not under enforcement proceedings or similar legal actions by third parties;
- (u) none of the Lease Contracts expressly provides for the possibility for the relevant Lessee to terminate in advance the relevant Lease Contract.

Each of the representations and warranties of the Originator under schedule 4-Part I of the Master Receivables Purchase Agreement has been made as of the date of entering into of the Master Receivables Purchase Agreement, and each of the representations and warranties of the Originator under schedule 4-Part II of the Master Receivables Purchase Agreement shall be deemed to be made with regard to each Portfolio as of the date on which the relevant Offer Notice has been sent (or with regard to the different date indicated in specific representation warranties). In addition, each of the representations and warranties of the Originator under schedule 4-Part I of the Master Receivables Purchase Agreement shall be deemed to be repeated and confirmed on each date of entering into of the relevant transfer agreement, with reference to the facts and circumstances then subsisting.

Option to repurchase individual Receivables in respect of which the relevant representation or warranty has been breached

As an alternative to the obligation of the Originator (provided by clause 21 of the the Master Receivables Purchase Agreement) to indemnify the Issuer in the circumstances indicated therein, under clause 20 of the Master Receivables Purchase Agreement, the Issuer has granted to the Originator, pursuant to article 1331 of the Italian Civil Code, the right to repurchase individual Receivables in respect of which a misrepresentation (related to any representation made under schedule 4-Part II of the Master Receivables Purchase Agreement) occurred, such right to be exercised within a period of 22 Local Business Days from the date on which the Originator has received an Indemnity Request (as defined below).

If the Originator does not exercise such option within the time limit stated by clause 20 of the Master Receivables Purchase Agreement or does not pay the repurchase price in relation to such Receivables in accordance with clause 20.3 of the Master Receivables Purchase Agreement, the Issuer will have the right to be indemnified in accordance with clause 21 of the Master Receivables Purchase Agreement.

Indemnity obligations of the Originator

Pursuant to clause 21 of the Master Receivables Purchase Agreement, the Originator has agreed to indemnify and hold harmless the Issuer from and against all damages, loss, claims, liabilities, costs and expenses incurred by it arising from:

- (a) breach by the Originator of its obligations under the Master Receivables Purchase Agreement or the Servicing Agreement or any laws or regulation applicable to the Master Receivables Purchase Agreement or the Servicing Agreement;
- (b) any representation or warranty made by the Originator under the Master Receivables Purchase Agreement, each Transfer Agreement or the Servicing Agreement being false, incomplete or incorrect;
- (c) the failure to collect or recover any Receivables as a consequence of the legitimate exercise by a Lessee of any set-off claim against such Originator.

Representations and warranties as to matters affecting the Issuer

The Master Receivables Purchase Agreement contains representations and warranties given by the Issuer as to matters of law and fact affecting the Issuer including, among others:

- (a) the Issuer is a limited liability company validly incorporated, which is existing and solvent in accordance with Italian law;
- (b) the Issuer has taken all actions and obtained all authorisations necessary for the execution and the completion of the Master Receivables Purchase Agreement and all other Transaction Documents to which it is a party;
- (c) the execution and the completion by the Issuer of the Master Receivables Purchase Agreement and all other Transaction Documents to which it is a party do not breach nor violate: (i) its constitution documents or by-laws; (ii) any relevant laws or regulations in force; (iii) contracts, deeds, agreements or other documents which are binding upon the Issuer; or (iv) any judicial proceedings, decisions, arbitral awards, injunctions or any decrees which are binding or influential upon the Issuer or upon its assets;
- (d) the Master Receivables Purchase Agreement, the other Transaction Documents and any further action described therein, constitute legal, valid and binding obligations which are fully and immediately enforceable against the Issuer subject to the terms and condition thereof; and
- (e) the Issuer is solvent and, to the best of its knowledge, information and belief, no facts or circumstances exist which could render the Issuer insolvent or otherwise unable to fulfil its obligations or which could expose it to insolvency proceedings, nor has the Issuer taken any steps to initiate its liquidation or winding up, nor have any other acts been taken against the Issuer which may prejudice the ability of the Issuer to acquire or sell the Receivables or to fulfil the obligations undertaken by the Issuer under the terms of the Master Receivables Purchase Agreement or of any other Transaction Documents to which the Issuer is a party, nor shall the execution of the Master Receivables Purchase Agreement any other Transaction Documents to which the Issuer is a party cause the Issuer to become insolvent.

Purchase Price

The Purchase Price of each Receivable comprised in each Portfolio shall be the aggregate of: (a) the Initial Purchase Price; (b) the Deferred Purchase Price; and (c) if any, the Purchase Price of the Residual Optional Instalment.

Option to repurchase all of the Receivables comprised in the Portfolios

Under the Master Receivables Purchase Agreement, the Issuer has irrevocably granted to the Originator an option (the "**Option**"), pursuant to article 1331 of Italian Civil Code, to repurchase (in whole but not in part) the aggregate of the Portfolios.

The Option can be exercised on any Quarterly Payment Date falling in or after the Quarterly Payment Date falling in April 2013.

In order to exercise the Option, Alba Leasing shall:

- (a) send a written notice to the Issuer at least 15 (fifteen) Business Days before the Quarterly Payment Date upon which the Notes will be redeemed in accordance with Condition 8.3 (*Optional Redemption*);
- (b) have obtained all the necessary approvals and authorizations;
- (c) deliver to the Issuer the following documents:
 - (i) a certificate signed by its legal representative stating that it is solvent;
 - (ii) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the Companies Register office and dated not more than one month before the date on which the Option will be exercised; and
 - (iii) a certificate, issued by the Court competent for the territory in which is based the legal office of such purchaser, stating that no applications for commencement of insolvency proceedings against such purchaser has been made in the last five years and dated not more than twenty days before the date on which the Option will be exercised.

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 Alba Leasing.

Pursuant to the Intercreditor Agreement, Alba Leasing will be entitled to exercise the Option provided that the Issuer will have, upon receipt of the purchase price of the Receivables (determined in accordance with Article 30.4 of the Master Receivables Purchase Agreement) sufficient funds (taking into account any other Issuer Available Funds available on the Quarterly Payment Date on which the Notes will be redeemed) to discharge in full all amounts owing to the holders of the relevant Notes to be redeemed in accordance with Condition 8.3 (*Optional Redemption*), and amounts ranking in priority thereto or *pari passu* therewith.

Following the exercise of the Option by Alba Leasing, the Issuer shall promptly exercise its option to early redeem the Notes in accordance with the terms set out under Condition 8.3 (*Optional Redemption*).

Governing Law and Jurisdiction

The Master Receivables Purchase Agreement and all non contractual obligations arising out or in

connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Master Receivables Purchase Agreement.

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. Capitalised terms used in the description below, to the extent not defined in this Offering Circular, shall have the meanings ascribed to them in the Master Definition Agreement.

General

Pursuant to the Servicing Agreement entered into on 11 February 2011, between the Originator and the Issuer, the Servicer agreed to administer and service the Receivables comprised in the Portfolios in compliance with the Securitisation Law 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 Servicer will also be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement and the Collections Policies, any activities related to the management of the Defaulted Lease Contracts and the Delinquent Lease Contracts, including activities in connection with the enforcement and recovery of the Defaulted Lease Contracts and the Delinquent Lease Contracts.

Under the terms of the Servicing Agreement, the Servicer may delegate to third parties certain activities concerning the Receivables, without prejudice however to the responsibilities of the Servicer for any activities so delegated.

Obligations of the Servicer

Under the terms of the Servicing Agreement the Servicer has undertaken, among others:

- (a) to supervise the compliance by the Lessees with their payment obligations provided for by the Lease Contracts;
- (b) to administer and make Collections in accordance with the provisions of the Servicing Agreement and the Collection Policies;
- (c) to exercise the rights owing to the Issuer relating to the Receivables and to carry out all the actions against the Lessors 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 and to manage the recovery of the Defaulted Lease Contracts;
- (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;

- (h) to ensure that the interest rates applicable in accordance with the Lease Contracts do not breach the Usury Law;
- (i) comply with the provisions of the Italian anti-money laundering laws and comply with the other obligations of such laws, including to (a) provide the Corporate Servicer Provider with all the information required in order to maintain the sole database (*archivio unico informatico*); (b) monitoring the clients; and (c) provide the competent authorities with all required information;
- (j) ensure the segregation of the Collections from the other assets of the Servicer and from other securitisation transactions;
- (k) prepare and deliver the Servicer's Reports, as better specified below.

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

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

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.

Payment of Collections and Recoveries into the Collection Account

Under the terms of the Servicing Agreement, the Servicer shall collect the Receivables on behalf of the Issuer and shall, subject to below, pay any such Collections (or procure the payment thereof) into the Collection Account on the Local Business Day immediately succeeding the date on which such sums have been received, except for any Late Payments, Agreed Prepayments and Residual Optional Instalments which - to the extent that the sum of such Late Payments, Agreed Prepayments and Residual Optional Instalments does not exceed Euro 300,000 - shall be paid into the Collection Account on or before the last Local Business Day of the calendar month in which such Late Payments, Agreed Prepayments and Residual Optional Instalments have been received by the Servicer. In the event that during any calendar month the sum of Late Payments and Agreed Prepayments exceeds Euro 300,000, then the Servicer will credit such amount (or procure that such sums be credited) to the Collection Account on the Local Business Day immediately following the date on which the above limit of Euro 300,000 has been exceeded.

Servicer Account

Under the terms of the Servicing Agreement, the Servicer has undertaken to open with an Eligible Institution a bank account (the "**Servicer Account**") for the deposit of all the sums due in respect of the Receivables. The Servicer has undertaken to procure that (i) all the sums due in respect of the Receivables are paid directly into the Servicer Account (ii) no right of set-off can be exercised by the Servicer and the Servicer Account in respect of the sums standing to the credit of such bank account; and (iii) any Collection paid into the Servicer Account shall be transferred, upon instruction of the Servicer, into the Collection Account on a daily basis and, in any event, no later than 17.00 (Milan time) of the Local Business Day following the date on which the relevant payment into such bank account is made.

Performance

Under the terms of the Servicing Agreement, the Servicer shall perform the duties provided for by the Servicing Agreement and take any steps and decisions in relation to the management, servicing, recovery and collection of the Receivables in compliance with:

- (a) the Collection Policies;
- (b) the Securitisation Law and any other applicable laws and regulations; and
- (c) the instructions which may be given by the Issuer in accordance with the Servicing Agreement.

Pursuant to the Servicing Agreement, the Servicer has undertaken (i) to perform its duties in compliance with the applicable law and any instructions received from the Issuer (or, where relevant, the Representative of Noteholders), and (ii) to act at all times in good faith and with utmost professional diligence. The Servicer's obligations include also maintaining accurate and complete records and operating an efficient filing and data-storage system and providing access to same on 3 (three) days prior notice from the Issuer.

Delegation of activities

The Servicer is entitled to delegate to one or more entities certain activities entrusted to it pursuant to the Servicing Agreement 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.

Reports of the Servicer

The Servicer has undertaken to prepare and deliver the Quarterly Settlement Report to the Issuer, the Account Bank, the Computation Agent, the Custodian Bank, the Corporate Services Provider, the Representative of the Noteholders and the Hedging Counterparty, on each Quarterly Settlement Report Date.

The Servicer has undertaken to prepare and deliver the Monthly Settlement Report to the Issuer, the Account Bank, the Computation Agent, the Custodian Bank, the Corporate Services Provider, the Representative of the Noteholders and the Hedging Counterparty, within the relevant Monthly Settlement Report Date, in case, during the Rump-up Period Alba Leasing intends to deliver an Offer Notice with respect to an Additional Portfolio (whose Initial Purchase Price is due on a Monthly Payment Date).

Renegotiation

Pursuant to the terms of the Servicing Agreement, the Issuer has authorised the Servicer to renegotiate and reschedule the Lease Contracts where the Servicers may consider opportune in light of the Collection Policies or in line with prudent financial practices, according to the terms and conditions and within the limits provided by the Servicing Agreement.

The Servicer shall in any case not be entitled to renegotiate Lease Contracts whose receivables have been assigned to the Issuer partially pursuant to clause 12 of the Master Receivables Purchase Agreement.

Repurchase of Receivables

As an alternative to the renegotiation power granted to the Servicer under the Servicing Agreement

(or, with respect to the Lease Contracts whose receivables have been assigned to the Issuer partially, in order to allow the Originator to make such renegotiation), the Servicer has been granted the power to repurchase Receivables from the Issuer. The amount of repurchases shall not exceed the percentage limits indicated in the Servicing Agreement.

Servicing Fee

In return for the services provided by the Servicer, the Issuer will pay to 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 Master Servicing Agreement (other than the recovery and compliance activities specified, respectively, in paragraphs (b) and (c) below): a fee equal to 0.05 per cent. (plus VAT, if applicable) of the Collections received by the Servicer in respect of the Receivables (other than Recoveries) during the Quarterly Settlement Period immediately preceding the relevant Quarterly Payment Date;
- (b) for the administration, management and collection of Receivables in relation to the Defaulted Lease Contracts and Delinquent Lease Contracts: on a quarterly basis a fee equal to 0.005 per cent. (plus VAT, if applicable), of the Outstanding Amount of the Receivables relating to any Lease Contract classified as a Defaulted Lease Contract or Delinquent Lease Contract on the last day of the Quarterly Settlement Period immediately preceding the relevant Quarterly Payment Date, subject to a quarterly minimum fee of Euro 500.00 (plus VAT, if applicable); and
- (c) for the activity of compliance (i.e. compliance with duties imposed by the applicable regulation and/or reporting and communication duties), on each Payment Date a fee equal to Euro 500.00 (plus VAT, if applicable).

Servicer Termination Events

Pursuant to the Servicing Agreement, the Issuer may, with the prior consent of the Representative of the Noteholders, or shall, if so requested in writing by the Representative of the Noteholders (it being understood that the Representative of the Noteholders in making such request shall (a) confirm the occurrence of a Servicer Termination Event and (b) if the Senior Notes are held by a sole Senior Noteholder, have obtained the relevant written instruction by such sole Senior Noteholder), terminate the appointment of the Servicer if any of the following events takes place:

- (a) subject to applicable law, an order is made by any competent judicial authority providing for the admission of the Servicer to any insolvency proceedings or a resolution is passed by the Servicer for the admission of the Servicer to any insolvency proceedings;
- (b) an event has occurred which, with the giving of notice or passage of time or both, will render or result in the Servicer being or becoming subject to any bankruptcy events;
- (c) failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited within 5 days after the due date thereof, except where such failure is attributable to strikes, technical delays or other justified reason;
- (d) failure by the Servicer to comply with any other terms and conditions of the Servicing Agreement which failure to comply is not remedied within a period of 14 Business Days from the date on which the Servicer receives written notice of such non-compliance from the Issuer;
- (e) any of the representation and warranties given by the Servicer under the Servicing Agreement is

incorrect or incomplete, unless the Servicer provides a remedy within 20 Business Days from the date on which such representation or warranty is contested.

As a result of such termination, the appointment of the Back-Up Servicer as Successor Servicer pursuant to the Back-Up Servicing Agreement shall become effective.

Assignment

Under the terms of the Servicing Agreement, the Servicer may not assign the Servicing Agreement or transfer any or all of its rights, benefits and/or obligations under the Servicing Agreement to any entity without the prior written consent of the Issuer.

Governing Law and Jurisdiction

The Servicing Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Servicing Agreement

DESCRIPTION OF THE OTHER TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary of certain features of that agreement and it is qualified by reference to the detailed provisions of such Transaction Documents. Prospective Noteholders may inspect a copy of the Transaction Documents at the registered office of the Representative of the Noteholders. Capitalised terms used in the description below, to the extent not defined in this Offering Circular, shall have the meanings ascribed to them in the Master Definition Agreement.

1. THE BACK-UP SERVICING AGREEMENT

Pursuant to the Back-Up Servicing Agreement entered into on 2 March 2011, between Selmabipiemme Leasing S.p.A., as Back-Up Servicer, Alba Leasing, as Servicer and the Issuer, the Back-Up Servicer has agreed to be appointed and act as substitute Servicer under the same terms and conditions as those on which the Servicer was appointed under the Servicing Agreement (excluding for (i) the fees for acting as substitute Servicer which have been agreed separately on the Back-Up Servicing Agreement; and (ii) the compliance with the requirements under the Privacy Law, in relation to which the Back-Up Servicer would be entitled to act as *responsabile del trattamento dei dati*).

The parties to the Back-Up Servicing Agreement have acknowledged that the mandate granted to the Back-Up Servicer, in case such entity shall act as substitute Servicer, shall not include the activity of renegotiation of the Receivables provided by clause 16 of the Servicing Agreement.

Pursuant to the terms of the Back-Up Servicing Agreement, the Back-Up Servicer shall substitute Alba Leasing as Servicer in the event that:

- (a) the Servicer is removed from its duty pursuant to the Servicing Agreement; or
- (b) the Servicer renounced the mandate granted to it in accordance with the relevant provisions of the Servicing Agreement.

Pursuant to the terms of the Back-Up Servicing Agreement, the Back-Up Servicer has represented and warranted, *inter alia*, that it satisfies the requirements for a Back-Up Servicer provided for by the Back-Up Servicing Agreement.

The fees due to Selmabipiemme for the role of Back-Up Servicer shall be due and payable by Alba Leasing. Should the appointment of Selmabipiemme as substitute Servicer become effective, then the relevant servicing fee shall be due and payable by the Issuer.

Governing Law and Jurisdiction

The Back-Up Servicing Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Back-Up Servicing Agreement.

2. THE CASH ALLOCATION, MANAGEMENT AND PAYMENT AGREEMENT

On or about the Issue Date, the Issuer, the Originator, the Servicer, the Cash Manager, the Paying Agent, the Account Bank, the Custodian Bank, the Corporate Services Provider, the Computation Agent, the Hedging Counterparty and the Representative of the Noteholders have entered into the

Cash Allocation, Management and Payment Agreement.

Pursuant to the Cash Allocation, Management and Payment Agreement, the Computation Agent, the Account Bank, the Custodian Bank, the Paying Agent and the Cash Manager have agreed to provide the Issuer with certain calculation, notification, reporting and agency services, together with certain account handling, investment and cash management services.

Governing Law and Jurisdiction

Except as provided below, (i) the Cash Allocation, Management and Payment Agreement and all non contractual obligations arising out or in connection with the Cash Allocation, Management and Payment Agreement governed by, and shall be construed according to Italian law; and (ii) the courts of Milan shall have exclusive jurisdiction in respect to any and all disputes arising between the parties out of or in connection with the validity, effectiveness, interpretation, enforceability and/or rescission of the Cash Allocation, Management and Payment Agreement.

The provisions of the Cash Allocation, Management and Payment Agreement concerning the establishment, maintenance and operation of the Investment Account and the Collateral Account are governed and subject to the English law. The courts of England have jurisdiction to settle any dispute arising out of, or in connection with, the provisions of the Cash Allocation, Management and Payment Agreement concerning the establishment, maintenance and operation of the Investment Account and the Collateral Account (including a dispute regarding the existence, validity or termination of such provisions or the consequences of its nullity), provided that the Representative of the Noteholders is not prevented in relation to any such document from taking proceedings in any other courts having jurisdiction.

3. THE INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer, the Representative of the Noteholders (on its own behalf and as agent of the Noteholders) and the Other Issuer Creditors have entered into the Intercreditor Agreement.

Pursuant to the Intercreditor Agreement, the Issuer, the Representative of the Noteholders (on its own behalf and as agent of the Noteholders) and the Other Issuer Creditors have agreed to, *inter alia*, (i) the application of the Monthly Issuer Available Funds and the Issuer Available Funds, in accordance with the applicable 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 Portfolios.

Disposal of the Portfolios following the delivery of a Trigger Notice

Pursuant to the Intercreditor Agreement, following the delivery of a Trigger Notice and in accordance with the Terms and Conditions, the Issuer shall (if so requested by the Representative of the Noteholders) dispose of the Portfolios if:

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

- (c) the relevant purchaser has produced:
- (i) a certificate signed by its legal representative stating that such purchaser is solvent, dated as of the date on which the ;
 - (ii) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the competent Companies Register office and dated not more than ten days before the date on which the Portfolios will be disposed; and
 - (iii) a certificate, issued by the Court competent for the territory in which is based the legal office of such purchaser, stating that no applications for commencement of insolvency proceedings against such purchaser has been made in the last five years,

provided that, without prejudice to the conditions under letter (a), (b) and (c) above, the Originator shall have in such circumstance a pre-emption right to purchase the Portfolios.

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 Portfolios 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,

- (A) the Issuer may, or
- (B) the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the holders of the Senior Notes then outstanding) direct the Issuer to dispose of the Portfolios or any part thereof to finance the early redemption of the relevant Notes under Condition 8.4 (*Redemption for taxation*) if:
- (a) a sufficient amount would be realised from such disposal to allow (taking into account any other Issuer Available Funds of the Issuer) discharge in full of all amounts owing to the holders of the relevant Notes to be redeemed in accordance with Condition 8.4 (*Redemption for taxation*), and amounts ranking in priority thereto or *pari passu* therewith;
 - (b) the relevant purchaser has obtained all the necessary approvals and authorisations; and
 - (c) the relevant purchaser has produced:
 - (i) a certificate signed by its legal representative stating that such purchaser is solvent;
 - (ii) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the competent Companies Register and dated not more than one month before the date on which the Portfolios will be disposed; and
 - (iii) a certificate, issued by the Court competent for the territory in which is based the legal office of such purchaser, stating that no applications for commencement of insolvency proceedings against such purchaser has been made in the last five years and dated not more than twenty days before the date on which the Portfolios will be disposed,

provided that, without prejudice to the conditions under letter (a), (b) and (c) above, the Originator shall have in such circumstance a Pre-emption Right in accordance with clause 20.1 (*Disposal of the Portfolios following the delivery of a Trigger Notice*) of the Intercreditor Agreement.

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.

It is understood that, if the Representative of the Noteholders direct the Issuer to dispose of the Portfolios or any part thereof in the absence of an Extraordinary Resolution of the Senior Noteholders as described above and the Representative of the Noteholders does not receive from the Issuer a full and unconditional acceptance of its proposal within 5 (five) Business Days following the delivery of the relevant proposal, any disposal of the Portfolios shall be resolved by the Extraordinary Resolution of the holders of the Senior Notes then outstanding in accordance with the Rules of the Organisation of the Noteholders and then the Issuer shall dispose of the Portfolios in accordance with such resolution.

Governing Law and Jurisdiction

The Intercreditor Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Intercreditor Agreement.

4. THE DEED OF PLEDGE

General

On or about the Issue Date the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and the Other Issuer Creditors) have entered into the Deed of Pledge in order to ensure the segregation of and create a pledge over the rights of the Issuer arising out of certain Transaction Documents (in the event of any possible restrictive interpretation of the Securitisation Law).

Pursuant to the Deed of Pledge, without prejudice and in addition to any security, guarantees and other rights provided by the Securitisation Law securing the discharge of the Issuer's obligations towards the Noteholders and the Other Issuer Creditors, the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors all monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is or will be entitled to from time to time pursuant to certain Transaction Documents (except for the Receivables and the relevant Collections and Recoveries).

Governing Law and Jurisdiction

The Deed of Pledge and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Deed of Pledge.

5. THE DEED OF CHARGE

General

On or about the Issue Date the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors) have entered into the English law Deed of Charge

in order to ensure the segregation of and create security over the rights of the Issuer arising out of the Master Hedging Agreement, the Eligible Investments and all the amounts and securities from time to time standing to the credit of the Investment Account, the Collateral Account (if opened) and any other future accounts which the Issuer may open in England or Wales pursuant to the Transaction Documents, and all monies payable in respect thereof and all other rights, benefits and proceeds deriving therefrom.

Governing Law and Jurisdiction

The Deed of Charge is governed by English Law and the courts of England shall have exclusive jurisdiction in relation to any disputes arising in respect of the Deed of Charge.

6. THE MANDATE AGREEMENT

General

On or about the Issue Date, the Issuer and the Representative of the Noteholders have entered into the Mandate Agreement. Pursuant to the Mandate Agreement, subject to the occurrence of a Trigger Event and the delivery of a Trigger Notice, the Representative of the Noteholders, acting in such capacity, shall be authorised to exercise all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

Governing Law and Jurisdiction

The Mandate Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Mandate Agreement.

7. THE MASTER HEDGING AGREEMENT

On or about the Issue Date, the Issuer will enter into a single interest rate swap transaction with the Hedging Counterparty (the "**Hedging Transaction**"). Such Hedging Transaction shall be governed by a 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the "**ISDA Master Agreement**"), together with a Schedule thereto (the "**Schedule**"), a credit support annex thereunder (the "**Credit Support Annex**") and a confirmation (the "**Hedging Confirmation**") and together with the ISDA Master Agreement, the Schedule and the Credit Support Annex, the "**Master Hedging Agreement**"). The Hedging Transaction is entered into in order to hedge against the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Senior Notes.

If the Hedging Counterparty is downgraded by Moody's below any of the required credit ratings set out in the Master Hedging Agreement, it will be required to carry out, within the time frame specified in the Master Hedging Agreement, one or more remedial measures at its own cost which include the following:

- (a) transfer all of its rights and obligations under the Master Hedging Agreement to an appropriately rated entity;
- (b) arrange for an appropriately rated entity to become a guarantor in respect of its obligations under the Master Hedging Agreement; or
- (c) post collateral to support its obligations under the Master Hedging Agreement.

The occurrence of certain termination events and events of default contained in the Master Hedging Agreement may cause the termination of the Master Hedging Agreement prior to its stated

termination date, including, among others, (1) redemption in full of the Notes pursuant to Condition 8.3 (*Optional Redemption*) or Condition 8.4 (*Redemption for Taxation*), (2) service of a trigger notice pursuant to which the Notes are declared to be due and payable pursuant to Condition 13 (*Trigger Events*) and (3) failure of the Hedging Counterparty to take certain remedial measures required under the Master Hedging Agreement following a downgrade of the rating of the Hedging Counterparty below the required ratings set out in the Master Hedging Agreement.

The obligations of the Issuer under the Master Hedging Agreement (other than under the Credit Support Annex) shall be limited recourse to the Issuer Available Funds.

Under the Intercreditor Agreement, the Issuer, on or about the date of purchase of each Additional Portfolio, have undertaken to enter into a further Hedging Transaction (documented by a further Hedging Confirmation under the Master Hedging Agreement) to hedge against the relevant potential interest rate exposure in relation to the floating rate interest obligations under the Senior Notes.

The Master Hedging Agreement will be governed by and will construed in accordance with English law.

8. THE CORPORATE SERVICES AGREEMENT

On 2 March 2011, the Issuer and the Corporate Services Provider have entered into the Corporate Services Agreement.

General

Pursuant to the Corporate Services Agreement, the Corporate Services Provider has agreed to provide the Issuer with certain corporate administration and management services. These services include, *inter alia*, the safekeeping of documentation pertaining to meetings of the Issuer's quotaholders and directors, maintaining the quotaholders' register, preparing VAT and other tax and accounting records, preparing the Issuer's annual balance sheet, administering all matters relating to the taxation of the Issuer and liaising with the Representative of the Noteholders.

Governing law and jurisdiction

The Corporate Services Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Corporate Services Agreement.

9. THE LETTER OF UNDERTAKING

General

On 2 March 2011, the Originator, the Issuer and the Representative of the Noteholders have entered into the Letter of Undertaking.

Persuant to the Letter of Undertaking, the Originator has undertaken to provide the Issuer with all necessary monies in order for the Issuer to pay certain losses, costs, expenses or liabilities indicated therein.

Governing law and jurisdiction

The Letter of Undertaking and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Letter of Undertaking.

10. THE QUOTAHOLDER AGREEMENT

General

On 2 March 2011, the Issuer, the Sole Quotaholder, and the Representative of the Noteholders have entered into the Quotaholder Agreement.

Pursuant to the Quotaholder Agreement, 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.

The Sole Quotaholder has also agreed not to dispose of, or charge or pledge, the quotas in the Issuer without the previous written consent of the Representative of the Noteholders.

Governing law and jurisdiction

The Quotaholder Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Quotaholder Agreement.

11. THE SENIOR NOTES SUBSCRIPTION AGREEMENT

General

Pursuant to the terms of a senior notes subscription agreement entered into on or prior to the Issue Date among the Issuer, the Originator, the Representative of the Noteholders, the Computation Agent and the Initial Senior Notes Subscriber (the "**Senior Notes Subscription Agreement**"), the Initial Senior Notes Subscriber has agreed, upon the terms and subject to the conditions specified therein, to subscribe for the Senior Notes and pay the Senior Notes Further Instalment Payments. Pursuant to the Senior Notes Subscription Agreement, Securitisation Services S.p.A. has been appointed as legal representative of the Senior Noteholders.

Governing law and jurisdiction

The Senior Notes Subscription Agreement is governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of such agreement.

12. THE JUNIOR NOTES SUBSCRIPTION AGREEMENT

General

Pursuant to the terms of a junior notes subscription agreement entered into on or prior to the Issue Date Issuer, the Representative of the Noteholders, the Computation Agent and the Initial Junior Notes Subscriber (the "**Junior Notes Subscription Agreement**"), the Initial Junior Notes Subscriber has agreed, upon the terms and subject to the conditions specified therein, to subscribe for the Junior Notes and pay the Junior Notes Further Instalment Payments. Pursuant to the Junior Notes Subscription Agreement, Securitisation Services S.p.A. has been appointed as legal representative of the Junior Noteholders.

Governing law and jurisdiction

The Junior Notes Subscription Agreement is governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in

respect of such agreement.

13. DESCRIPTION OF THE MASTER DEFINITION AGREEMENT

General

Pursuant to the terms of a master definitions agreement entered into on or prior to the Issue Date between all the parties to each of the Transaction Documents (the "**Master Definitions Agreement**"), the definitions of certain terms used in the Transaction Documents have been set out.

Governing law and jurisdiction

For the purposes of the Transaction Documents governed by Italian Law, the Master Definitions Agreement shall be governed by, and shall be construed in accordance with the laws of the Republic of Italy.

For the purposes of the Transaction Documents governed by English Law, the Master Definitions Agreement shall be governed by, and shall be construed in accordance with the laws of England.

TERMS AND CONDITIONS OF THE NOTES

The following is the entire text of the terms and conditions of the Senior Notes and the Junior Notes (as defined below) (the "Terms and Conditions"). In these Terms and Conditions, references to the "holder" or to the "Noteholder" of a Senior Note and a Junior Note or to a Senior Noteholder and a Junior Noteholder are to the ultimate owners of the Senior Notes and the Junior Notes, as the case may be, issued in bearer form and held in dematerialised form and evidenced as book entries with Monte Titoli S.p.A. ("Monte Titoli") in accordance with the provisions of (i) article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and (ii) Regulation jointly issued on 22 February 2008 by the Commissione Nazionale per le Società e la Borsa ("CONSOB") and the Bank of Italy as amended from time to time. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Noteholders (as defined below).

In these Terms and Conditions, references to (i) any agreement or other document shall include such agreement or another document as may be modified from time to time in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto, as modified from time to time; and (ii) any laws or regulation shall be interpreted and construed to include any amendments and implementation thereof as of the date of these Terms and Conditions.

INTRODUCTION

The up to Euro 300,000,000 (the "**Senior Notes Maximum Amount**") Class A Asset Backed Floating Rate Notes due April 2040 (the "**Senior Notes**") and the up to Euro 168,924,912 (the "**Junior Notes Maximum Amount**") Class B Asset Backed Floating Rate Notes due April 2040 (the "**Junior Notes**") and, together with the Senior Notes, the "**Notes**") are issued by Alba 1 SPV S.r.l. (the "**Issuer**") on 4 March 2011 (the "**Issue Date**") in the context of a securitisation transaction (the "**Transaction**") to finance the purchase of certain portfolios of receivables and connected rights arising out of lease contracts between the Originator, as lessor, and the lessees.

Capitalised words and expressions in these Terms and Conditions shall, except otherwise specified or so far as the context otherwise requires, have the meanings set out herein in the section "Interpretation" below.

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 Senior Notes or the Junior Notes, as the case may be, or to the respective holders thereof.

The Notes will be issued on a partly paid basis, pursuant to the terms provided in Condition 2 (*Partly Paid Notes*). On the Issue Date, the respective Notes Initial Instalment Payment will be paid by Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber, in accordance with these Terms and Conditions and the relevant Subscription Agreement in order to fund the Initial Issue Price of the Notes. Subject to and in accordance with the procedures set forth in Condition 2 (*Partly Paid Notes*), during the Ramp-Up Period the Issuer may request the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber to pay the relevant Notes Further Instalment Payments and to increase the Principal Amount Outstanding of the Notes. Each Notes Further Instalment Request shall be sent by the Issuer to the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber 4 Business Days prior to each Monthly Payment Date or Quarterly Payment Date, as the case may be and shall include the information specified in Condition 2 (*Partly Paid Notes*).

Upon issuance, the Notes will not be listed on any stock exchange and are not expected to be assigned any public credit rating.

The principal source of payment of interest and of repayment of principal on the Notes will be the Collections and Recoveries made in respect of the Receivables arising out of the Lease Contracts between the Originator and the Lessees, purchased and to be purchased by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement and the relevant Transfer Agreements.

The Transaction consists of the following three phases:

- (a) a first phase, being the Ramp-Up Period, which will start on the Issue Date and end on the earlier of (i) the date on which the Principal Amount Outstanding of the Senior Notes is equal to Euro 300,000,000, (ii) the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered and (iii) the Monthly Payment Date falling on September 2011 (included) (the "**Ramp-Up Period End Date**");
- (b) a second phase (excluding the case in which the Ramp-Up Period End Date is the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered), being the Revolving Period, which will commence on (but excluding) the Ramp-Up Period End Date and end on the earlier of (i) the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered and (ii) the Quarterly Payment Date falling on January 2013 (included); and
- (c) a third phase, being the Amortisation Period which will commence on the Quarterly Payment Date falling on April 2013 (included), and ending on the Cancellation Date.

In particular, in the context of the Transaction, in accordance with a master receivables purchase agreement (the "**Master Receivables Purchase Agreement**") and a first transfer agreement (the "**First Transfer Agreement**"), both entered into on 11 February 2011 and amended on 2 March 2011, the Issuer purchased from the Originator on a without recourse (*pro soluto*) basis an initial portfolio of monetary claims (the "**Initial Portfolio**") arising out of the Lease Contracts, by funding such purchase out of the proceeds deriving from the Notes Initial Instalment Payments.

Subject to the terms of the Master Receivables Purchase Agreement, the Originator is allowed to sell to the Issuer which, shall purchase from the Originator (i) during the Ramp-Up Period, additional portfolios of Receivables (the "**Additional Portfolios**") and (ii) during the Revolving Period, subsequent portfolios of Receivables (the "**Subsequent Portfolios**" and each of the Initial Portfolio, any Additional Portfolio and any Subsequent Portfolio, a "**Portfolio**", and, collectively, the "**Portfolios**"), pursuant to transfer agreements to be entered into from time to time between the Issuer and the Originator in compliance with the terms of the Master Receivables Purchase Agreement (the "**Subsequent Transfer Agreements**" and together with the First Transfer Agreement, the "**Transfer Agreements**" and each a "**Transfer Agreement**").

The Initial Purchase Price of any Additional Portfolio will be paid by the Issuer out of (i) the Principal Instalments collected in respect of the Receivables and any other Monthly Issuer Available Funds or Issuer Available Funds, as the case may be, available to such purpose and (ii) should the amounts under (i) not be sufficient to such purpose, the Notes Further Instalment Payments. The Initial Purchase Price of any Subsequent Portfolio will be paid by the Issuer out of the Issuer Available Funds used in accordance with the applicable Priority of Payments.

By virtue of the operation of article 3 of the Securitisation Law and of the Transaction Documents, the Issuer's right, title and interest in and to the Portfolios 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 creditor of the Issuer in respect of any costs, fees and expenses in relation to the Transaction

Under the Master Receivables Purchase Agreement, the Originator has given certain representations and warranties to the Issuer in relation to, *inter alia*, itself and the Receivables comprised in each Portfolio and has agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the purchase and ownership of such Receivables.

Under a servicing agreement entered into on 11 February 2011 between the Issuer and Alba Leasing as Servicer (the "**Servicing Agreement**"), the Servicer has agreed to administer and service the Receivables comprised in the Portfolios in accordance with the terms and conditions set out therein.

Under a back-up servicing agreement entered into on or prior to the Issue Date between the Issuer and the Back-up Servicer (the "**Back-Up Servicing Agreement**"), the Back-Up Servicer has agreed to act as substitute Servicer subject to, *inter alia*, the appointment of Alba Leasing as Servicer being terminated, in accordance with the terms of the Servicing Agreement.

Under a corporate services agreement entered into on or prior to the Issue Date between the Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**"), the Corporate Services Provider has agreed to provide the Issuer with certain administrative and corporate services.

Under a letter of undertaking (the "**Letter of Undertaking**") dated on or prior the Issue Date between the Issuer, the Originator and the Representative of the Noteholders, the Originator has undertaken to provide the Issuer with all necessary monies in order for the Issuer to pay certain losses, costs, expenses or liabilities indicated therein.

Under a cash allocation, management and payment agreement entered into on or prior to the Issue Date (the "**Cash Allocation, Management and Payment Agreement**"), the Computation Agent, the Account Bank, the Custodian Bank, the Paying Agent and the Cash Manager have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling services in relation to monies and securities from time to time standing to the credit of the Accounts. In accordance with the terms of the Cash Allocation, Management and Payment Agreement, amounts standing from time to time to the credit of the Investment Account may be invested in Eligible Investments.

Under a mandate agreement entered into on or prior to the Issue Date between the Issuer and the Representative of the Noteholders (the "**Mandate Agreement**"), the Representative of the Noteholders will be authorised, subject to the delivery of a Trigger Notice, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

Under a deed of pledge entered into on or prior to the Issue Date (the "**Deed of Pledge**"), as security for the Secured Obligations the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors all existing and future monetary claims and rights deriving from certain Transaction Documents (other than the Receivables, the Collections and the Recoveries).

Under a deed of charge (governed by English Law) entered into on or prior to the Issue Date (the "**Deed of Charge**"), 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 Master Hedging Agreement, the Eligible Investments and all the amounts and securities from time to time standing to the credit of the Investment Account, the Collateral Account (if opened) and any other future accounts which the Issuer may open in England or Wales pursuant to the Transaction Documents, and all monies payable in respect thereof and all other rights, benefits and proceeds deriving therefrom.

Under the terms of an interest rate swap transaction and additional swap transactions (the "**Hedging Transactions**") entered and to be entered into respectively on or prior to the Issue Date and upon the

acquisition of each Additional Portfolio under a master hedging agreement (the "**Master Hedging Agreement**") between the Issuer and the Hedging Counterparty and governed by the ISDA 1992 Master Agreement (Multicurrency – Cross Border) (the "**ISDA Master Agreement**"), the schedule thereto (the "**Schedule**") and the credit support annex thereto (the "**Credit Support Annex**"), each evidenced by a swap confirmation (each a "**Hedging Confirmation**"), the Issuer has hedged and will hedge its potential floating interest rate exposure in relation to its obligations under the Senior Notes. The Master Hedging Agreement shall consist of the ISDA Master Agreement, the Schedule, the Credit Support Annex and the Hedging Confirmations).

Under the terms of a senior notes subscription agreement entered into on or prior to the Issue Date among the Issuer, the Originator, the Representative of the Noteholders, the Computation Agent and the Initial Senior Notes Subscriber (the "**Senior Notes Subscription Agreement**"), the Initial Senior Notes Subscriber has agreed, upon the terms and subject to the conditions specified therein, to subscribe for the Senior Notes and pay the Senior Notes Further Instalment Payments. Pursuant to the Senior Notes Subscription Agreement, Securitisation Services S.p.A. has been appointed as legal representative of the Senior Noteholders.

Under the terms of a junior notes subscription agreement entered into on or prior to the Issue Date the Issuer, the Representative of the Noteholders, the Computation Agent and the Initial Junior Notes Subscriber (the "**Junior Notes Subscription Agreement**"), the Initial Junior Notes Subscriber has agreed, upon the terms and subject to the conditions specified therein, to subscribe for the Junior Notes and pay the Junior Notes Further Instalment Payments. Pursuant to the Junior Notes Subscription Agreement, Securitisation Services S.p.A. has been appointed as legal representative of the Junior Noteholders.

Under a Master Definitions Agreement entered into on or about the Issue Date between all the parties to each of the Transaction Documents, the definitions of certain terms used in the Transaction Documents have been set out.

The Issuer has established or will establish (as the case may be) (1) with the Account Bank, the following accounts: (i) the Collection Account; (ii) the Payments Account; (iii) the Debt Service Reserve Account; and (iv) the Principal Accumulation Account; (2) with the Custodian Bank, the Investment Account; (3) with an Eligible Institution, the Collateral Account (which shall be opened in England or Wales); (4) with Banca Antonveneta S.p.A., Conegliano Branch, (i) the Expenses Account; and (ii) the Quota Capital Account. The Issuer has established or will establish (as the case may be) and will manage such accounts as provided by the terms and conditions set out in the Cash Allocation, Management and Payment Agreement.

These Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents. Copies of the Transaction Documents are available for inspection during normal business hours at the office of the Representative of the Noteholders, being, as at the Issue Date, Via Vittorio Alfieri, 1 - 31015 Conegliano (TV), Italy.

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 applicable to them. In particular, each Noteholder recognises that the Representative of the Noteholders is its representative and accepts to be bound by the terms of those Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.

The rights and powers of the Noteholders may only be exercised in accordance with the Rules of Organisation of the Noteholders which are attached to these Terms and Conditions as Exhibit 1 and which are deemed to form part an integral and substantial part of these Terms and Conditions and the Noteholders shall be bound by the provisions of such Rules of Organisation of the Noteholders as if they had been set out herein in full.

1. DEFINITIONS AND INTERPRETATION

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

- (a) the exhibit hereto constitute 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.

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

"**Account**" means each of the Eligible Accounts, the Quota Capital Account and the Expenses Account, and "**Accounts**" means all of them.

"**Account Bank**" means The Bank of New York Mellon (Luxembourg) S.A., Italian Branch or any other entity acting as account bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"**Additional Portfolio**" means any portfolio of Receivables which will be purchased by the Issuer during the Ramp-Up Period.

"**Agents**" means the Paying Agent, the Computation Agent, the Account Bank, the Custodian Bank and the Cash Manager, and "**Agent**" means each of them.

"**Amortisation Period**" means the third phase of the Transaction, which will commence on the Quarterly Payment Date falling on April 2013 (included), and ending on the Cancellation Date.

"**Arranger**" means Banca IMI S.p.A.

"**Asset**" means any real estate asset, registered and unregistered movable properties leased under a Lease Contract.

"**Asset Coverage Test**" means the difference, calculated on each Payment Report Date immediately preceding a Quarterly Payment Date (taking into account all payments expected to be made on such Quarterly Payment Date), between **(a)** and **(b)**,

where:

- (a) is equal to:
 - (i) the aggregate of the Outstanding Amount of all Receivables comprised in the Collateral Portfolio (including the Additional Portfolio or Subsequent Portfolio the Initial Purchase Price of which is due, subject to the relevant Formalities having been perfected, on such Quarterly Payment Date); *plus*
 - (ii) the balance of the Debt Service Reserve Account as of such Quarterly Payment Date; *plus*
 - (iii) the balance of the Principal Accumulation Account as of such Quarterly Payment Date (in any case net of any amount utilised or to be utilised towards payment of the Initial Purchase Price of the Additional Portfolio or Subsequent Portfolio indicated under item (i) above); and

- (b) is equal to:
- (i) the Notes Principal Amount Outstanding on such Quarterly Payment Date taking into account the Notes Further Instalment Payments to be made on such Quarterly Payment Date; *multiplied by*
 - (ii) 0.96.

"Back-Up Servicer" means Selmabipiemme Leasing S.p.A. and its permitted successors or assignees acting as back-up servicer pursuant to the provisions of the Back-Up Servicing Agreement.

"Back-Up Servicing Agreement" means the back-up servicing agreement entered into on or prior the Issue Date between Alba Leasing, the Issuer and the Back-Up 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.

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

"Business Day" means any day (other than Saturday or Sunday) on which banks are open for business in Milan, London and New York and the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET 2) System (or any successor thereto) is open.

"Cancellation Date" means the earlier of:

- (a) the date on which the Notes have been redeemed in full;
- (b) the Final Maturity Date;
- (c) the date on which the Representative of the Noteholders has provided to the Issuer a certificate confirming that (i) all the Collections due in respect of all the Receivables comprised in the Portfolios have been received or recovered and/or the Receivables comprised in the Portfolios (then outstanding) have been fully written off by the Issuer (or on the Issuer behalf) and/or all judicial enforcement procedures in respect of the Portfolios have been completed and/or in its sole opinion there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolios 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, and (ii) the relevant Issuer Available Funds have been received and applied in accordance with the applicable Priority of Payments; and
- (d) the date on which the Representative of the Noteholders has provided to the Issuer a certificate confirming that (i) all the Receivables comprised in all the Portfolios have been sold and (ii) the relevant Issuer Available Funds have been received and applied in accordance with the applicable Priority of Payments.

"Cash Allocation, Management and Payment Agreement" means the cash allocation management and payment agreement executed on or about the Issue Date between, *inter alios*, the Issuer, the Originator, the Servicer, the Corporate Services Provider, the Representative of the Noteholders, the Hedging Counterparty, the Paying Agent, the Account Bank, the Custodian Bank, the Cash Manager and the Computation Agent, as from time to time modified in accordance with the provisions therein contained and including any

agreement or other document expressed to be supplemental thereto.

"Cash Manager" means Alba Leasing S.p.A. or any other entity acting as cash manager pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Class" shall be a reference to a class of Notes, being the Senior Notes and the Junior Notes and **"Classes"** shall be construed accordingly.

"Closing Date" means 2 March 2011.

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

"Collateral Account" means the account that will be opened with an Eligible Institution in England or Wales in the event that Collateral is to be posted by the Hedging Counterparty pursuant to the Credit Support Annex in accordance with the Cash Allocation, Management and Payment Agreement.

"Collateral Portfolio" means, on any given date, all the Receivables arising from Lease Contracts that are not, as of such date, Defaulted Lease Contracts.

"Collection Account" (*Conto Incassi*) means the Euro denominated account opened with the Account Bank IBAN code IT14W0335101600004430409780, or any other Euro denominated account opened with any Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement, to which all the Collections and Recoveries made and the Indemnities paid in respect of the Portfolios will be credited, in accordance with the Servicing Agreement.

"Collection Policies" (*Procedura di Riscossione*) means the documents setting forth the procedures for the collection and recovery of the Receivables annexed to the Servicing Agreement.

"Collections" means any amount received or recovered in respect of the Receivables comprised in the Portfolios.

"Computation Agent" means Securitisation Services S.p.A. or any other entity acting as computation agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Computation Agent Notice" means the notice to be delivered by the Computation Agent to the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber (with copy to the Paying Agent) in accordance with Clause 8.4 of the Senior Notes Subscription Agreement.

"Computation Agent Notice Date" means the Business Day following the date on which the conditions precedent under clause 8.2.1 (*Effective Transfer of the Additional Portfolio*) and 8.2.5 (*Closing certificates*) have been satisfied (and the Computation Agent has received the relevant documentation in such respect).

"Condition" means a condition of the Terms and Conditions.

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

"Contractual Interest Rate" means the interest rate provided in each Lease Contract.

"Corporate Services Agreement" means the corporate services agreement executed before

the Issue Date between the Issuer and the Corporate Services 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.

"Corporate Services Provider" means Securitisation Services S.p.A. or any other entity acting as corporate services provider pursuant to the Corporate Services Agreement from time to time.

"Credit Support Annex" has the meaning ascribed to such term in the definition of Master Hedging Agreement.

"Custodian Bank" means The Bank of New York Mellon S.A.\N.V. London Branch or any other entity acting as custodian bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Debt Service Reserve Account" means the Euro denominated account with IBAN IT66X0335101600004430419780 which will be held with the Account Bank or any other account held with an Eligible Institution for the deposit of the Debt Service Reserve Amount in accordance with the Cash Allocation, Management and Payment Agreement.

"Debt Service Reserve Amount" means,

- (A) on the Issue Date, an amount equal to Euro 5,552,174.39;
- (B) with respect to any Payment Date during the Ramp-Up Period (or the immediately following date on which the Formalities have been perfected), an amount equal to the higher of:
 - (i) the amount of Euro 5,552,174.39,
 - (ii) the aggregate Outstanding Principal of all the Portfolios as of the Valuation Date immediately preceding the date of the most recent Junior Notes Further Instalment Payment, *multiplied by* 1.60%; and
 - (iii) the aggregate Outstanding Principal of all the Portfolios on the immediately preceding Valuation Date, *multiplied by* 1.60%;
- (C) with respect to any Quarterly Payment Date during the Revolving Period, an amount equal to the amount calculated under item (B) above in respect of the latest Junior Notes Further Instalment Payment made on the Ramp-up Period.

"Debtor" means the Lessee or any other person or entity liable for payment in respect of a Receivable.

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

"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.

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

"Deed of Pledge" means the Italian law deed of pledge executed on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and as agent 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 Instalment" means any Instalment which remains unpaid for more than 180 days after the date scheduled for payment thereof in the relevant Lease Contract or which arises out from Lease Contracts which have been classified as *sofferenze* pursuant to the Collection Policies.

"Defaulted Lease Contract" means a Lease Contract with respect to which there is at least one Defaulted Instalment and a number of Delinquent Instalments equal to or higher than 6 in relation to Lease Contracts which provide for monthly payments and 2 in relation to Lease Contracts which provide for quarterly payments.

"Defaulted Receivables" means the Receivables which arise from Defaulted Lease Contracts, and **"Defaulted Receivable"** means each of them.

"Deferred Purchase Price" means the second portion, if any, of the purchase price in respect of each Receivable being equal to:

- (i) all the amounts collected and/or recovered during the Quarterly Settlement Period immediately preceding the relevant Payment Date in respect of the Receivables comprised in the Portfolio of the Originator, including any proceeds deriving from the sale of the relevant Receivables (to the extent included in the definition of Issuer Available Funds), *plus* the aggregate amount of the interest accrued and credited on the Accounts as well as any interest or profit generated by the Eligible Investments (as will be specified in the relevant Quarterly Settlement Report) *less* (a) the Principal Deficiency Amount in respect of such Quarterly Payment Date; (b) the amount paid as Servicer's Fee on such Quarterly Payment Date; and (c) the "differential swap" ("*differenziale swap*") (as will be specified in the relevant Quarterly Settlement Report) accrued under the Master Hedging Agreement and to be paid on the relevant Quarterly Payment Date;

less

- (ii) any other amount due and payable on such Quarterly Payment Date by the Issuer out of the relevant Issuer Available Funds in priority to the Deferred Purchase Price in accordance with the applicable Priority of Payments (but excluding any amount described under items (i)(a), (i)(b) and (i)(c) above and the amount necessary for the constitution of the Debt Servicer Reserve Amount in such Quarterly Payment Date),

provided that, in case such definition is referred to a Portfolio, it will indicate the sum of the deferred purchase prices of the Receivables comprised in such Portfolio.

"Delinquent Instalment" means, in respect of any Receivables, any Instalment which remains unpaid by the related Lessee for 30 days or more after the scheduled date for payment thereof and which is not a Defaulted Instalment.

"Delinquent Lease Contract" means a Lease Contract with respect to which there is one or more Delinquent Instalment(s) but which is not a Defaulted Lease Contract.

"Delinquency Ratio" means, on each Quarterly Settlement Date, the ratio between: (i) the Outstanding Amount of all the Receivables arising from Delinquent Lease Contracts

comprised in the Collateral Portfolio as of the last day of the relevant Quarterly Settlement Period; and (ii) the Outstanding Amount of all the Receivables comprised in the Collateral Portfolio as of the last day of the relevant Quarterly Settlement Period.

"Eligibility Criteria" (*Criteria*) means the objective criteria for the identification of the Receivables comprised in each Portfolio, as set out in the Master Receivables Purchase Agreement and the relevant Offer Notice.

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

"Eligible Institution" means (i) any depository institution organised under the laws of any state which is a member of the European Union or of the United States, whose (a) short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's and (b) long-term, unsecured and unsubordinated debt obligations are rated at least A1 by Moody's, or such other rating as may be acceptable from time to time to Moody's, or (ii) any other institution qualified as "Eligible Institution" by the Transaction Documents.

"Eligible Investment" means:

- (a) euro-denominated senior (unsubordinated) debt securities, bank account, deposit (including, for the avoidance of doubt, time deposits) or other debt instruments, provided that, in all cases (i) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling not later than the next succeeding Eligible Investment Maturity Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; and (iii) the debt securities or other debt instruments are issued by or in the case of time deposits are held with, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least either: (A) "A2" by Moody's in respect of long-term debt or "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month, or (B) "A1" by Moody's in respect of long-term debt and "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months or (C) "Aa3" by Moody's in respect of long-term debt and "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity between three and six months, or (D) "Aaa" by Moody's in respect of long-term debt and "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity over six months, or such other rating as acceptable to Moody's from time to time; or
- (b) Euro denominated money market funds which permit daily liquidation of investments and which are rated (i) Aaa/MR1+ by Moody's or (ii) the highest rating from at least two other global rating agencies or (iii) such other rating as acceptable to Moody's from time to time; or
- (c) any other investment that, upon prior written notice to Moody's, does not adversely affect the ratings assigned to the Class A Notes (if any),

provided that, in no case such investment shall be made, in whole or in part, actually or potentially, in credit linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives or tranches of other asset-backed securities.

"Eligible Investment Maturity Date" means the second Business Day prior to each Quarterly Payment Date.

"Euribor" means the Euribor for deposits in Euro, as it appears on the Reuters page Euribor 01 (*Tasso Telematico*) or (aa) such other page as may replace Reuters page Euribor01 on that service for the purpose of displaying such information or (bb) if that service ceases to display such information, such page as displays such information on such equivalent service as may replace the Reuters page Euribor01 at or about 11.00 a.m. (Brussels time) on the relevant date from which interests start to accrue; (b) if such *Tasso Telematico* is unavailable at such time, then the rate for the relevant period shall be equal to the rate of interest applicable to the immediately preceding date on which such rate is available.

"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).

"Excess Indemnity Amount" means the excess indemnity amount to be paid by the Issuer to the Originator in accordance with clause 17.1 of the Servicing Agreement.

"Expenses" means any documented fees, costs and expenses required to be paid to any third party creditor (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Transaction, and any other documented costs and expenses required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

"Expenses Account" means the Euro denominated account opened with Banca Antonveneta S.p.A., Conegliano Branch with IBAN IT 09 T 05040 61621 000001261194, into which the Retention Amount shall be credited and out of which the Expenses and the taxes due and payable by the Issuer will be paid during each Quarterly Settlement Period in accordance with the Cash Allocation, Management and Payment Agreement, or any other account that shall be opened by the Issuer in substitution of such account in accordance with the Cash Allocation, Management and Payment Agreement.

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

"Final Maturity Date" means the Quarterly Payment Date falling in April 2040.

"Final Redemption Date" means the earlier to occur between: (i) the date when any amount payable on the Claims will have been paid, and (ii) the date when all the Claims then outstanding will have been entirely written off or sold by the Issuer.

"First Monthly Payment Date" means 21 March 2011.

"First Monthly Settlement Date" means the Monthly Settlement Date which falls on 28 February 2011.

"First Quarterly Payment Date" means 20 April 2011.

"First Quarterly Settlement Date" means the Quarterly Settlement Date which falls on 31 March 2011.

"First Transfer Agreement" means the first transfer agreement of the Initial Portfolio entered into on 11 February 2011 and amended on 2 March 2011 between the Issuer and the Originator.

"Formalities" means with regard to each Portfolio, jointly (i) the publication of the notice of the assignment of the relevant Portfolio in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) and (ii) the deposit of the request of registration of such notice with the competent companies' register.

"Further Notes" has the meaning ascribed to such term in clause 10.4 (ii) of the Intercreditor Agreement.

"Further Securities" has the meaning ascribed to such term in clause 10.4 (iii) of the Intercreditor Agreement.

"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 (*Covenants - Further Securitisations*).

"Gross Cumulative Default Ratio" means, on each Quarterly Settlement Date, the ratio between: (i) the aggregate of the Outstanding Amount (as of the date on which the relevant Lease Contract have become Defaulted Lease Contract) related to all the Receivables comprised in the Portfolios arising from Lease Contract which have become Defaulted Lease Contract in the period starting from the Valuation Date of the Initial Portfolio and ending on the last day of such Quarterly Settlement Date; and (ii) the Initial Purchase Price (as of the relevant Valuation Date) of all Receivables comprised in the Portfolios.

"Guarantor" means any person, other than the Debtor, who has granted any security in favour of the Originator in respect of any Receivables, or its permitted successors or assignees.

"Hedging Confirmation" has the meaning ascribed to such term in the definition of Master Hedging Agreement.

"Hedging Counterparty" means:

- (a) Banca IMI S.p.A and
- (b) any Hedging Counterparty which, following termination of the Master Hedging Agreement, enters into a new Master Hedging Agreement replacing such terminated Master Hedging Agreement.

"Hedging Subordinated Payment" means any termination payment due by the Issuer following an early termination of the Master Hedging Agreement where the Hedging Counterparty is the Defaulting Party or the sole Affected Party (each such term as defined in the Master Hedging Agreement) following an Additional Termination Event in connection with the downgrading of the Hedging Counterparty.

"Hedging Transaction" means the interest rate swap transaction and the additional swap transactions entered and to be entered into respectively on or prior to the Issue Date and upon the acquisition of each Additional Portfolio under the Master Hedging Agreement.

"Initial Interest Period" means (i) with respect to the Notes Initial Instalment Payments, the Quarterly Interest Period which shall begin on (and include) the Issue Date, and end on the immediately following Quarterly Payment Date, (ii) with respect to each subsequent Notes Further Instalment Payment related to a Monthly Payment Date, the Quarterly Interest Period which shall begin on (and include) such Monthly Payment Date (or, if subsequent, the date on which the relevant Notes Further Instalment Payment is made) and end on the immediately following Quarterly Payment Date, and (iii) with respect to each subsequent Notes Further Instalment Payment related to a Quarterly Payment Date, the Quarterly Interest Period which shall begin on (and include) such Quarterly Payment Date (or, if subsequent, the date on which the relevant Notes Further Instalment Payment is made) and end on the immediately following Quarterly Payment Date.

"Initial Issue Price" means, with respect to the Senior Notes Initial Instalment Payment, Euro 225,557,084.90, and with respect to the Junior Notes Initial Instalment Payment, Euro 127,005,989.34.

"Initial Junior Notes Subscriber" means Alba Leasing S.p.A..

"Initial Portfolio" means the initial portfolio of receivables will be purchased by the Issuer pursuant to the Master Receivables Purchase Agreement and the First Transfer Agreement.

"Initial Purchase Price" means in respect of each Receivable the initial purchase price due by the Issuer in relation to each Receivable, equal to the Outstanding Principal of such Receivable as of the relevant Valuation Date or, in case such term is referred to a Portfolio, the sum of the initial purchase price of the Receivables comprised in such Portfolio.

"Initial Senior Notes Subscriber" means Duomo Funding P.l.c..

"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 reasonable 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 reasonable 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 a substantial part of its obligations or makes a general assignment or a general 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 a substantial part 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) or any of the events under Article 2484 of the Italian civil code occurs with respect to such company or corporation.

"Instalment" means each periodic lease instalment (excluding in any case the Residual Optional Instalment) due from Lessees under the Lease Contracts (net of VAT) the Receivables of which have been assigned under the terms of the Master Receivables Purchase Agreement. In case the receivables arising out of any Lease Contract are assigned only in part to the Issuer, Instalment shall mean only such periodic lease instalments which are included in the object of the relevant assignment.

"Intercreditor Agreement" means the intercreditor agreement executed on or about the Issue Date between, *inter alios*, the Issuer and the Other Issuer Creditors and, 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 Amount" means the Euro amount accrued on the Notes in respect of each Quarterly Interest Period, calculated according to Condition 7.3.

"Interest Determination Date" means (i) during the Ramp-Up Period, (a) the second Business Day prior to each Quarterly Payment Date in respect of the Quarterly Interest Period commencing on that date or (b) in respect of each Initial Interest Period starting on a Payment Date or on the Issue Date, the second Business Days prior to such Payment Date or the second Business Days prior to the Issue Date respectively or (c) in respect of each Initial Interest Period starting after a Payment Date (due to the Further Notes Instalment Payments having been made after a Payment Date), the relevant Computation Agent Notice Date; and (ii) AFTERWARDS, the second Business Day prior to each Quarterly Payment Date in respect of the Quarterly Interest Period commencing on that date.

"Investment Account" means the cash and securities account No. GB87IRVT70022544304580 opened in accordance with the Cash Allocation, Management and Payment Agreement with the Custodian Bank for, *inter alia*, the deposit of all Eligible Investments and out of which, upon written instruction of the Cash Manager in the name and on behalf of the Issuer, all amounts standing to the credit thereof will be applied on any Business Day by the Custodian Bank for the purchase of Eligible Investments.

"ISDA Master Agreement" has the meaning ascribed to such term in the definition of Master Hedging Agreement.

"Issue Date" means 4 March 2011.

"Issuer" means Alba 1 SPV S.r.l.

"Issuer Available Funds" shall be, on each Quarterly Payment Date, the aggregate amounts (without duplication) of:

- (i) all Collections received during the immediately preceding Quarterly Settlement Period pursuant to the Servicing Agreement and credited to the Collection Account (including, for the avoidance of doubt, penalties and/or the Agreed Prepayments received and any other sums paid by the Lessees pursuant to the relevant Lease Contracts in respect of the Receivables);
- (ii) all Recoveries received during the immediately preceding Quarterly Settlement Period pursuant to the Servicing Agreement and credited to the Collection Account;
- (iii) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement or by the Servicer pursuant to the Servicing Agreement during the immediately preceding Quarterly Settlement Period (other than the Collections and the Recoveries) and credited to the Payments Account;
- (iv) all amounts paid to the Issuer pursuant to the terms of the Master Hedging Agreement in relation to such Quarterly Payment Date (other than pursuant to the Credit Support Annex);
- (v) any interest accrued and credited on the Accounts (other than the Expenses Account and the Quota Capital Account) as of the last day of the immediately preceding Quarterly Settlement Period;
- (vi) any amounts credited as Debt Service Reserve Amount on the Quarterly Payment Date immediately preceding such Quarterly Payment Date;
- (vii) the net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of the Issuer Accounts during the Quarterly Settlement Period immediately preceding such Quarterly Payment Date;
- (viii) only toward payments of (a) the Initial Purchase Price of each Additional Portfolio and (b) with respect to each Junior Notes Further Instalment Payments, the relevant Required Debt Service Reserve Amount, the Notes Further Instalment Payments to be paid by the relevant Noteholders on such Quarterly Payment Date, in accordance with the Subscription Agreements, provided that, should such Notes Further Instalment Payments be paid following such Quarterly Payment Date, the relevant funds (net of the relevant Required Debt Service Reserve Amount) shall be directly applied to pay the Initial Purchase Price of the relevant Additional Portfolio in accordance with the Transaction Documents;
- (ix) any amount credited to the Principal Accumulation Account on the Quarterly Payment Date immediately preceding such Quarterly Payment Date as Principal Deficiency Amount and not utilised to purchase Subsequent Portfolios or Additional Portfolios;
- (x) any amount paid into the Payments Account from the Collateral Account in accordance with Clause 6.11.2 of the Cash Allocation, Management and Payments Agreement;

- (xi) any other amount received during the Quarterly Settlement Period immediately preceding such Quarterly Payment Date, not included in any of the items above (but excluding any amount expressly excluded from the Issuer Available Funds pursuant to any of the items above and below);
- (xii) following delivery of a Trigger Notice or upon exercise of the Optional Redemption or Redemption for Taxation, all proceeds from the sale of the Receivables (also if credited to the Accounts following the Quarterly Settlement Date immediately preceding such Quarterly Payment Date),

but excluding: (i) any Principal Instalment collected and/or recovered in such Quarterly Settlement Period and utilised on (or about) a Monthly Payment Date towards payment of the Initial Purchase Price of any Additional Portfolio, (ii) any Residual Optional Instalment collected by the Issuer in the immediately preceding Quarterly Settlement Period and (iii) any Excess Indemnity Amount.

"Issuer's Rights" mean any and all the Issuer's rights and powers under the Transaction Documents.

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

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

"Junior Notes" means the up to Euro 168,924,912 Class B Asset Backed Floating Rate Notes due April 2040.

"Junior Notes Subscription Agreement" means the subscription agreement in relation to the Junior Notes executed on or about the Issue Date, between the Issuer, the Initial 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.

"Junior Notes Further Instalment Payment" means any further instalment payment made by the Junior Noteholders on each Quarterly Payment Date or on each Monthly Payment Date, as the case may be, falling in the Ramp-Up Period, in accordance with the Junior Notes Subscription Agreement.

"Junior Notes Further Instalment Request" means the request of irrevocable order of payment made by the Computation Agent (on behalf of the Issuer) with respect to a Junior Notes Further Instalments pursuant to the Junior Notes Subscription Agreement.

"Junior Notes Further Instalment Request Date" means 4th Business Day prior to each Monthly Payment Date or Quarterly Payment Date, as the case may be.

"Junior Notes Initial Instalment Payment" means the initial instalment payment made by the Initial Junior Notes Subscriber in respect of the Junior Notes on the Issue Date, in accordance with the Junior Notes Subscription Agreement, equal to Euro 127,005,989.34.

"Junior Notes Maximum Amount" means Euro 168,924,912.

"Junior Notes Ratio" means 35%.

"Latest Report" has the meaning ascribed to such term in Condition 6.1(B).

"Lease Contract" means each financial leasing agreement between the Originator and a Lessee for the lease of an Asset (as subsequently amended and supplemented), from which the Receivables comprised in the Portfolios (satisfying and as selected pursuant to the Eligibility Criteria) arise.

"Lessees" means the parties which have signed the Lease Contracts with the Originator, and **"Lessee"** means each of them.

"Letter of Undertaking" means the letter of undertaking entered into about the Issue Date among the Issuer, the Representative of the Noteholders and the Originator, in accordance with the provisions therein contained, and including any agreement or other document expressed to be supplemental thereto.

"Local Business Day" means any day (other than Saturday or Sunday) on which banks are open for business in Milan and the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET 2) System (or any successor thereto) is open.

"Mandate Agreement" means the mandate agreement executed 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 executed 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.

"Master Hedging Agreement" means:

- (a) the 1992 ISDA Master Agreement (Multicurrency - Cross Border), together with a Schedule and a credit support annex (the **"Credit Support Annex"**) thereto (collectively, the **"ISDA Master Agreement"**), each dated on or prior to the Issue Date, and each confirmation (each, a **"Hedging Confirmation"**) thereunder, pursuant to which the Issuer has hedged its potential floating interest rate exposure in relation to its obligations under the Senior Notes; and
- (b) any other Master Hedging Agreement replacing the initial Master Hedging Agreement or replacing any further terminated Master Hedging Agreement entered into between the Issuer and a Hedging Counterparty in the context of the Transaction,

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 Receivables Purchase Agreement" means the master receivables purchase agreement entered into between the Issuer and the Originator on 11 February 2011 and amended on 2 March 2011, and 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 Purchase Amount" means on each Payments Report Date and with reference to the immediately preceding Settlement Date:

- (a) during the Ramp-Up Period, with respect to each Payment Date, the difference, if positive, between (i) Euro 461,540,296.62 and (ii) the Outstanding Amount of the Collateral Portfolio as at such Settlement Date; and

(b) after the Ramp-Up Period End Date, the Principal Deficiency Amount,

in any case within the limit of the Monthly Issuer Available Funds or the Issuer Available Funds available to such purpose on the relevant 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.

"Monte Titoli" means Monte Titoli S.p.A., with registered office at Via Mantegna 6, 20124 Milan, Italy.

"Monte Titoli Account Holder" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli.

"Monthly Issuer Available Funds" on each Monthly Payment Date during the Ramp-Up Period the Monthly Issuer Available Funds shall comprise the aggregate amounts (without duplication) of:

- (i) the Notes Instalment Payments to be paid by the relevant Noteholders on such Monthly Payment Date, in accordance with the Subscription Agreements;
- (ii) the Principal Deficiency Amount credited to the Principal Accumulation Account on the immediately preceding Quarterly Payment Date, deducted by any amount already utilised to purchase Additional Portfolios; and
- (iii) any Principal Instalment collected in the immediately preceding Monthly Settlement Period (and in any Monthly Settlement Period falling after the immediately preceding Quarterly Payment Date to the extent not already utilised to purchase Additional Portfolios).

"Monthly Payment Date" means, during the Ramp-Up Period the First Monthly Payment Date and thereafter the twentieth day of each month, or, if such day is not a Business Day, the immediately following Business Day (provided that no Monthly Payment Date will fall in any month on which a Quarterly Payment Date falls).

"Monthly Pre-Enforcement Priority of Payments" means the order of priority in which the Monthly Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice in accordance with Condition 6.1 (A) (*Priority of Payments - Pre-Enforcement Priorities of Payments – Monthly Pre-Enforcement Priority of Payments*).

"Monthly Settlement Date" means, during the Ramp-Up Period, the last day of each calendar month. The First Monthly Settlement Date will fall on 28 February 2011.

"Monthly Settlement Period" means, during the Ramp-Up Period, each one month period commencing on (but excluding) a Monthly Settlement Date and ending on (and including) the immediately following Monthly Settlement Date; provided that the first Monthly Settlement Period commences on the Valuation Date of the Initial Portfolio (included) and will end on the First Monthly Settlement Date (included).

"Monthly Settlement Report" means, during the Ramp-Up Period, a report which the Servicer has undertaken to deliver on each Monthly Settlement Report Date in case the Originator intends to transfer an Additional Portfolio, setting out the performance of the Receivables, provided that each Monthly Settlement Report shall be substantially in the form of schedule 3 of the Servicing Agreement.

"Monthly Settlement Report Date" means, during the Ramp-Up Period, the fifth Local Business Day following a Monthly Settlement Date.

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

"Noteholders" means the holders of the Senior Notes and the Junior Notes, collectively, and **"Noteholder"** means any of them.

"Notes" means, collectively, the Senior Notes and the Junior Notes, and **"Note"** means any of them.

"Notes Initial Instalment Payments" means, collectively, the Senior Notes Initial Instalment Payment and the Junior Notes Initial Instalment Payment.

"Notes Further Instalment Payment" means, collectively, the Senior Notes Further Instalment Payment and the Junior Notes Further Instalment Payment.

"Notes Further Instalment Request" means a Senior Notes Further Instalment Request or a Junior Notes Further Instalment Request, as the case may be.

"Notes Further Instalment Request Date" means a Senior Notes Further Instalment Request Date or a Junior Notes Further Instalment Request Date, as the case may be.

"Offer Notice" means in respect of any Portfolio, the relevant sale notice as provided for by the Master Receivables Purchase Agreement and **"Offer Notices"** means all of them.

"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 Alba Leasing S.p.A..

"Other Issuer Creditors" means the Originator, the Representative of the Noteholders, the Paying Agent, the Computation Agent, the Account Bank, the Custodian Bank, the Servicer, the Cash Manager, the Corporate Services Provider, the Sole Quotaholder, the Hedging Counterparty, the Back-Up Servicer, the Initial Senior Notes Subscriber and the Initial Junior Notes Subscriber.

"Outstanding Amount" means, on any date and with respect to each Receivable, the sum of (i) all the Principal Instalments due but unpaid, outstanding as of such date pursuant to the amortisation schedule of the relevant Lease Contract, plus (ii) the Outstanding Principal.

"Outstanding Principal" means, on any date and with respect to each Receivable, the difference between (i) the sum of all the Instalments plus the Residual Optional Instalment that are not yet due as of such date pursuant to the amortisation schedule of the relevant Lease Contract, discounted at the Contractual Interest Rate and (ii) the Residual Optional Instalment.

"Paying Agent" means The Bank of New York Mellon (Luxembourg) S.A., Italian Branch or any other entity acting as paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

"Payment Date" means a Monthly Payment Date or the Quarterly Payment Date, as the case may be.

"Payments Report Date" (*Data del Rapporto di Pagamento*) means the date falling 4 (four) Business Days prior to each relevant Payment Date.

"Payments Account" means the Euro denominated account (IBAN code n. IT73Z0335101600004430439780) opened with the Account Bank or any other account opened in accordance with the Cash Allocation, Management and Payment Agreement with any Eligible Institution for the deposit, *inter alia*, of all amounts received from any party to a Transaction Documents to which the Issuer is a party, other than amounts expressly provided to be paid on other Accounts.

"Payments Report" means, as applicable, (i) the quarterly report (or, after a Trigger Notice has been served upon the Issuer following the occurrence of the Trigger Event, the report to be prepared quarterly or upon reasonable request by the Representative of the Noteholders) setting out all payments and information set forth in Clause 8.1.1 and 8.1.3 (as applicable) of the Cash Allocation, Management and Payments Agreement, or (ii) the monthly report setting out all payments and information set forth in Clause 8.1.2 and 8.1.3 (as applicable) of the Cash Allocation, Management and Payments Agreement, which shall be delivered by the Computation Agent to the Issuer, the Representative of the Noteholders, the Servicer, the Paying Agent, the Hedging Counterparty, the Account Bank, Custodian Bank, the Cash Manager, the Corporate Services Provider and the Originator on each Payments Report Date immediately preceding (i) a Quarterly Payment Date or (ii) a Monthly Payment Date immediately succeeding the delivery by the Servicer of the Monthly Settlement Report, pursuant to the Cash Allocation, Management and Payments Agreement.

"Portfolio" means, as the case may be, the Initial Portfolio or any Additional Portfolio or Subsequent Portfolio.

"Post-Enforcement Priority of Payments" means the order of priority in which the Issuer Available Funds shall be applied after the delivery of a Trigger Notice in accordance with Condition 13.1.

"Pre-Enforcement Priorities of Payments" means the Monthly Pre-Enforcement Priority of Payments and the Quarterly Pre-Enforcement Priority of Payments.

"Principal Accumulation Account" means the Euro denominated account IBAN No. IT21A0335101600004430449780 opened with the Account Bank or any other account opened with any Eligible Institution in accordance with the Cash Allocation, Management and Payment Agreement.

"Principal Amount Outstanding" means, on any date and in relation to each Class of Notes: (i) the aggregate of the relevant Notes Initial Instalment Payment and of all Notes Further Instalment Payments made in respect thereof, minus (ii) the aggregate of all principal repayments made in respect thereof.

"Principal Deficiency Amount" means the amount, as calculated by the Computation Agent on each Payments Report Date immediately preceding a Quarterly Payment Date, equal to:

- (A) during the Ramp-Up Period, the difference, if positive, between (i) the lower of (1) Euro 468,924,912.00; and (2) the Principal Amount Outstanding of the Notes (taking into account the Notes Further Instalment Payments to be made on such Quarterly Payment Date), and (ii) the Outstanding Amount of the Collateral Portfolio plus the Debt Service Reserve Amount credited into the Debt Service Reserve Account on

such Quarterly Payment Date; and

- (B) after the Ramp-Up Period End Date, the difference, if positive, between: (i) the Principal Amount Outstanding of the Notes and (ii) Outstanding Amount of the Collateral Portfolio plus the Debt Service Reserve Amount credited into the Debt Service Reserve Account on such Quarterly Payment Date.

"Principal Instalments" means, with respect to each Receivable, the principal component of the Instalments of such Receivables (excluding for the avoidance of doubt the Residual Optional Instalment).

"Priority of Payments" means, collectively, the Pre-Enforcement Priorities of Payments and the Post-Enforcement Priority of Payments.

"Pro Rata Share" (*Quota Parte*) means, in respect of each Receivables, the percentage equivalent to the ratio between:

- (i) the sum of: (a) the value, discounted at the relevant estimate date and determined in accordance with the relevant Index Rate, of the Instalments and of the Residual 'Optional Instalment not yet due as such date; and (b) the aggregate sum of all the Instalments and the Residual Optional Instalment comprised in such Receivable, due but unpaid as of such date and any relevant penalty payments (net of VAT); and
- (ii) all instalments and the Residual Optional Instalment comprised in such Receivable, not yet due, discounted at the relevant estimate date in accordance with the relevant Index Rate, plus the Instalments and the Residual Optional Instalment due but unpaid comprised in the Lease Contract, plus and any relevant penalty payments, plus the Residual Optional Instalment, plus accrued VAT.

"Prospectus" means the final prospectus prepared in relation to the Notes.

"Purchase Termination Event" has the meaning ascribed to such term in Condition 15.

"Purchase Termination Event Notice" means the notice to be delivered to the Issuer, the Originator, the Servicer and the Computation Agent by the Representative of the Noteholders upon occurrence of a Purchase Termination Event, indicating that (i) the Purchase Termination Event has occurred; (ii) the Originator is not anymore allowed to sell the Receivables to the Issuer (which is not anymore allowed to purchase Receivables from the Originator); (iii) the Ramp-Up Period and the Revolving Period have elapsed.

"Quarterly Interest Period" means (a) any Initial Interest Period, and (b) (i) during the Ramp-Up Period, each period from (and including) a Quarterly Payment Date to (but excluding) the next following Quarterly Payment Date; and (ii) afterwards, each period from (and including) a Quarterly Payment Date to (but excluding) the next following Quarterly Payment Date.

"Quarterly Payment Date" means the First Quarterly Payment Date and thereafter the twentieth day of January, April, July and October of each year or, if such day is not a Business Day, the immediately following Business Day. The First Quarterly Payment Date will fall on 20 April 2011.

"Quarterly Pre-Enforcement Priority of Payments" means the order of priority in which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice in accordance with Condition 6.1 (B) (*Priority of Payments - Pre-Enforcement Priorities of Payments – Quarterly Pre-Enforcement Priority of Payments*).

"Quarterly Settlement Date" means the last calendar day of March, June, September and December. The First Quarterly Settlement Date will fall in 31 March 2011.

"Quarterly Settlement Period" means each three months period commencing on (but excluding) a Quarterly Settlement Date and ending on (and including) the immediately following Quarterly Settlement Date, *provided that* the first Quarterly Settlement Period commences on the Valuation Date of the Initial Portfolio) (included) and ends on First Quarterly Settlement Date (included).

"Quarterly Settlement Report" means a report which the Servicer has undertaken to deliver on each Quarterly Settlement Report Date, setting out the performance of the Receivables, provided that each Quarterly Settlement Report shall be substantially in the form of schedule 2 of the Servicing Agreement.

"Quarterly Settlement Report Date" means the fifth Local Business Day following a Quarterly Settlement Date.

"Quota Capital Account" means the Euro denominated account opened by the Issuer with Banca Antonveneta S.p.A., Conegliano Branch IBAN IT 42 E 05040 61621 000001230226, to which the contributed quota capital of the Issuer is deposited, or any other account that shall be opened by the Issuer in substitution of such account in accordance with the Cash Allocation, Management and Payment Agreement.

"Quotaholder Agreement" means the quotaholder agreement entered into between the Issuer, the Representative of the Noteholders, and the Sole Quotaholder on or about the Issue Date, 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.

"Ramp-Up Period" means the first phase of the Transaction, which will start on the Issue Date and end on the Ramp-Up Period End Date.

"Ramp-Up Period End Date" means the earlier of (i) the date on which the Principal Amount Outstanding of the Senior Notes is equal to Euro 300,000,000, (ii) the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered and (iii) the Monthly Payment Date falling on September 2011 (included).

"Rate of Interest" shall have the meaning ascribed to it in Condition 7.2 (*Interest - Rate of Interest*).

"Receivable" means the right to receive from a Lessee the payment of any amount at any time and for any cause due (within the limits indicated under the relevant Eligibility Criteria and excluding any amount due before the relevant Valuation Date (excluded)) pursuant to the relevant Lease Contract (and each contract, deed, agreement or document related to that Lease Contract), including, without limitation:

- (i) the Instalments;
- (ii) the Agreed Prepayments;
- (iii) the Residual Optional Instalment;
- (iv) default interest and/or other interest arising as a consequence of payment deferrals granted by the Originator, in each case, accrued and unpaid until the date of purchase of such Receivable and any other such interest payments which are to mature thereafter, on all amounts outstanding from the Lessees under the Lease Contracts;

- (v) amounts due as penalties;
- (vi) any increase in Instalments as a result of any amendment to the Lease Contracts;

but excluding in all cases:

- (a) amounts due by way of VAT; and
- (b) default interests in respect of amounts due under (a) above,

provided always that if only part of the Instalments under a Lease Contract have been assigned, the receivables under item (iv) and (v) above will be deemed to have been assigned only with respect to the relevant Pro Rata Share.

"Recoveries" means the recoveries, surety payments, insurance proceeds and penalties received in respect of any Defaulted Receivables, and **"Recovery"** means each such recovery.

"Reference Banks" means three (3) major banks in the Euro-Zone inter-bank market selected by the Issuer with the approval of the Representative of the Noteholders in accordance with Condition 7.7 (*Reference Banks and Paying Agent*). The initial Reference Banks shall be JP Morgan Chase, BNP Paribas S.A. and Unicredit Banca S.p.A.

"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 EURIBOR" means:

- (i) for the Initial Interest Period applicable to the Notes Initial Instalment Payments, the interpolation of the Euribor for 1 month Euro deposits and the Euribor for 2 month Euro deposits;
- (ii) for the Initial Interest Period applicable to a subsequent Notes Further Instalment Payment made on or about a Monthly Payment Date, the Euribor for two month Euro deposits (or the applicable interpolation between Euribor for two month Euro deposits and the Euribor for three month Euro deposits) or the Euribor for one month Euro deposits (or the applicable interpolation between Euribor for one month Euro deposits and the Euribor for two month Euro deposits), as applicable;
- (iii) during the Ramp-Up Period for the Principal Amount Outstanding as of each Quarterly Payment Date (taking into account also the subsequent Further Instalment Payments made on or about such Quarterly Payment Date), the Euribor for three month Euro deposits; and
- (iv) AFTERWARDS, the Euribor for three month Euro deposits,

in each case

- (a) as it appears on Reuters page Euribor01 or (aa) such other page as may replace Reuters page Euribor01 on that service for the purpose of displaying such information or (bb) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the Reuters page Euribor01 (the **"Screen Rate"**) at or about 11.00 a.m. (Brussels time) on the relevant Interest Determination Date; or

- (b) if the Screen Rate is unavailable at such time for the Relevant Euribor, then the rate for the relevant Quarterly Interest Period shall be 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 and communicated by the latter to the Computation Agent by each of the Reference Banks as the rate at which the Relevant Euribor in a similar representative amount are offered by that Reference Bank to leading banks in the Euro-zone inter-bank market at or about 11.00 a.m. (Brussels time) on that date; or
- (c) if on any relevant Interest Determination Date, the Screen Rate is unavailable and only two of the Reference Banks provide such offered quotations to the Paying Agent the relevant rate shall be determined in the manner specified in (b) above, on the basis of the offered quotations of those Reference Banks providing such quotations; or
- (d) if, on any relevant Interest Determination Date, the Screen Rate is unavailable and:
 - (i) only one of the Reference Banks provides the Paying Agent with such an offered quotation, the relevant rate shall be the determined on the basis of such offered quotation;
 - (ii) none of the Reference Banks provides the Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a), (b) or (c) above shall have applied.

"**Relevant Trigger**" means, in relation to each Quarterly Payment Date:

Quarterly Payment Date	<i>Trigger</i>
April 2011	2.25%
July 2011	2.25%
October 2011	2.75%
January 2012	3.50%
April 2012	4.00%
July 2012	5.00%
October 2012	6.00%
January 2013	6.50%

"**Representative of the Noteholders**" means Securitisation Services S.p.A. or any other entity acting as representative of the Noteholders pursuant to the Subscription Agreements and/or the Terms and Conditions from time to time.

"**Required Debt Service Reserve Amount**" means, with respect to any Payment Date during the Ramp-Up Period (or the immediately following date on which the Formalities have been perfected), and to the purpose of the relevant Junior Notes Further Instalment Payment and the relevant Junior Notes Further Instalment Request Date, an amount equal to:

- (i) the difference, if positive, between (a) the aggregate Outstanding Principal of all of the Portfolios as of the immediately preceding Valuation Date (taking into account

also the Additional Portfolio to be purchased on such Payment Date), and (b) the aggregate Outstanding Principal of all of the Portfolios as of the immediately preceding Valuation Date (without taking into account the Additional Portfolio to be purchased on such Payment Date); *multiplied by*

(ii) 1.60%.

"Residual Optional Instalment" means the residual price (*riscatto*) due from a Lessee at the end of the contractual term of a Lease Contract (if the Lessee elects to exercise its option to purchase the related Asset) the Receivables of which have been assigned under the terms of the Master Receivables Purchase Agreement. In case the transfer of one or more Portfolios have as object only part of the receivables deriving from the relevant Lease Contracts, as Residual Optional Instalments shall be intended only the one comprised in the relevant transfer.

"Retention Amount" means Euro 20,000.

"Revolving Period" means the second phase of the Transaction (excluding the case in which the Ramp-Up Period End Date is the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered), which will commence on (but excluding) the Ramp-Up Period End Date and end on the earlier of (i) the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered and (ii) the Quarterly Payment Date falling on January 2013 (included).

"Revolving Period End Date" means the date which falls (i) at the end of the Revolving Period, or (ii) at the end of the Ramp-Up Period in case the Ramp-Up Period End Date is the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered.

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

"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.

"Securitisation" means the Transaction.

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

"Security" means, collectively, the security created under the Deed of Pledge and under the Deed of Charge.

"Security Documents" means, collectively, the Deed of Pledge and the Deed of Charge.

"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.

"Senior Noteholder" means any holder of a Senior Note and **"Senior Noteholders"** means all of them.

"**Senior Notes**" means the up to Euro 300,000,000 Class A Asset Backed Floating Rate Notes due April 2040.

"**Senior Notes Further Instalment Payment**" means any further instalment payment made by the Senior Noteholders on each Quarterly Payment Date or on each Monthly Payment Date, as the case may be, falling in the Ramp-Up Period, in accordance with the Senior Notes Subscription Agreement.

"**Senior Notes Further Instalment Request**" means the request of irrevocable order of payment made by the Computation Agent (on behalf of the Issuer) with respect to a Senior Notes Further Instalments pursuant to the Senior Notes Subscription Agreement.

"**Senior Notes Further Instalment Request Date**" means 4th Business Day prior to each Monthly Payment Date or Quarterly Payment Date, as the case may be.

"**Senior Notes Initial Instalment Payment**" means the initial instalment payment made by the Initial Senior Notes Subscriber in respect of the Senior Notes on the Issue Date, in accordance with the Senior Notes Subscription Agreement, equal to Euro 225,557,084.90.

"**Senior Notes Maximum Amount**" means Euro 300,000,000.

"**Senior Notes Ratio**" means 65%.

"**Senior Notes Subscription Agreement**" means the subscription agreement in relation to the Senior Notes executed on or about the Issue Date, between the Issuer, the Initial Senior Notes Subscriber, 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.

"**Servicer**" means Alba Leasing S.p.A. or any other entity acting as Servicer pursuant to the Servicing Agreement from time to time.

"**Servicer's Reports**" means, collectively, the Monthly Settlement Report and the Quarterly Settlement Report.

"**Servicer Termination Event**" has the meaning ascribed to it in clause 11.2 of the Servicing Agreement.

"**Servicer's Fee**" means the fee due to the Servicer pursuant to the Servicing Agreement.

"**Servicing Agreement**" means the servicing agreement entered into on 11 February 2011 between the Issuer and the Servicer in order to administer and service the Receivables comprised in the Portfolios and 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.

"**Settlement Date**" means a Monthly Settlement Date or a Quarterly Settlement Date, as the case may be.

"**Settlement Report Date**" means a Monthly Settlement Report Date or a Quarterly Settlement Report Date, as the case may be.

"**Sole Quotaholder**" means SVM - Securitisation Vehicles Management S.r.l..

"**Step Up Date**" means the Quarterly Payment Date falling on October 2012.

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

"Subsequent Portfolio" means any portfolio of Receivables which will be purchased by the Issuer during the Revolving Period.

"Subsequent Transfer Agreement" means, collectively, each Offer Notice of an Additional Portfolio or Subsequent Portfolio, as the case may be, and the relevant acceptance.

"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 and **"Condition"** means any of those.

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

"Transaction Documents" means the Master Receivables Purchase Agreement, the Transfer Agreements, the Servicing Agreement, the Back-Up Servicing Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payment Agreement, the Mandate Agreement, the Deed of Pledge, the Deed of Charge, the Master Hedging Agreement, the Corporate Services Agreement, the Senior Notes Subscription Agreement, the Junior Notes Subscription Agreement, the Quotaholder Agreement, the Master Definitions Agreement, the Letter of Undertaking and the Terms and Conditions and any other deed, act, document or agreement executed in the context of the Securitisation.

"Transfer Agreement" means the First Transfer Agreement or each Subsequent Transfer Agreement, as the case may be.

"Transfer Date" means the date of the entering into of the Initial Transfer Agreement or of the Subsequent Transfer Agreement, as the case may be.

"Trigger Event" means any of the events described in Condition 13.1 (*Trigger Events*).

"Trigger Notice" means the notice described in Condition 13.1 (*Trigger Events*).

"Valuation Date" means the valuation date of each Portfolio indicated in the relevant Offer Notice.

2. PARTLY PAID NOTES

2.1 Partly paid notes

The Notes will be issued on a partly paid basis, pursuant to the terms provided for under this Condition 2 (*Partly paid notes*), and as a consequence thereof:

- (A) on the Issue Date the following initial instalment payment will be made in respect of each Class of Notes: (i) Euro 225,557,084.90 in respect of the Senior Notes (the **"Senior Notes Initial Instalment Payment"**); and (ii) Euro 127,005,989.34 in respect of the Junior Notes (the **"Junior Notes Initial Instalment Payment"** and together with the Junior Notes Initial Instalment Payment, the **"Notes Initial Instalment Payments"**); and
- (B) during the Ramp-Up Period, each of the Initial Senior Notes Subscriber and the Initial

Junior Notes Subscriber may be requested, in accordance with the Transaction Documents, to make further instalment payments in respect of the relevant Class of Notes held by it and, in particular: (i) the Senior Notes, up to the Senior Notes Maximum Amount; (ii) the Junior Notes, up to the Junior Notes Maximum Amount (such further instalment payments, the "**Notes Further Instalment Payments**").

2.2 Notes Initial Instalment Payments

On the Issue Date, the respective Notes Initial Instalment Payment will be paid by the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber, in accordance with the relevant Subscription Agreement.

2.3 Senior Notes Further Instalment Payments

During the Ramp-Up Period the Issuer, through the Computation Agent, may request the Initial Senior Notes Subscriber, by making a request of irrevocable order of payment (the "**Senior Notes Further Instalment Request**"), to effect one or more payments in order to fund the payment of the Initial Purchase Price of one or more Additional Portfolios and increase the Principal Amount Outstanding of the Senior Notes by paying to the Issuer an additional subscription payment (the "**Senior Notes Further Instalment Payment**") equal to the Senior Notes Ratio of the following amount:

- (i) the Initial Purchase Price of the Additional Portfolio to be paid in accordance with the Master Receivables Purchase Agreement and the relevant Transfer Agreement; *less*
- (ii) the Monthly Issuer Available Funds or the Issuer Available Funds, as the case may be, (but excluding the relevant Notes Further Instalment Payment) available, in accordance with the Monthly Pre-Enforcement Priority of Payments or the Quarterly Pre-Enforcement Priority of Payments, as the case may be, for payment of the amount under item (i) above, as calculated by the Computation Agent on the same Payments Report Date;

provided that the Issuer may request the Initial Senior Notes Subscriber to pay the relevant Senior Notes Further Instalment Payment for an amount not higher than the difference between the Senior Notes Maximum Amount and the then current Principal Amount Outstanding of the Senior Notes.

Each Senior Notes Further Instalment Request shall be sent by the Issuer (or the Computation Agent on its behalf) to the Initial Senior Notes Subscriber via fax and anticipated by e-mail (in accordance with the Senior Notes Subscription Agreement) not later than 4 Business Days prior to each Monthly Payment Date or Quarterly Payment Date, as the case may be (the "**Senior Notes Further Instalment Request Date**") and shall include the following information:

- (i) the relevant Senior Notes Further Instalment Payment as calculated by the Computation Agent in the relevant Payments Report;
- (ii) the portion of the Initial Purchase Price of the Additional Portfolio to be paid out of such Notes Further Instalment Payment and the Monthly Payment Date or the Quarterly Payment Date for such payment pursuant to the relevant Transfer Agreement;
- (iii) confirmation that no Trigger Event or Purchase Termination Event has occurred or arisen and is continuing.

Under the Senior Notes Subscription Agreement, the Initial Senior Notes Subscriber has irrevocably and unconditionally undertaken to pay on the later of (a) the relevant Monthly Payment Date or Quarterly Payment Date, as the case may be, and (b) the second Business Day following the receipt by the Initial Senior Notes Subscriber of the Computation Agent Notice (provided that on such date the other conditions precedent set forth in clause 8 (*Conditions Precedent*) of the Senior Notes Subscription Agreement are met or waived by the Initial Senior Notes Subscriber, the Senior Notes Further Instalments Payment specified in the relevant Senior Notes Further Instalment Request in accordance with the terms of the Senior Notes Subscription Agreement, without prejudice in any case to what provided by clause 7.6.4 of the Master Receivables Purchase Agreement.

Against payment by the Initial Senior Notes Subscriber of the relevant Senior Notes Further Instalment Payments, the Issuer shall procure that each such Senior Notes Further Instalment Payments is duly registered by the Paying Agent with the Monte Titoli Account Holders for the account of the Initial Senior Notes Subscriber.

Any failure by the Initial Senior Notes Subscriber to pay (or cause to be paid) the relevant Senior Notes Further Instalment Payments will result in a shortage of funds for the Issuer to fulfill its payment obligations in respect of the purchase price of Additional Portfolio(s) on the respective due date therefor, and it shall be liable to indemnify the Issuer from any loss, cost, expense or damages incurred by the Issuer as a direct consequence of its breach of its undertaking under this Condition 2.3 (*Senior Notes Further Instalment Payments*).

No Senior Notes Further Instalment Payments may be requested by the Issuer following the expiry of the Ramp-Up Period.

2.4 Junior Notes Further Instalment Requests

During the Ramp-Up Period the Issuer, through the Computation Agent, may request the Initial Junior Notes Subscriber, by making a request of irrevocable order of payment (the "**Junior Notes Further Instalment Request**"), to effect one or more payments in order to (i) fund the payment of the Initial Purchase Price of one or more Additional Portfolios and the relevant Required Debt Service Reserve Amount, and (ii) increase the Principal Amount Outstanding of the Junior Notes, by paying to the Issuer an additional subscription payment (the "**Junior Notes Further Instalment Payment**") equal to the sum of:

- (A) the Junior Notes Ratio of the following amount:
 - (i) the Initial Purchase Price of the Additional Portfolio to be paid in accordance with the Master Receivables Purchase Agreement and the relevant Transfer Agreement; *less*
 - (ii) the Monthly Issuer Available Funds or the Issuer Available Funds, as the case may be, (but excluding the relevant Notes Further Instalment Payment) available, in accordance with the Monthly Pre-Enforcement Priority of Payments or the Quarterly Pre-Enforcement Priority of Payments, as the case may be, for payment of the amount under item (i) above, as calculated by the Computation Agent on the same Payments Report Date, and
- (B) the relevant Required Debt Service Reserve Amount,

provided that (i) the Issuer may request the Initial Junior Notes Subscriber to pay the relevant Junior Notes Further Instalment Payment for an amount that shall be not higher than the difference between the Junior Notes Maximum Amount and the then current Principal Amount Outstanding of the Junior Notes and (ii) on the date on which a Senior Notes Further

Instalment Payment is to be made up to the Senior Notes Maximum Amount, the amounts under item (A) and (B) above will be increased up to the difference between the Junior Notes Maximum Amount and all the Junior Notes Initial Instalment Payment and Junior Notes Further Instalment Payments already paid.

Each Junior Notes Further Instalment Request shall be sent by the Issuer (or the Computation Agent on its behalf) to the Initial Junior Notes Subscriber via fax and anticipated by e-mail (in accordance with the Junior Notes Subscription Agreement) not later than 4 Business Days prior to each Monthly Payment Date or Quarterly Payment Date, as the case may be, (the "**Junior Notes Further Instalment Request Date**") and shall include the following information:

- (i) the relevant Junior Notes Further Instalment Payment as calculated by the Computation Agent in the relevant Payments Report;
- (ii) the portion of the Initial Purchase Price of the Additional Portfolio to be paid out of such Notes Further Instalment Payment and the Monthly Payment Date or the Quarterly Payment Date for such payment pursuant to the relevant Transfer Agreement;
- (iii) the Required Debt Service Reserve Amount;
- (iv) confirmation that no Trigger Event or Purchase Termination Event has occurred or arisen and is continuing.

Under the Junior Notes Subscription Agreement, the Initial Junior Notes Subscriber has irrevocably and unconditionally undertaken to pay on the later of (a) the relevant Monthly Payment Date or Quarterly Payment Date, as the case may be, and (b) the second Business Day following the receipt by the Initial Junior Notes Subscriber of the Computation Agent Notice (provided that on such date the other conditions precedent set forth in clause 6 (*Conditions Precedent*) of the Junior Notes Subscription Agreement are met or waived by the Initial Junior Notes Subscriber), the Junior Notes Further Instalments Payment specified in the relevant Junior Notes Further Instalment Request in accordance with the terms of the Junior Notes Subscription Agreement.

Against payment by the Initial Junior Notes Subscriber of the relevant Junior Notes Further Instalment Payments, the Issuer shall procure that each such Junior Notes Further Instalment Payments is duly registered by the Paying Agent with the Monte Titoli Account Holders for the account of the Initial Junior Notes Subscriber.

Any failure by the Initial Junior Notes Subscriber to pay (or cause to be paid) the relevant Junior Notes Further Instalment Payments will result in a shortage of funds for the Issuer to fulfill its payment obligations in respect of the purchase price of Additional Portfolio(s) on the respective due date therefor, and it shall be liable to indemnify the Issuer from any loss, cost, expense or damages incurred by the Issuer as a direct consequence of its breach of its undertaking under this Condition 2.4 (*Junior Notes Further Instalment Requests*).

No Junior Notes Further Instalment Payments may be requested by the Issuer following the expiry of the Ramp-Up Period.

3. FORM, DENOMINATION AND TITLE

3.1 Form

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 Holder. Monte Titoli shall act as depository for Clearstream and Euroclear.

3.2 Denomination

The Senior Notes will be issued in the denomination of Euro 100,000 and the Junior Notes will be issued in the denomination of Euro 50,037. Upon issue, the Senior Notes will be subscribed by Duomo Funding P.l.c. as Initial Senior Notes Subscriber and the Junior Notes will be subscribed by Alba Leasing S.p.A. as Initial Junior Notes Subscriber.

3.3 Title

The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be evidenced by, and title thereto will be transferable by means of, book entries in accordance with the provisions of (i) article 83-*bis* of the Legislative Decree No. 58 of 24 February 1998; and (ii) Regulation 22 February 2008. No physical document of title will be issued in respect of the Notes.

3.4 Security Documents

Each Note is issued subject to and has the benefit of the Security Documents.

4. STATUS, PRIORITY AND SEGREGATION

4.1 Status

The Notes constitute secured limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is conditional upon the receipt and recovery by the Issuer of amounts due, and is limited to the extent of any amounts received or recovered by the Issuer, in each case, in respect of the Portfolios and the other Issuer's Rights. Notwithstanding any other provision of these Terms and Conditions, the obligation of the Issuer to make any payment under the Notes shall be equal to the lesser of (a) the nominal amount of such payment and (b) the Issuer Available Funds which may be applied for the relevant purpose in accordance with the applicable Priority of Payments, provided that if the Issuer Available Funds are insufficient to pay any amount due and payable to the Noteholders on any Quarterly Payment Date in accordance with the applicable Priority of Payments, the shortfall then occurring will not be due and payable until a subsequent Quarterly Payment Date on which the Issuer Available Funds may be used for such purpose in accordance with the relevant Priority of Payments and provided however that any claim towards the Issuer shall be deemed waived and cancelled on the Cancellation Date. Without prejudice to the foregoing, any payment obligations of the Issuer under the Notes which has remained unpaid to the extent referred to above upon the Cancellation Date, shall be deemed extinguished and the relevant claims irrevocably relinquished, waived and surrendered by the Noteholders to the Issuer and the Noteholders will have no further recourse to the Issuer in respect of such obligations. 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 under Article 1469 of the Italian Civil Code.

The Notes are obligations solely of the Issuer and they are not obligations of, or guaranteed by, any of the other parties to any of the Transaction Documents.

4.2 Segregation

The Notes are secured by certain assets of the Issuer pursuant to the Security Documents and in addition, by operation of the Securitisation Law, the Issuer's right, title and interest in and to the Portfolios is segregated from all other assets of the Issuer. Amounts deriving from the Portfolios will only be available, both prior to and following the winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors in accordance with the applicable Priority of Payments and to any third party creditors in respect of costs, fees and expenses incurred by the Issuer to such third party creditors in relation to the Transaction and to the corporate existence and good standing of the Issuer.

4.3 Ranking

Either prior to or after the service of a Trigger Notice, in respect of the obligations of the Issuer to pay interest and repay principal on the Notes, the Senior Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the Junior Notes; the Junior Notes will rank *pari passu* without preference or priority amongst themselves but subordinated to the Senior 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 the interests of the Noteholders of different Classes of Notes, the Representative of the Noteholders shall have regard only to the interests of the Class of Noteholders ranking higher in the applicable Priority of Payments, until such Class of Notes has been redeemed in full.

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 (a) with the prior written consent of the Representative of the Noteholders, or (b) 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 Portfolios 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 Portfolios 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* (subsidiary) or *società collegata* (affiliate) (as defined in Article 2359 of the Italian Civil Code) or any employees or premises; or

- (c) at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders; 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 kept by Bank of Italy under Article 106 of the Banking Act, for as long as the Securitisation Law, the 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 other than for the purposes of the Transaction; 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*: permit any of the Transaction Documents to which it is party to be amended, terminated or discharged if such amendment, termination or discharge may negatively affect the interest of the Noteholders, or exercise any powers of consent or waiver pursuant to the terms of any of the other Transaction Documents to which it is a party which may negatively affect the interest of the Noteholders, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations, if such release may negatively affect the interest of the Noteholders; or
- (viii) *Bank Accounts*: have an interest in any bank account other than the Accounts, the Quota Capital Account and any Collateral Account or any bank account opened in relation to any Further Securitisation; or
- (ix) *Statutory Documents*: amend, supplement or otherwise modify its *statuto* or *atto costitutivo*, except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities; or
- (x) *Centre of Interest*: become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administrated in Italy or cease to have its "centre of main interest" (as that term is used in Article 3(1) of the European Union Insolvency Regulation) in Italy; or
- (xi) *Branch outside Italy*: establish any branch or "establishment" (as that term is used in Article 2(h) of the European Union Insolvency Regulation) outside the Republic of Italy; or
- (xii) *Corporate Records*: cease to maintain corporate records, financial statements or books of account separate from those of any other person or entity; or

- (xiii) *Corporate Formalities*: cease to comply with all necessary corporate formalities.

5.2 Further Securitisations

Nothing in these Terms and Conditions or the other Transaction Documents shall prohibit the Issuer from:

- (i) acquiring, or financing pursuant to article 7 of the Securitisation Law, by way of separate transactions unrelated to this Transaction, further portfolios of monetary claims in addition to the Receivables either from the Originator or from any other entity;
- (ii) securitising such further portfolios (each, a "**Further Securitisation**") through the issue of further debt securities additional to the Notes (the "**Further Notes**");
- (iii) entering into agreements and transactions, with the Originator or any other entity, that are incidental to or necessary in connection with such Further Securitisation including, inter alia, the ring-fencing or the granting of security over such further portfolios and any right, benefit, agreement, instrument, document or other asset of the Issuer relating thereto to secure such Further Notes (the "**Further Security**"),

provided that:

- (A) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not comprise or extend over any of the Receivables or any of the other Issuer's Rights;
- (B) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of the Further Notes contain provisions to the effect that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such Further Notes, are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security;
- (C) the Issuer confirms in writing to the Representative of the Noteholders that each party to such Further Securitisation agrees and acknowledges that the obligations of the Issuer to such party in connection with such Further Securitisation are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security and that each creditor in respect of such Further Securitisation or the representative of the holders of such Further Notes has agreed to limitations on its ability to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer, on terms in all significant respects equivalent to those contained in the Intercreditor Agreement;
- (D) the Issuer (i) confirms in writing to the Representative of the Noteholders that such Further Securitisation shall not adversely affect the rating assigned to the Senior Notes (if any); and (ii) has notified in writing any rating agency which has eventually assigned a rating to the Senior Notes of its intention to carry out a Further Securitisation;
- (E) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of such Further Notes will include: (I) covenants by the Issuer in all significant respects equivalent to those covenants provided in paragraphs (A) to (D) above; and (II) provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this provision; and

- (F) the Representative of the Noteholders is satisfied that conditions (A) to (E) of this provision have been satisfied.

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 5.2 (*Further Securitisations*).

6. PRIORITY OF PAYMENTS

6.1 Pre-Enforcement Priorities of Payments

The Monthly Issuer Available Funds and the Issuer Available Funds, as the case may be, in respect of each Monthly Payment Date and Quarterly Payment Date, shall be applied in accordance with the orders of priority set out below.

(A) Monthly Pre-Enforcement Priority of Payments

On each Monthly Payment Date during the Ramp-Up Period, the Monthly Issuer Available Funds shall be applied (to the extent of the amounts necessary to such purpose) in or towards payment of the Initial Purchase Price due and payable to the Originator in respect of any Additional Portfolio.

Provided, however, that payments to the Originator under the Monthly Priority of Payments, if any, will be made on the later of: (i) the relevant Monthly Payment Date and (ii) the Business Day on which the relevant Formalities are finalised. In the latter case, such amounts will be retained by the Issuer in the Principal Accumulation Account until the Business Day on which the relevant Formalities are finalised, in accordance with the terms of the Master Receivables Purchase Agreement and the Cash Allocation Management and Payments Agreement.

Any Monthly Issuer Available Funds not necessary to pay the Initial Purchase Price of Additional Portfolios on a Monthly Payment Date shall remain to the balance of the Account on which are credited (and may be invested in Eligible Investments in accordance with the Cash Allocation, Management and Payment Agreement) and will be used as Monthly Issuer Available Funds or Issuer Available Funds, as the case may be, on the earlier of (i) the next following Monthly Payment Date in respect of which a sale of an Additional Portfolio is made and (ii) the next following Quarterly Payment Date.

(B) Quarterly Pre-Enforcement Priority of Payments

On each Quarterly Payment Date prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied in making or providing for the following payments in accordance with the following order of priority (the "**Quarterly Pre-Enforcement Priority of Payments**") (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) in or towards satisfaction of any and all taxes due and payable by the Issuer (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses);
- (ii) in or towards satisfaction of (a) *pari passu* and *pro rata* according to the respective amounts thereof of any due and payable Expenses (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses) thereafter (b) replenishment of the Expenses Account by an amount equal to the lower of (i) the Retention Amount and (ii) any Expenses and taxes paid during the immediately preceding Quarterly Settlement Period, and thereafter (c) the fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders;
- (iii) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Account Bank, the Custodian Bank, the Cash Manager, the Paying Agent, the Computation Agent, the Corporate Services Provider, the Back-Up Servicer, the Servicer and any Other Issuer Creditors (other than the Hedging Counterparty) to the extent not specifically provided under any of the following items;
- (iv) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Hedging Counterparty under the Master Hedging Agreement other than (1) any amounts payable pursuant to the Credit Support Annex and (2) any Hedging Subordinated Payment;
- (v) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of interest due and payable in respect of the Senior Notes;
- (vi) until the Quarterly Payment Date (excluded) on which the Senior Notes are redeemed in full or otherwise cancelled, to credit to the Debt Service Reserve Account an amount (if any) to bring the balance of such account to the Debt Service Reserve Amount;
- (vii) (a) during the Ramp-Up Period and the Revolving Period, to credit the Principal Deficiency Amount into the Principal Accumulation Account to be used to pay the Initial Purchase Price of the Additional Portfolios and the Subsequent Portfolios (provided that, for the avoidance of doubt, any remainder shall remain credited to the Principal Accumulation Account) and (b) during the Amortisation Period, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of principal due and payable in respect of the Senior Notes for an amount equal to the Issuer Available Funds available after payments under items from (i) to (vi) above having been made, provided however that on any Quarterly Payment Date (if any) falling between the Revolving Period End Date (included) and the beginning of the Amortisation Period (excluded), such amount shall be credited to the Principal Accumulation Account and form part of the Issuer Available Funds of the next succeeding Quarterly Payment Date;
- (viii) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any Hedging Subordinated Payment due and payable to the Hedging Counterparty under the Master Hedging Agreement;
- (ix) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts (other than the Deferred Purchase Price) due and payable by the Issuer to the Originator pursuant to the Transaction Documents;

- (x) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, any interest due and payable on the Junior Notes;
- (xi) upon redemption in full of the Senior Notes, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of principal due and payable in respect of the Junior Notes, provided however that prior to the beginning of the Amortisation Period, such amount shall be credited to the Principal Accumulation Account and form part of the Issuer Available Funds of the next succeeding Quarterly Payment Date;
- (xii) to pay any surplus to the Originator as Deferred Purchase Price;

provided, however, that:

- (A) payments to the Originator under item (vii)(a) above, if any, will be made on the later of: (i) the relevant Quarterly Payment Date and (ii) the Business Day on which the relevant Formalities are finalised. In the latter case, such amounts will be retained by the Issuer in the Principal Accumulation Account until the Business Day on which the relevant Formalities are finalised, in accordance with the terms of the Master Receivables Purchase Agreement and the Cash Allocation Management and Payments Agreement; and
- (B) (x) should the Computation Agent not receive the Quarterly Settlement Report within the third Business Day following the Quarterly Settlement Report Date, it shall prepare the relevant Payments Report by applying any amount standing to the credit of the Issuer's Accounts to pay item from (*first*) to (*sixth*) of the Quarterly Pre-Enforcement Priority of Payments (provided that, in respect to any amount to be calculated on the basis of the Quarterly Settlement Report, the Computation Agent shall take into account the amounts indicated in the latest available Quarterly Settlement Report, the Computation Agent shall take into account the amounts indicated in the latest available Quarterly Settlement Report (the "**Latest Report**")); and (y) the Computation Agent shall not be liable for any liability suffered or incurred by any other Party or by any Other Issuer Creditor as a result of taking into account the amounts indicated in the Latest Report. In addition, the Parties agree that the Computation Agent on the immediately following Payments Report Date, subject to having received the relevant Quarterly Settlement Report, shall prepare a Payments Report which shall provide for the necessary adjustment in respect of payments made on the basis of the Latest Report and in respect of amounts unpaid in the preceding Quarterly Payment Date.

The Issuer shall, if necessary, make the payments set out under item (i), (ii)(a) and (vii)(a) above also during the relevant Quarterly Interest Period.

6.2 Post-Enforcement Priority of Payments

Following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Quarterly Payment Date in making or providing for the following payments in the following order of priority (the "**Post-Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) in or towards satisfaction of any and all taxes due and payable by the Issuer (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such taxes);
- (ii) in or towards satisfaction of (a) *pari passu* and *pro rata* according to the respective

amounts thereof of any due and payable Expenses (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses) thereafter (b) replenishment of the Expenses Account by an amount equal to the lower of (i) the Retention Amount and (ii) any Expenses and taxes paid during the immediately preceding Quarterly Settlement Period, and thereafter (c) the fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders;

- (iii) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Account Bank, the Custodian Bank, the Cash Manager, the Paying Agent, the Computation Agent, the Corporate Services Provider, the Back-Up Servicer, the Servicer and any Other Issuer Creditors (other than the Hedging Counterparty) to the extent not specifically provided under any of the following items;
- (iv) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Hedging Counterparty under the Master Hedging Agreement other than (1) any amounts payable pursuant to the Credit Support Annex and (2) any Hedging Subordinated Payment;
- (v) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of interest due and payable in respect of the Senior Notes;
- (vi) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the principal amount outstanding of the Senior Notes, provided that such amount prior to the beginning of the Amortisation Period shall be credited to the Principal Accumulation Account and form part of the Issuer Available Funds of the next succeeding Quarterly Payment Date;
- (vii) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any Hedging Subordinated Payment due and payable to the Hedging Counterparty under the Master Hedging Agreement;
- (viii) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts (other than the Deferred Purchase Price) due and payable by the Issuer pursuant to the Transaction Documents;
- (ix) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of interest due and payable in respect of the Junior Notes;
- (x) upon redemption in full of the Senior Notes, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of principal due and payable in respect of the Junior Notes, provided however that prior to the beginning of the Amortisation Period, such amount shall be credited to the Principal Accumulation Account and form part of the Issuer Available Funds of the next succeeding Quarterly Payment Date;
- (xi) to pay any surplus to the Originator as Deferred Purchase Price.

The Issuer shall, if necessary, make the payments set out under items (i) and (ii)(a) above also during the relevant Quarterly Interest Period.

7. INTEREST

7.1 Quarterly Payment Dates and Quarterly Interest Periods

The Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at an annual rate equal to the Rate of Interest (as defined below).

Interest in respect of the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Quarterly Payment Date in accordance with the applicable Priority of Payments in respect of the Quarterly Interest Period ending immediately prior thereto. The First Quarterly Payment Date will be the Quarterly Payment Date falling on April 2011.

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

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes as from (and including) the due date for redemption of such part unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (after as well as before judgment) at the rate of interest from time to time applicable to the relevant Class of Notes until the monies in respect thereof have been received by the Representative of the Noteholders or the Paying Agent on behalf of the relevant Noteholders and notice to that effect is given in accordance with Condition 17 (*Notices*).

7.2 Rate of Interest

The rate of interest applicable from time to time in respect of the Notes (the "**Rate of Interest**") will be determined by the Paying Agent in respect of each Quarterly Interest Period on the relevant Interest Determination Date.

There shall be no maximum or minimum Rate of Interest. The Rate of Interest applicable to the Notes for each Quarterly Interest Period shall be:

- (i) in respect of the Senior Notes, the aggregate of: (a) the Relevant EURIBOR (as defined below), *plus* (b) the following margin: 1.25% *per annum* up to (but excluding) the Quarterly Payment Date falling on October 2012 (the "**Step Up Date**") and 1.75% thereafter;
- (ii) in respect of the Junior Notes, the aggregate of: (a) the Relevant EURIBOR (as defined below), *plus* (b) the following margin: 2% *per annum*.

7.3 Determination of the Rate of Interest and Calculation of the Interest Amount

On each Interest Determination Date, the Paying Agent shall:

- (a) determine the Rate of Interest applicable to the Notes for the Quarterly Interest Period beginning after such Interest Determination Date (or, in respect of the Initial Interest Period, beginning on and including the Issue Date);
- (b) calculate the Euro amount (the "**Interest Amount**") that will accrue on the Notes in respect of the immediately following Quarterly Interest Period. The Interest Amount in respect of any Quarterly Interest Period shall be calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of the Notes on the Quarterly Payment Date at the commencement of such Quarterly Interest Period (after deducting therefrom any payment of principal due on that Quarterly Payment Date) and by multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

7.4 Publication of the Rate of Interest and the Interest Amount

The Paying Agent shall cause the Rate of Interest, the relevant margin and the Interest Amount applicable to each Quarterly Interest Period (specifying (i) the Quarterly Payment Date to which such Interest Amount refers to; (ii) the number of days of the relevant Quarterly Interest Period; and (iii) the first day and last day thereof), to be notified promptly after their determination to Monte Titoli, Euroclear, Clearstream, the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank, the Custodian Bank, the Computation Agent, the Cash Manager, the Corporate Services Provider and the Hedging Counterparty and will cause the same to be published in accordance with Condition 17 (*Notices*) as soon as possible after the relevant Interest Determination Date, but in no event later than the first Business Day of the next following Quarterly Interest Period in respect of such relevant Interest Determination Date.

7.5 Determination or calculation by the Representative of the Noteholders

If the Paying Agent does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Amount 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 at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or
- (ii) calculate the Interest Amount in the manner specified in Condition 7.3 (*Interest - Determination of the Rate of Interest and Calculation of the Interest Amount*) above,

and any such determination and/or calculation shall be deemed to have been made by the Paying Agent.

7.6 Notifications to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 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 manifest error, wilful default (*dolo*) or gross negligence (*colpa grave*)) be binding on the Reference Banks, the Paying Agent, the Computation Agent, the Issuer, the Account Bank, the Representative of the Noteholders and all the 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.

7.7 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. The initial Reference Banks shall be JP Morgan Chase, BNP Paribas S.A. and Unicredit Banca S.p.A. 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. Any resignation of the Paying Agent shall not take effect until a successor has been duly appointed in accordance with the Transaction Documents. If a new Paying Agent is appointed a notice will be published in accordance with Condition 17 (*Notices*).

7.8 Unpaid Interest

Without prejudice to Condition 13.1 item (i) (*Trigger Events - Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Quarterly Payment Date (in accordance with the Quarterly Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable), for the payment of interest on the Notes on such Quarterly Payment Date are not sufficient to pay in full the relevant Interest Amount, the amount by which the aggregate amount of interest paid on such Quarterly Payment Date falls short of the Interest Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of these Terms and Conditions as if it were, Interest Amount accrued on the Notes on the immediately following Quarterly Payment Date. Any such unpaid amount shall not accrue additional interest.

The Paying Agent shall give notice in writing to the Issuer, the Servicer, the Representative of the Noteholders and Monte Titoli of any unpaid Interest Amount as resulting from any Payments Report and cause notice to that effect to be given to the Noteholders in accordance with Condition 17 (*Notices*), no later than 3 (three) Business Days prior to any Quarterly Payment Date on which the Interest Amount on the Notes will not be paid in full.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1 Final Maturity Date

Unless previously redeemed in full as provided for in this Condition 8 (*Redemption, Purchase and Cancellation*), the Issuer shall redeem in full the Notes at their Principal Amount Outstanding on the Final Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided for in Conditions 8.4 (*Redemption for Taxation*), 8.2 (*Mandatory Redemption*) or 8.3 (*Optional Redemption*) below, and without prejudice to Condition 13.1 (*Trigger Events*).

8.2 Mandatory Redemption

The Notes will be subject to mandatory redemption, in accordance with the applicable Priority of Payments, in full or in part on the Quarterly Payment Date falling in April 2013 and on each Quarterly Payment Date thereafter in accordance with this Condition 8.2 (*Mandatory Redemption*), in each case if and to the extent that on such dates there are sufficient Issuer Available Funds (including, for the avoidance of doubt, proceeds deriving from any sale of the Portfolios) which may be applied towards redemption of the Notes, in accordance with the applicable Priority of Payments set out in Condition 6 (*Priority of Payments*).

No mandatory redemption may occur prior to the Quarterly Payment Date falling in April 2013.

8.3 Optional Redemption

Unless previously redeemed in full, the Issuer may redeem the Notes (in whole but not in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to the date fixed for redemption and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes (or, with the prior consent of the Junior Noteholders, may redeem the Senior Notes (in whole) and the Junior Notes (in whole or in part) and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the relevant Notes to be redeemed), on

any Quarterly Payment Date falling on or after April 2013, in accordance with this Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), provided that 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 its outstanding liabilities in respect of the relevant Notes to be redeemed and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with such Notes.

Any such redemption shall be effected by the Issuer on giving not less than 30 days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*) and provided that the Issuer has, prior to giving such notice, certified to the Representative of the Noteholders and produced satisfactory evidence to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person) to discharge all its outstanding liabilities in respect of the relevant Notes to be redeemed and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with such Notes.

The Issuer may obtain the necessary funds in order to effect the early redemption of the Notes in accordance with this Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) through the sale of all or part of the Portfolios in accordance with the Transaction Documents and the relevant sale proceeds shall form part of the Issuer Available Funds and in this respect the Originator has been granted with an option right to purchase the Portfolios in accordance with the terms and conditions provided by the Master Receivables Purchase Agreement and the Intercreditor Agreement.

8.4 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 Quarterly Payment Date:

- (a) the Issuer or any other person would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) from any payment of principal or interest on any Class of Notes, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Italy or any political or administrative sub-division thereof or any authority thereof or therein (or that amounts payable to the Issuer in respect of the Portfolios would be subject to withholding or deduction); and
- (b) the Issuer will have the necessary funds (not subject to the interests of any other person) to discharge all its outstanding liabilities in respect of the relevant Notes to be redeemed and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with such Notes;

(hereinafter the event under (a) above, the "**Tax Event**"), then the Issuer may, on any such Quarterly Payment Date at its option having given not less than 30 days' prior notice in writing to the Representative of the Noteholders and to the Noteholders in accordance with the Terms and Conditions, redeem the Notes (in whole but not in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to the date fixed for redemption and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes (or, with the prior consent of the Junior Noteholders, may redeem the Senior Notes (in whole) and the Junior Notes (in whole or in part) and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the relevant Notes to be redeemed), in accordance with Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation*). No redemption for taxation shall occur prior to the Quarterly Payment Date falling in April 2013,

unless the Representative of the Noteholders determines that it would be prejudicial to the interest of the Senior Noteholders not to proceed with the redemption prior to such Quarterly Payment Date.

Following the occurrence of a Tax Event, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by the Senior Noteholders) direct the Issuer to, dispose of the Portfolios 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*) and as provided by the Intercreditor Agreement and the other Transaction Documents, provided that the Originator shall have in such circumstance a pre-emption right to purchase the Portfolios at the terms and conditions specified in the Intercreditor Agreement.

8.5 Calculation of Issuer Available Funds, Monthly Issuer Available Funds, Principal Amount Outstanding and Notes Further Instalment Payment

On each Payments Report Date immediately preceding a Quarterly Payment Date (on the basis, *inter alia*, of the information set out in the Quarterly Settlement Report provided by the Servicer), the Computation Agent shall determine, *inter alia*:

- (a) the amount of any principal payment due to be made on the Notes of each Class on the next following Quarterly Payment Date which falls during the Amortisation Period;
- (b) the Principal Amount Outstanding of the Notes of each Class on the next following Quarterly Payment Date (after deducting any principal payment due to be made on that Quarterly Payment Date) and the portion of Interest Amount that will not be paid in full on the following Quarterly Payment Date (if any);
- (c) the amount of the Debt Service Reserve Amount and, during the Ramp-Up Period, of the relevant Required Debt Service Reserve Amount;
- (d) the Issuer Available Funds (specifying (i) the Maximum Purchase Amount; (ii) the Principal Deficiency Amount; and (iii) the amount available on the immediately following Quarterly Payment Date for the purchase of an Additional Portfolio or a Subsequent Portfolio (if applicable)) and, in case of a Quarterly Payment Date falling in the Ramp-Up Period, the relevant Notes Further Instalment Payment (if any) to be requested to the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber);
- (e) prior to the Amortisation Period, the Initial Purchase Price of any Additional Portfolio or Subsequent Portfolio to be paid on the immediately following Quarterly Payment Date (on the basis of (i) the relevant Offer Notice and the relevant Issuer's acceptance and (ii) evidence given by the Corporate Service Provider (in accordance with clause 25.3 (*Purchase of any Additional Portfolio or Subsequent Portfolio*) of the Intercreditor Agreement) that the Formalities related to the transfer of such Portfolio have been finalised;
- (f) prior to the Amortisation Period, the Principal Deficiency Amount exceeding the Initial Purchase Price of the Additional Portfolio or Subsequent Portfolio to be paid on the immediately following Quarterly Payment Date;
- (g) the Deferred Purchase Price of the Receivables comprised in the Portfolios due on the immediately following Quarterly Payment Date and all other payments due to be done by the Issuer on the immediately following Quarterly Payment Date.

On each Payments Report Date immediately preceding a Monthly Payment Date immediately succeeding the delivery by the Servicer of the Monthly Settlement Report (on the basis, *inter alia*, of the information provided by the Servicer therein), the Computation Agent shall indicate, *inter alia*:

- (c) the Monthly Issuer Available Funds (specifying the relevant Notes Further Instalment Payment (if any) to be requested to the Initial Junior Notes Subscriber and the Initial Senior Notes Subscriber);
- (d) the Initial Purchase Price of any Additional Portfolio to be paid on the immediately following Monthly Payment Date (on the basis of (i) the relevant Offer Notice and the relevant Issuer's acceptance and (ii) evidence given by the Corporate Service Provider (in accordance with clause 25.3 (*Purchase of any Additional Portfolio or Subsequent Portfolio*) of the Intercreditor Agreement) that the Formalities related to the transfer of such Additional Portfolio have been finalised;
- (e) the Monthly Issuer Available Funds exceeding the Initial Purchase Price of the Additional Portfolio to be paid on the immediately following Monthly Payment Date; and
- (f) the relevant Required Debt Service Reserve Amount.

Each determination by or on behalf of the Issuer under this Condition 8.5 (*Calculation of Issuer Available Funds, Monthly Issuer Available Funds, Principal Amount Outstanding and Notes Further Instalment Payment*) shall in each case (in the absence of manifest error, wilful default (*dolo*) or gross negligence (*colpa grave*)) be final and binding on all persons.

The Issuer will, on each Payments Report Date immediately preceding a Quarterly Payment Date, cause each determination of a principal payment on the Notes (if any) and Principal Amount Outstanding on the Notes to be notified by the Computation Agent (through the Payments Report) to the Issuer, the Representative of the Noteholders, the Servicer, the Paying Agent, the Hedging Counterparty, the Account Bank, Custodian Bank, the Cash Manager, the Corporate Services Provider and the Originator. The Issuer will cause notice of each determination of a principal payment on the Notes and of Principal Amount Outstanding on the Notes to be given to Monte Titoli, Euroclear and Clearstream and in accordance with Condition 17 (*Notices*).

If no principal payment on the Notes or Principal Amount Outstanding on 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 - Calculation of Issuer Available Funds, Monthly Issuer Available Funds, Principal Amount Outstanding and Notes Further Instalment Payment*), such principal payment on the Notes and Principal Amount Outstanding on the Notes shall be determined by the Paying Agent 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

The Notes will be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Notes will (unless payment of any such amounts is improperly withheld or refused) be finally and definitively cancelled and waived on the Cancellation Date. Upon cancellation the Notes may not be resold or re-issued.

9. NON PETITION AND LIMITED RECOURSE

9.1 Non Petition

Only the Representative of the Noteholders may pursue the remedies available under the 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. In particular no Noteholder:

- 9.1.1 is entitled, otherwise than as 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;
- 9.1.2 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;
- 9.1.3 both before and following the delivery of a Trigger Notice, shall be entitled, until the date falling one year and one day after the date on which all the Notes and any other asset backed notes issued by the Issuer in the context of any Further Securitisation 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
- 9.1.4 both before and following the delivery of a Trigger Notice, 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,

provided however that this Condition 9.1 (*Non Petition*), (i) without prejudice to Condition 6 (*Priority of Payments*), shall not prevent the Noteholders from taking any steps against the Issuer which do not involve the commencement or the threat of commencement of legal proceedings against the Issuer or which may not lead to the declaration of insolvency or liquidation of the Issuer and (ii) shall not apply with respect to the right of the Originator to receive payment of (a) the Initial Purchase Price of the Initial Portfolio (decreased of an amount equal to the Retention Amount) and the Initial Purchase Price of any Additional Portfolios or Subsequent Portfolios, (b) the Excess Indemnity Amount and (c) any Residual Optional Instalment.

9.2 Limited recourse obligations of Issuer

Notwithstanding any other provision of the Transaction Documents and without prejudice to Condition 9.1 (*Non Petition*) and clause 2.3.3 of the Intercreditor Agreement:

- 9.2.1 all obligations of the Issuer to each Noteholder including, without limitation, the obligations under any Transaction Document to which such Noteholder is a party

(including any obligation for the payment of damages or penalties) but excluding in any case the obligation of payment of (i) the Initial Purchase Price of the Initial Portfolio (decreased of an amount equal to the Retention Amount) and of any other Portfolio, (ii) the Excess Indemnity Amount, (iii) any Residual Optional Instalment and (iv) any other amount which is expressly excluded from the Issuer Available Funds under the Transaction Documents, are limited recourse obligations of the Issuer and arise limited to the lower of (x) the nominal amount of such obligation and (y) the Issuer Available Funds which may be applied for the relevant purpose in accordance with the applicable Priority of Payments; in this regard, without prejudice to what provided for in Condition 13.1(i) (*Trigger Events - Non Payment*), if the Issuer Available Funds are insufficient to pay any amount due and payable to the Noteholders on any Quarterly Payment Date in accordance with the applicable Priority of Payments, the shortfall then occurring will not be due and payable until a subsequent Quarterly Payment Date on which the Issuer Available Funds may be used for such purpose in accordance with the relevant Priority of Payments, provided however that any claim towards the Issuer shall be deemed waived and cancelled on the Cancellation Date. Such shortfall will not accrue interest unless otherwise provided in the Transaction Documents;

- 9.2.2 each Noteholder acknowledges and agrees that it will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the 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;
- 9.2.3 each Noteholder acknowledges and agrees that the limited recourse nature of the obligations under the Notes or any Transaction Documents produces the effect of a *contratto aleatorio* and accepts the consequences thereof, including but not limited to the provision of article 1469 of the Italian civil code and will have an existing claim against the Issuer only in respect of the funds referred to in Condition 9.2.1 (a)(x) and (a)(y) above (as applicable) which may be applied for the relevant purpose as at the relevant date and will not have any claim, by operation of funds referred to in Condition 9.2.1(a)(x) or (a)(y) above) or its contributed equity capital or any other assets of the Issuer whatsoever;
- 9.2.4 each Noteholder acknowledges and agrees that all payments to be made by the Issuer to any Noteholder on each Quarterly Payment Date, whether under any Transaction Document to which such Noteholder is a party or otherwise, shall be made by the Issuer solely from the Issuer Available Funds;
- 9.2.5 each Noteholder undertakes not to make any claim or bring any action in contravention of the provisions of this Condition 9.2 (*Limited Recourse obligations of Issuer*); and
- 9.2.6 without prejudice to Condition 11.1 (*Non petition*), each Noteholder undertakes to enforce any judgment obtained by such Noteholder in any action brought under any of the Transaction Documents to which such Noteholder is a party or any other document relating thereto only against the Monthly Issuer Available Funds or the Issuer Available Funds, as the case may be and not against any other assets or property or the contributed capital of the Issuer or of any quotaholder, director, auditor or agent of the Issuer.

10. PAYMENTS

10.1 Payments through Monte Titoli

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 the relevant Monte Titoli Account Holder and thereafter credited by such Monte Titoli Account Holder from such aforementioned accounts to the accounts of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear and Clearstream.

10.2 Payments subject to fiscal 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 Payments on business days

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder (or the relevant Monte Titoli Account Holder).

10.4 Change of Paying Agent

The Issuer reserves the right at any time to revoke the appointment of the Paying Agent by not less than 60 (sixty) calendar days' prior written notice *provided, however*, that such revocation shall not take effect until a successor has been duly appointed in accordance with the Cash Allocation, Management and Payments Agreement and notice of such appointment has been given to the Noteholders 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, unless a case of interruption or suspension of the prescription applies in accordance with Italian law.

13. TRIGGER EVENTS

13.1 Trigger Events

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

- (i) *Non-payment*:
 - a. on any Quarterly Payment Date (provided that a 3 Business Days' grace period shall apply) the amount paid by the Issuer as interest on the Most Senior Class of Notes is lower than the relevant Interest Amount; or

- b. on any Quarterly Payment Date during the Amortisation Period (provided that a 5 Business Days' grace period shall apply) the amount paid by the Issuer as principal on the Senior Notes is lower than the relevant Principal Deficiency Amount (provided however that, for the avoidance of doubt, non payment of principal on the Senior Notes, due to the Servicer not having provided the Quarterly Settlement Report (as described in Condition 6.1(B) (*Priorities of Payments - Quarterly Pre-Enforcement Priority of Payments*) shall not constitute a Trigger Event); or

(ii) *Breach of other obligations:*

The Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in (i) above) which is in the Representative of the Noteholders' reasonable opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 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 reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 days will be given); or

(iii) *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 30 days after the Representative of the Noteholders has served a notice requiring remedy; or

(iv) *Insolvency of the Issuer:*

An Insolvency Event occurs in respect of the Issuer; or

(v) *Unlawfulness:*

It is or will become unlawful for the Issuer to perform or comply with any of its material 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.

then, the Representative of the Noteholders:

- (1) in the case of a Trigger Event under (i) and (v) above, shall; and/or
- (2) in the case of a Trigger Event under (ii) and (iii) above, if so directed by an Extraordinary Resolution of the Senior Noteholders, shall; and/or
- (3) 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 Senior 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 the Post-Enforcement Priority of Payments.

Following the delivery of a Trigger Notice, the Issuer may (subject to the consent of the

Representative of the Noteholders) or the Representative of the Noteholders may (or shall, if so requested by an Extraordinary Resolution of the Senior Noteholders) direct the Issuer to, dispose of the Portfolios, subject to the terms and conditions of the Intercreditor Agreement, provided that the Originator shall have in such circumstance a pre-emption right to purchase the Portfolios at the terms and conditions specified in the Intercreditor Agreement.

14. ACTIONS FOLLOWING THE DELIVERY OF A TRIGGER NOTICE

14.1 Proceedings

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 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 6.2 (*Priority of Payments – Post-Enforcement Priority of Payments*).

14.2 Determinations to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 13.1 (*Trigger Events*) or this Condition 14 (*Actions following the delivery of a Trigger Notice*) by the Representative of the Noteholders shall (in the absence of manifest error, wilful default (*dolo*) or gross negligence (*colpa grave*)) 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.

14.3 Individual proceedings

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

15. PURCHASE TERMINATION EVENTS

The occurrence of each and any of the following events on any date will constitute a purchase termination event (a "**Purchase Termination Event**") in accordance with the Master Receivables Purchase Agreement:

- (a) a Trigger Notice is delivered to the Issuer by the Representative of the Noteholder;
- (b) the Originator (in any role under the Transaction Documents) defaults in the performance of any of its obligations under the Master Receivables Purchase Agreement and the Servicing Agreement or under any other Transaction Document to which it is a party, if such default (i) is materially prejudicial to the interests of the Senior Noteholders; and (ii) remains unremedied within 20 (twenty) Business Days (or 5 (five) Business Days, where the default relates to an obligation to pay) after the delivery by the Issuer of a written notice to the Originator requiring the default to be remedied;
- (c) any of the representations and warranties given by the Originator under any of the Master Receivables Purchase Agreement or the Servicing Agreement is breached or is untrue, incomplete or inaccurate if the relevant breach (i) is materially prejudicial to the interests of the Senior Noteholders, and (ii) remains unremedied within 20

(twenty) Business Days (or 5 (five) Business Days, where the default relates to an obligation to pay) after the delivery by the Issuer of a written notice to the Originator requiring the default to be remedied;

- (d) the Originator is declared insolvent or admitted to any bankruptcy proceedings or the Originator has adopted a resolution aimed at obtaining the admission to any of such proceedings; a liquidator or administrative receiver is appointed or the Originator has adopted a resolution aimed at obtaining such appointments; the whole or a substantial part of the Originator's assets are subject to enforcement proceedings;
- (e) the Originator carries out any action for the purpose of rescheduling its own debts or postponing their relevant fulfilment, executes any extrajudicial arrangement with its creditors (including arrangements for the assignment of its assets to its creditors), files any petition for the suspension of its own payments or any competent court grants to it a moratorium for the fulfilment of its own debts or the enforcement of any security granted by the Originator, if the Representative of the Noteholders, in its justified opinion, deems that any of the above events have or may have a material adverse effect on the Originator's financial condition, *provided that* the Originator has the right to renegotiate any subordinated loan granted to it by its controlling company;
- (f) a resolution has been adopted for the dissolution or liquidation of the Originator, except if such resolution is adopted in connection with a corporate restructuring;
- (g) the Originator resolves upon any material amendment of its corporate purpose (*oggetto sociale*) or the transfer of its registered office outside Italy;
- (h) the Issuer terminates the Originator's appointment as Servicer pursuant to the Servicing Agreement;
- (i) the Originator's external auditor expresses a negative assessment in the certification report (*relazione di certificazione*) relating to the Originator's annual financial statements or declares the impossibility to express an assessment in respect thereof;
- (j) at any Quarterly Payment Date, the Debt Service Reserve Account is not (or will not be) credited out of the Issuer Available Funds and in accordance with the applicable Priority of Payments, with the Debt Service Reserve Amount, as calculated on the Payments Report Date immediately preceding the relevant Quarterly Payment Date;
- (k) the Gross Cumulative Default Ratio, as evidenced in the relevant Quarterly Settlement Report, exceeds the respective Relevant Trigger;
- (l) the Delinquency Ratio, as evidenced in the relevant Quarterly Settlement Report, exceeds 6.5% for two consecutive Quarterly Settlement Date; and
- (m) the Asset Coverage Test is negative for 2 (two) consecutive Payments Report Dates immediately preceding a Quarterly Payment Date.

Upon occurrence of a Purchase Termination Event, the Representative of the Noteholders shall deliver to the Issuer, the Originator, the Servicer and the Computation Agent a notice indicating that (i) the Purchase Termination Event has occurred; (ii) the Originator is not anymore allowed to sell the Receivables to the Issuer (which is not anymore allowed to purchase Receivables from the Originator); and (iii) the Ramp-Up Period and the Revolving Period have elapsed (the "**Purchase Termination Event Notice**").

16. THE REPRESENTATIVE OF THE NOTEHOLDERS

16.1 The Organisation of Noteholders

The Organisation of the 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 as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Organisation 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 appointed at the time of issue of the Notes, who is appointed by both the Initial Senior Notes Subscriber and the Initial Junior Notes Subscriber in the Subscription Agreements. Each Noteholder is deemed to accept such appointment.

16.3 Successor to the Representative of the Noteholders

Pursuant to the provisions of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders can be removed by the Noteholders at any time, provided a successor Representative of the Noteholders is appointed and can resign at any time. Such successor to 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 through a branch situated in a European Union country; or
- (b) a company or financial institution registered under article 106 of the Consolidated Banking Act; or
- (c) any other entity permitted by specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

16.4 Provisions relating to the Representative of the Noteholders

The Rules of the Organisation of the Noteholders contain provisions governing, *inter alia*, the terms of appointment, indemnification and exoneration from responsibility (and relief from responsibility) of the Representative of the Noteholders (including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction and providing for the indemnification of the Representative of the Noteholders in certain other circumstances) and provisions which govern the termination of the appointment of the Representative of the Noteholders and amendments to the terms of such appointment.

17. NOTICES

17.1 Notices through Monte Titoli

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. 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 referred to above.

17.2 Other method of giving Notice

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

18. GOVERNING LAW AND JURISDICTION

18.1 Governing Law

The Notes are governed by Italian law.

18.2 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

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

Article 1

General

The Organisation of the Noteholders is created concurrently with the issue by Alba 1 SPV S.r.l. of and subscription for the up to Euro 300,000,000 Class A Asset Backed Floating Rate Notes due April 2040 and the up to Euro 168,924,912 Class B Asset Backed Floating Rate Notes due April 2040 and is governed by these Rules of the Organisation of the Noteholders (the "**Rules**").

These Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

These Rules are deemed to be an integral part of each Note issued by the Issuer.

Article 2

Definitions

Unless otherwise provided in these Rules, any capitalised term shall have the meaning attributed to it in the Terms and Conditions.

Any reference herein to an "Article" shall be a reference to an article of these Rules.

In these Rules, the terms below shall have the following meanings:

"**Basic Terms Modification**" means any proposed modification which results in:

- (a) a change in the date of maturity of the Notes of any Class;
- (b) a change in any date fixed for the payment of principal or interest in respect of the Notes of any Class;
- (c) the reduction, cancellation or annulment of the amount of principal or interest payable on any date in respect of the Notes of any Class (other than any reduction, cancellation or annulment permitted under the relevant Terms and Conditions) or any alteration in the method calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (d) a change in the quorum required at any Meeting or the majority required to pass any Resolution;
- (e) a change in the currency in which payments are due in respect of any Class of Notes;
- (f) an alteration of the priority of payments of interest or principal in respect of any of the Notes;
- (g) 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.

"Block Voting Instruction" means in relation to a Meeting, the instruction issued by the Paying Agent (a) certifying, *inter alia*, that such authorised institution has been instructed by the holder of the relevant Notes to cast the votes attributable to such Notes (the **"Blocked Notes"**) in a particular way on each resolution to be put to the relevant Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked and (b) authorising a Proxy to vote in accordance with such instructions.

"Chairman" means, in relation to any Meeting, the individual who takes the chair in accordance with Title II, Article 8 of these Rules.

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

"Issuer" means Alba 1 SPV S.r.l..

"Meeting" means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment).

"Monte Titoli" means Monte Titoli S.p.A..

"Monte Titoli Account Holder" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli.

"Ordinary Resolution" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules, by a majority of the votes cast.

"Principal Amount Outstanding" means, on any date and in relation to each Class of Notes: (i) the aggregate of the relevant Notes Initial Instalment Payment and of all Notes Further Instalment Payments made in respect thereof, minus (ii) the aggregate of all principal repayments made in respect thereof..

"Proxy" means any person to which the powers to vote at a Meeting have been duly granted.

"Relevant Fraction" means

- (a) for voting on an Ordinary Resolution, one-half of the Principal Amount Outstanding of the outstanding Notes of each relevant Class;
- (b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of the outstanding Notes of each relevant Class; and
- (c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, (which must be proposed separately to each Class of Noteholders) three-quarters of the Principal Amount Outstanding of the outstanding Notes of each relevant Class;

provided, however, that, in the case of a Meeting postponed pursuant to Article 10, it shall mean:

- (a) for all voting other than on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the Principal Amount Outstanding of the outstanding Notes represented or held by Voters present at the Meeting; and

- (b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, one-half of the Principal Amount Outstanding of the outstanding Notes in that Class.

"**Regulation 22 February 2008**" means the resolution dated 22 February 2008 jointly issued by the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") and the Bank of Italy.

"**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 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.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at that time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its specified office.

"**48 hours**" means 2 consecutive periods of 24 hours.

Article 3

Purpose of the Organisation

Each Noteholder is a member of the Organisation of the Noteholders.

The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interests of the Noteholders.

TITLE II

MEETINGS OF NOTEHOLDERS

Article 4

General Provisions

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 Senior Noteholders and the Junior Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution and the provisions of these

Rules shall apply *mutatis mutandis* thereto.

Subject to Article 20 below, the following provisions shall apply where outstanding Notes belong to more than one Class:

- (a) business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;
- (b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion;
- (c) business which, in the opinion of the Representative of the Noteholders affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

In this paragraph "**business**" includes (without limitation) the passing or rejection of any resolution.

Article 5

Voting Certificates and Validity of the Proxies and Voting Certificates

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 at any time prior to the time fixed for such Meeting.

A Block Voting Instruction or a Voting Certificate shall be valid only if it is deposited at the specified office of the Representative of the Noteholders, or at any other place approved by the Representative of the Noteholders, at any time prior to the time fixed for a Meeting. If the Representative of the Noteholders requires satisfactory proof of the identity of each Proxy named in the relevant Voting Certificate or Block Voting Instruction, such proof 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.

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

Article 6

Convening the Meeting

The Representative of the Noteholders may convene a Meeting at any time.

The Representative of the Noteholders shall convene a Meeting at any time, if it is requested to do so in writing by Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of all the Notes then outstanding.

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.

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

Article 7

Notices

At least 21 days' notice (exclusive of the day 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.

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text.

A Meeting is validly held, notwithstanding the formalities required by this Article 7 are not complied with, if the entire Principal Amount Outstanding of the relevant Class or Classes is represented thereat and the Issuer and the Representative of the Noteholders are present.

Article 8

Chairman of the Meeting

The Meeting is chaired by an individual (who may, but need not to 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 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.

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.

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

Article 9

Quorum

The quorum at any Meeting shall be at least one Voter representing or holding not less than the Relevant Fraction of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes.

Article 10

Adjournment for lack of quorum

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

- (a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or

- (b) otherwise, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall be adjourned to a new date no earlier than 14 days after and no later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that no meeting may be adjourned more than once for want of quorum.

Article 11

Adjourned Meeting

Except as provided in Article 10, 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.

Article 12

Notice following adjournment

If a Meeting is adjourned in accordance with the provisions of Article 10 above, Articles 6 and 7 above shall apply to the resumed meeting except:

- (a) 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 10.

Article 13

Participation

The following categories of persons may attend and speak at a Meeting:

- (a) Voters;
- (b) the director/s and the auditors of the Issuer;
- (c) representatives of the Representative of the Noteholders;
- (d) financial advisers to the Issuer and the Representative of the Noteholders;
- (e) legal advisers to the Issuer and the Representative of the Noteholders; and
- (f) any other person authorised by the Issuer, the Representative of the Noteholders or by virtue of a resolution of the relevant Meeting.

Article 14

Voting by show of hands

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hands.

If before the vote by show of hands the Chairman or one or more Voters who represent or hold at least one-tenth of the aggregate Principal Amount Outstanding of the relevant Class or Classes request to vote pursuant to Article 15 below the question shall be voted on in compliance with the provisions of Article 15. No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

A resolution is only passed on a vote by show of hands if unanimously approved by the Voters at the Meeting. The Chairman's declaration that on a show of hands a resolution has been passed or rejected shall be conclusive. Whenever it is not possible to approve a resolution by show of hands, voting shall be carried out by poll.

Article 15

Voting by poll

A 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-fiftieth of the Principal Amount Outstanding of the Notes entitled to vote at the Meeting. A poll may be taken immediately or after such adjournment as is 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.

The Chairman sets the rules for voting by poll, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the rules set by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

Article 16

Votes

Each Voter shall have:

- (a) one vote, when voting by a show of hands; and
- (b) one vote for each Euro 1,000 of Principal Amount Outstanding of each Note represented or held by the Voter, when voting by poll.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes which he exercises in the same manner.

Article 17

Voting by Proxy

Any vote by a Proxy in accordance with the relevant Block Voting Instruction shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Paying Agent, the Issuer, the Representative of the Noteholders or the Chairman has been notified in writing of such revocation at least 24 hours prior to the time set for the relevant Meeting.

Unless revoked, the appointment of a Proxy in relation to a Meeting shall remain valid also in relation to a resumption of such Meeting following an adjournment, unless such Meeting was adjourned pursuant to Article 10. If a Meeting is adjourned pursuant to Article 10, any person appointed to vote

in such Meeting must be appointed again by virtue of a Block Voting Instruction or Voting Certificate to vote at the resumed Meeting.

Article 18

Ordinary Resolutions

Save as provided by Article 19 and subject to the provisions of Article 20, a Meeting shall have the exclusive power exercisable by Ordinary Resolution to:

- (a) waive (including to waive a prior breach) any breach by the Issuer of its obligations arising under the Transaction Documents or the Notes, or waive a Trigger Event, if such waivers are not previously authorised by the Representative of the Noteholders in accordance with the Transaction Documents; and
- (b) determine any other matters submitted to the Meeting in accordance with the provisions of these Rules and the Transaction Documents.

Article 19

Extraordinary Resolutions

A Meeting, subject to Article 20 below, shall have exclusive power exercisable by Extraordinary Resolution only to:

- (a) approve any Basic Terms Modification;
- (b) approve any proposal by the Issuer or the Representative of the Noteholders for any alteration or waiver of the rights of the Noteholders against the Issuer;
- (c) approve any scheme or proposal related to the mandatory exchange or substitution of any Class of Notes;
- (d) approve any amendments of the provisions of (i) these Rules, (ii) the Terms and Conditions, (iii) the Intercreditor Agreement, (iv) the Cash Allocation, Management and Payment Agreement, or (v) any other Transaction Document which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;
- (e) discharge or exonerate, including prior 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 pursuant to an Extraordinary Resolution (including the issue of a Trigger Notice as a result of a Trigger Event pursuant to Condition 11 (*Trigger Events*));
- (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 24.

Article 20

Relationship between Classes and conflict of interests

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes then outstanding.

No Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class).

Any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting and, except in the case of meeting relating to a Basic Term Modification:

- (a) any resolution passed at a meeting of the Senior Noteholders duly convened and held as aforesaid shall also be binding upon all the Junior Noteholders; and
- (b) in each case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly.

If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the holders of any other Classes of Notes, the Representative of the Noteholders is required to have regard only to the interests of the Senior Noteholders.

Article 21

Challenge of Resolution

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

Article 22

Minutes

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

Within 14 days after the conclusion of each Meeting, the Issuer shall give notice, in accordance with Condition 14 (*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.

Article 23

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as it were an Ordinary Resolution.

Article 24

Individual Actions and Remedies

Without prejudice to Condition 9 (*Non Petition and Limited Recourse*), 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 does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

No Noteholder will be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents unless a Meeting of Noteholders has been held to resolve on such action or remedy in accordance with the provisions of this Article 24.

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 9.1.3.

Save as provided in this Article 24, 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.

Article 25

Further Regulations

Subject to all other provisions 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

Article 26

Appointment, Removal and Remuneration

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the holders of the Most Senior Class of Notes in accordance with the provisions of this Article 26, except for the appointment of the first Representative of the Noteholders which will be Securitisation Services S.p.A..

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 through a branch situated in a European Union country; or
- (b) a company or financial institution registered under article 106 of the Consolidated Banking Act; or
- (c) any other entity permitted by specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

Unless the Representative of the Noteholders is removed by resolution pursuant to Title II above or it resigns in accordance with Article 28 below, it shall remain in office until full repayment or cancellation of all the Notes. The Noteholders may remove the Representative of the Noteholders by resolution of the holders of the Most Senior Class of Notes at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until a substitute Representative of the Noteholders, which shall be a subject among those listed in (a), (b), and (c) above accepts its appointment, and the powers and authority of the Representative of the Noteholders whose appointment has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

The 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.

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 Priority of Payments up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Terms and Conditions.

Article 27

Duties and Powers of the Representative of the Noteholders

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders.

The Representative of the Noteholders is responsible for implementing all resolutions of the Noteholders and has the power to exercise the rights conferred on it pursuant to the Transaction Documents in order to protect the interests of the Noteholders. The Representative of the Noteholders has the right to convene Meetings to propose any course of action which it considers from time to time necessary or desirable.

The Representative of the Noteholders may also, whenever it considers it expedient and in the interest

of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) specific activities vested in it as aforesaid. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit, provided that: (a) the Representative of the Noteholders shall use all reasonable care and skill in the selection of the sub-agent, sub-contractor or representative which must fall within one of the categories set forth in Article 26; and (b) the sub-agent, sub-contractor or representative shall undertake to perform the obligations of the Representative of the Noteholders in respect of which it has been appointed. The Representative of the Noteholders shall in any case be responsible for any loss and liability incurred by the Issuer as a consequence of the activity performed by such delegate or sub-delegate. The Representative of the Noteholders shall as soon as reasonably practicable give notice to the Issuer of the appointment of any delegate and the renewal, extension and termination of such appointment and shall procure that any delegate shall also as soon as reasonably practicable give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders is authorised to represent the Organisation of the Noteholders, *inter alia*, in any judicial proceedings.

Article 28

Resignation of the Representative of the Noteholders

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes and such new Representative of the Noteholders has accepted its appointment 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 26.

Article 29

Exoneration of the Representative of the Noteholders

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

- (a) Without limiting the generality of the foregoing, the Representative of the Noteholders:
- (i) shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document has occurred, and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event has occurred;
 - (ii) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in the Terms and Conditions and hereunder or, as the case may be, in any Transaction Document to which each such party is a party, and until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are carefully observing and performing all their respective obligations;

- (iii) except as expressly required in the Rules or any 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 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 Portfolios; 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 Portfolios 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 not be responsible for investigating any matter which is the subject of any recital, statement, warranty or representation by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- (vii) 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 Portfolios 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;
- (viii) 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;
- (ix) shall not be under any obligation to guarantee or procure the repayment of the Portfolios or any part thereof;
- (x) 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;

- (xi) 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;
 - (xii) 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 Portfolios and the Notes; and
 - (xiii) 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.
- (b) The Representative of the Noteholders:
- (i) may agree to any amendment or modification to these Rules or to any of the Transaction Documents which in the opinion of the Representative of the Noteholders, it is expedient to make in order to correct a manifest error or an error of a formal, minor or technical nature. Any such modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders as soon as practicable thereafter;
 - (ii) may agree to any amendment or modification or waivers to these Rules (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**") or to the Transaction Documents which, in the opinion the Representative of the Noteholders, is not materially prejudicial to the interest of the holders of the Most Senior Class of Notes;
 - (iii) may act on the advice of or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not be responsible for any loss incurred by so acting in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders;
 - (iv) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter, a certificate duly signed by the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless it has information which casts a doubt on the truthfulness of the certificates signed by the Issuer;
 - (v) save as expressly otherwise provided herein, shall have absolute discretion as to the exercise, non-exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, cost, damage, expense or inconvenience resulting from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its wilful default (*dolo*) or gross negligence (*colpa grave*);

- (vi) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right - but not the obligation - to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities which it may incur by taking such action;
- (vii) in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any authorised institution listed in article 83-*quarter* of the Legislative Decree No. 58 of 24 February 1998, which certificates are conclusive proof of the statements attested to therein;
- (viii) may certify whether or not a Trigger Event is in its opinion prejudicial to the interest of the Noteholders and any such certification shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other subject party to the Transaction Documents;
- (ix) may determine whether or not a default in the performance by the Issuer 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 Noteholders, the Other Issuer Creditors and any other subject party to the Transaction Documents;
- (x) may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer;
- (xi) 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 any rating agency which has assigned a rating to the Senior Notes. The Representative of the Noteholders shall not be required to seek additional evidence and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so; and
- (xii) 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, any rating agency which has assigned a rating to the Senior Notes have confirmed that the then current rating of the Senior Notes would not be adversely affected by such exercise, or have otherwise given their consent. If the Representative of the Noteholders, in order to properly exercise its rights or fulfil its obligations, deems it necessary to obtain the valuation of any rating agency which has assigned a rating to the Senior Notes regarding how a specific act would affect the rating of the Notes, the Representative of the Noteholders shall so inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders, unless the Representative of the Noteholders wishes to seek and obtain the valuation itself.

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate.

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend or otherwise risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretion, and the Representative of the Noteholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

Article 30

Security Documents

The Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to Noteholders which have the benefit of the Deed of Pledge and of the Deed of Charge. The beneficiaries of the Deed of Pledge and of the Deed of Charge are referred to as the "**Secured Noteholders**".

The Representative of the Noteholders, acting on behalf of the Secured Noteholders, shall be entitled to:

- (a) appoint and entrust the Issuer to collect, on the Secured Noteholders' interest and behalf, any amounts deriving from the receivables and from the pledged receivables and rights, and shall be entitled to give instructions, jointly with the Issuer, to the respective debtors of the pledged receivables to effect the payments related to such receivables standing to the credit of the Collection Account or any other account opened in the name of the Issuer;
- (b) attest that the account(s) to which payments have been made in respect of the pledged receivables shall be deposit accounts for the purpose of article 2803 of the Italian Civil Code, and procure that such account(s) is(are) operated in compliance with the provisions of the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement. For such purpose and until a Trigger Notice is served, the Representative of the Noteholders, acting in the name and on behalf of the Secured Noteholders, shall appoint the Issuer to manage the Accounts in compliance with the Cash Allocation, Management and Payment Agreement;
- (c) procure that all funds credited to the relevant Accounts from time to time are applied in accordance with the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement; and
- (d) procure that the funds from time to time deriving from the pledged receivables and the amounts standing to the credit of the relevant Accounts are applied towards satisfaction not only of the amounts due to the Secured Noteholders, but also of such amounts due and payable to any other parties that rank prior to the Secured Noteholders according to the applicable Priority of Payments set forth in the Terms and Conditions, and to the extent that all amounts due and payable to the Secured Noteholders have been paid in full, that any remaining amount be used towards satisfaction of any amounts due to any other parties that rank below the Secured Noteholders. The Secured Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged receivables or credited to the Accounts which is not in accordance with the provisions of this Article 30. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged receivables under the Deed of Pledge except in accordance with

the provisions of this Article 30 and the Intercreditor Agreement.

Article 31

Indemnity

Pursuant to the Subscription Agreements, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, receivables and demand (including, without limitation, legal fees and any applicable tax, value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or any subject to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authority and discretion and the performance of its duties under and otherwise in relation to these Rules 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

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 the 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

Article 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 Portfolios. 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

Article 33

These Rules are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

The Courts of Milan shall have exclusive jurisdiction over any dispute which may arise out of or in connection with these Rules.

SELECTED ASPECTS OF ITALIAN LAW

1. 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.

2. 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.

3. THE ASSIGNMENT

The assignment of receivables under the Securitisation Law is governed by article 58 paragraphs 2, 3 and 4 of the 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 Register of Companies competent for the place where the Issuer has its registered offices, 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 transfer with the competent Register of Companies, the assignment becomes enforceable against:

- (a) the assigned debtors and any creditors of the originator who have not prior to the date of publication of the notice commenced enforcement proceedings in respect of the relevant receivables;
- (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 Bankruptcy Law);
- (c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication.

Pursuant to paragraph 3 of Article 58 of the Banking Act, which is expressly cross referred by article 4 of the Securitisation Law, 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, 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.

At the date of this Prospectus the assignment of the Initial Portfolio purchased by the Issuer pursuant to the Master Receivables Purchase Agreement has already been duly published in the Official Gazette and registered in the Issuer Companies' Register. In particular, notice of the assignment of the Initial Portfolio was published in the Official Gazette No. 19 of 17 February 2011 and registered with the Register of Companies of Treviso on 14 February 2011. In addition, pursuant to the Master Receivables Purchase Agreement, upon acquisition of each Additional Portfolio or Subsequent Portfolio the relevant assignment shall be published in the Official Gazette and registered with the relevant Register of Companies.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the 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.

4. 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 relevant issuer.

The Issuer is subject to the provisions contained in Title V of the Banking Act, which requires that financial companies intending to carry out securitisation activities in the Republic of Italy must be registered on the general register of financial companies held, pursuant to article 106 of the Banking Act, as modified by the Ministerial Decree No. 29 issued by the Ministry of Economics and Finance on 17 February 2009 and published in the Official Gazette on 3 April 2009 No. 78, by the Bank of Italy. As from 19 September 2010, the Legislative Decree 13 August 2010 No. 141 has come into force amending Title V of the Banking Act, but the implementing regulations with respect to, *inter alia*, the terms for the registration of the financial intermediaries in a new general register have not yet been issued by the Bank of Italy as at the date of this Prospectus.

5. 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. Upon the expiry of the Financial Leasing contract, the lessee has the option to (i) return the Leased Property to the lessor, (ii) purchase upon payment of the agreed price (*riscatto*) or (iii) 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 contract 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 on contracts of the Italian civil code 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), contracts of Financial Leasing 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 conclusion 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 has established 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 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 lease instalments 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 the lease instalments 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.

6. 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 at the debtor's premises or on third party's premises by a bailiff who removes the attached property or forbids the debtor from in any way transferring or disposing of the attached goods, and appoints a custodian thereof (in practice usually the debtor himself).

Not earlier than ten days but not later than ninety days from the attachment:

- (a) in case of a *pignoramento mobiliare*, the creditor may ask the court to deliver to himself all monies found at 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.

7. 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.

8. 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, form part of the financial statements of Italian companies.

9. CONSUMER CREDIT LEGISLATION

The Portfolio will comprise, *inter alia*, Receivables arising under Lease Contracts entered into with Lessees which fall into the definition of consumer pursuant to articles 121 to 125 of the Banking Act, as recently amended by Italian Legislative Decree 13 August 2010 No. 141 (the "**Decree 141**") and, therefore, regulated by the Decree 141 and the provisions of Legislative Decree 6 September 2005 No. 206, as subsequently amended (the "**Consumer Code**").

9.1 The Decree 141

- (a) *Content and form of consumer credit contracts*

The Decree 141 provides for certain requirements as to the content and form of consumer credit contracts. Failure to observe the requirements of the Decree 141 can lead to the contract being null and void.

The Decree 141 has, *inter alia*, entirely replaced, as from 19 September 2010, Title VI, Chapter II of the Banking Act, introducing a number of provisions applicable to contracts entered into with consumers.

Among the most significant changes introduced by Decree 141 and relevant for consumer financial leasing contracts, the following should be mentioned:

- (i) the items which are to be considered for the calculation of the Annual Effective Global Rate (TAEG) have been widened;
 - (ii) no amount may be requested or debited to a consumer unless provided for in an explicit contractual provision;
 - (iii) any provision requiring a consumer to pay for costs which have not been included in the calculation of the publicised TAEG will be null and void;
 - (iv) the consumer may at any time, irrespective of the provisions set out in the relevant agreement prepay, in whole or in part, the amounts owed to the financier, and in that case will be entitled to a discount equal to interest and costs owed for the remaining term of the contract;
 - (v) in case of prepayment, the financier may charge a fair indemnity payment or fee for the costs directly connected to the prepayment, which can not exceed 1% of the prepaid amount if the remaining term of the financing exceeds one year or 0.50% if the remaining term of the financing is equal to or less than one year and in any case may not exceed the amount of interest which the consumer would have paid for the remaining life of the financing. Such prepayment indemnity or fee will not be due, *inter alia*, in case of prepayment in full or if the prepayment amount does not exceed or is equal to Euro 10,000.
- (b) *Rights against finance providers in the event of breach of obligations by the suppliers*

Article 125-*quinquies* of the Banking Act (as amended by Decree 141), *inter alia*, provides with particular reference to financial leasing contracts, that, in the event of any material default in the performance of any obligation by the relevant supplier, the lessee, after having served on the supplier, without success, a written notice asking for the performance of the relevant obligation, may request to the lessor to terminate the transfer agreement between the supplier and the lessor. Upon delivery of such request, the payment of lease instalments shall be suspended.

Following the termination of the transfer agreement between the supplier and the lessor, the financial leasing contracts will automatically be terminated, without any cost or penalty. Following the termination of the financial leasing contract, all the lease instalments paid to the lessor shall be returned to the lessee, without any obligation on the lessee to pay any amount paid by the lessor to the supplier. The lessee will be entitled to exercise the above rights also against the assignee of the lessor (in our case the Issuer).

9.2 The Consumer Code

a. *Unfair Contract Terms Provisions*

The Consumer Code, which implements the relevant EU Legislation on the protection of the consumers, provides that certain clauses in contracts with consumers, considered unfair and detrimental to the interests of the consumers, are not enforceable as a matter of law (**Unfair Contract Terms Provisions**).

Terms which under article 36 of the Consumer Code are always considered unfair and, therefore, not enforceable include, *inter alia*, any clause which (i) has the effect of excluding or limiting the liability of the non-consumer contracting party to a consumer contract (the **Non-Consumer**) arising out of the death or personal damage to the consumer caused by an act or an omission of the Non-Consumer, (ii) has the effect of excluding or limiting the remedies of the consumer in case of total or partial failure by the Non-Consumer to perform its obligations under the consumer contract, (iii) has the effect of

making the consumer party to clauses which he/she has not had any opportunity to consider and evaluate before entering into the consumer contract and (iv) applies to the consumer contract the laws of a country which is not a member of the European Union and which has the effect of depriving the consumer of the protection afforded to the consumer by Italian legislation where the consumer contract has a closer connection to a member country of the European Union.

Article 33 of the Consumer Code also identifies clauses which, if included in consumer contracts, are deemed to be *prima facie* unfair but which can be considered fair and enforceable if, pursuant to article 34, it can be shown that such clauses were the subject of negotiation between the parties or that they can be considered fair in the context of the relevant consumer contract and according to principles of good faith. Such clauses include, *inter alia*, clauses which give the right to the Non-Consumer to: (i) terminate the contract or (ii) modify the conditions of the contract (including price and interest rate), in each case, without prior notice and reasonable cause. With regard to financial contracts, however, for valid reasons the Non-Consumer may amend the economic terms of the contract (including the interest rate and other conditions) provided that the consumer is promptly informed; in such a case, the consumer may terminate the contract.

The Originator has warranted in the Master Receivables Purchase Agreement that each Lease Contract is enforceable in accordance with its terms.

TAXATION

The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the subscription, purchase, ownership and disposition of the Senior Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to subscribe, 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 the Notes, some of which may be subject to special rules. The following summary does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non Italian resident beneficial owner carries on business or performs professional services in Italy.

This summary is based upon tax laws and practice of Italy in effect on the date of this Offering Circular which are however subject to a potential retroactive change. 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 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 should in any event seek their own professional advice regarding the Italian or other jurisdictions tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.

INCOME TAX

Under the current legislation, pursuant to the combined provision of Article 6, paragraph 1, of Law 130 and Article 2 of Legislative Decree No. 239 of 1 April 1996, as amended and restated ("**Decree No. 239**"), payments of interest and other proceeds in respect of the Senior Notes:

- (a) will be subject to *imposta sostitutiva* at the rate of 12.5 per cent in the Republic of Italy levied as final tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; (iii) Italian resident public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal purpose (including the Italian State and public entities); (iv) Italian resident entities exempt from corporate income tax.

Payments of interest and other proceeds in respect of the Senior Notes will not be included in the general taxable base of the above mentioned individuals, partnerships and entities.

The 12.5 per cent *imposta sostitutiva* will be levied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Senior Notes or in the transfer of the Senior Notes;

- (b) will be subject to *imposta sostitutiva* at the rate of 12.5 per cent in the Republic of Italy levied as provisional tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; (iii) Italian resident public and private entities, other than companies; any of them engaged in an entrepreneurial activity – to the extent permitted by law - to which the Senior Notes are connected;
- (c) 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 partnerships or permanent establishments in Italy of non resident corporations to which the Senior Notes are effectively

connected; (ii) Italian resident collective investment funds, SICAVs, Italian resident pension funds referred to in Legislative Decree No. 124 of 21 April 1993, as further substituted by Legislative Decree No. 252 of 5 December 2005, and Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of February 24, 1998 and Article 14-*bis* of Law No. 86 of January 25, 1994. The taxation of Italian resident collective investment funds and SICAV is currently under review. The proposed regime is based on incomes being taxed at the time they are realized by the investors and no longer on the year-end management result. As far as is known at the date of February 17, 2011, the proposed reform should not affect the taxation regime of the Notes; (iii) Italian resident individuals who have entrusted the management of their financial assets, including the Senior Notes, to an Italian authorised financial intermediary and have opted for the so-called *risparmio gestito regime* according to Article 7 of Legislative Decree No. 461 of 21 November 1997 – the "**Asset Management Option**" and (iv) non Italian resident with no permanent establishment in Italy to which the Senior Notes are effectively connected, *provided that*:

- (a) they are (i) resident of a country which allows an adequate exchange of information with Italy, which are those countries listed in a ministerial decree to be issued under article 168-*bis* of Presidential Decree No. 917 of December 22, 1986 and, until the year of enactment of the new decree, in the ministerial decree of 4 September 1996, as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, they are established in such a country, (ii) supranational entities set up in accordance with an international treaty executed by Italy, or (iii) central banks of foreign countries, or other entities also managing the official reserves of such countries; and
- (b) the Senior Notes are deposited directly or indirectly: (i) with a bank or an Italian securities dealing firm ("SIM") resident in Italy; (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Economy and Finance; or (iii) with a non-resident entity or company which has an account with a centralised clearance and settlement system which has a direct relationship with the Italian Ministry of Economy and Finance; and
- (c) as for recipients characterizing under category (a)(i) above, the banks or brokers mentioned in (b) above receive a self-declaration from the beneficial owner of the interest which states that the beneficial owner is a resident of that country. The self-declaration 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) and its further amendments and is valid until revoked by the investor. A self-statement does not have to be filed if an equivalent self-declaration (including Form 116/IMP) has already been submitted to the same intermediary for the same or different purposes; 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 either the legal representative or the management company; and
- (d) the banks or brokers mentioned in (b) and (c) above receive all necessary information to identify the non-resident beneficial owner of the deposited Senior Notes, and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 12.5 per cent. tax (*imposta sostitutiva*) on interest and other proceeds on Senior Notes if any or all of the above conditions (a), (b), (c) and (d) are not satisfied. In

this case, *imposta sostitutiva* may be reduced under double taxation treaties, where applicable.

Italian resident individuals holding Senior Notes not in connection with an entrepreneurial activity who have opted for the Asset Management Option are subject to a 12.5 per cent annual substitute 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 interest and other proceeds accrued on the Senior Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest and other proceeds accrued on the Senior Notes held by Italian resident corporations, commercial partnerships, individual entrepreneurs as well as Italian resident public and private entities, other than companies, holding Senior Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Senior Notes are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (*imposta sul reddito delle società*, "**IRES**"); or (ii) individual income tax (*imposta sul reddito delle persone fisiche*, "**IRPEF**"), plus local surtaxes, if applicable; under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities (*imposta regionale sulle attività produttive*, "**IRAP**").

Italian resident collective investment funds and SICAVs are subject to a 12.5 per cent annual substitute tax (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 Senior Notes) (see letter c) above with regards to the reform of Italian resident collective investment funds and SICAVs taxation).

Starting from 1 January 2001, Italian resident pension funds are subject to an 11 per cent annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year.

The tax regime of interest in respect of the Senior Notes received by real estate funds depends on the funds status and the applicable legislation. Under the regime provided by Law Decree No. 351 of September 25, 2001 converted into law with amendments by Law No. 410 of November 23, 2001, payments of interest in respect of the Senior Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of February 24, 1998 and Article 14-*bis* of Law No. 86 of January 1, 1994, are not subject to the 12.5 per cent substitute tax.

Any positive difference between the nominal redeemable amount of the Senior Notes and their issue price is deemed to be interest for capital income (*redditi di capitale*) tax purposes. In general terms, income from capital is treated as a separate classification of tax liability only for taxpayers not engaged in entrepreneurial activities.

According to Article 26, paragraph 1, of Presidential Decree No. 600 of September 29, 1973, in the event that the Senior Notes are redeemed in full or in part prior to the end of the eighteen month period starting from the date of issuance, the Issuer will be obliged to pay an additional amount equal to twenty per cent. (20%) of interest and other proceeds accrued on the Senior Notes up to the time of the early redemption.

CAPITAL GAINS

Any capital gain realised upon the sale for consideration or redemption of Senior Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of Noteholders (and, in certain cases, depending on the status of the Noteholders, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations;
- (b) Italian resident commercial partnerships;
- (c) permanent establishments in Italy of foreign corporations to which the Senior Notes are effectively connected; or
- (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, capital gain realised by Italian resident individuals holding Senior Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Senior Notes would be subject to an *imposta sostitutiva* currently at the rate of 12.5 per cent. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an 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 Senior Notes not in connection with an entrepreneurial activity pursuant to all disposals on Senior Notes carried out during any given fiscal year. These individuals must report the 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 authority 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.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding Senior Notes not in connection with an entrepreneurial activity may elect to pay *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Senior Notes (the "**Risparmio Amministrato**" regime). Such separate taxation of capital gains is permitted subject to: (i) the Senior 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. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Senior 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 tax authority 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 Senior Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised 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 report capital gains in its annual tax declaration.

Any capital gains realised by Italian resident individuals holding Senior Notes not in connection with an entrepreneurial activity who have elected for the Asset Management Option will be included in the computation of the annual increase in net 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 an increase in the net 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.

Any capital gains realised by Noteholders who are Italian resident collective investment funds and SICAVs will be included in the computation of the taxable basis of the Collective Investment Fund Tax (see letter c) above with regards to the reform of Italian resident collective investment funds and SICAVs taxation).

Any capital gains realised by Noteholders who are Italian resident pension funds will be included in the computation of the taxable basis of Pension Fund Tax.

The 12.5 per cent. *imposta sostitutiva* may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Senior Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Senior Notes are effectively connected, if the Senior Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree of 22 December 1986, No. 917, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Senior Notes are effectively connected, through the sale for consideration or redemption of Senior Notes are exempt from taxation in Italy to the extent that the Senior Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation even if the Senior Notes are held in Italy. The exemption applies provided that the non Italian investor files in due course with the authorized financial intermediary an appropriate self-declaration (*autocertificazione*) stating that the investor is not resident in Italy for tax purposes.

In case the Senior Notes are not listed on a regulated market in Italy or abroad:

- (1) non Italian resident beneficial owners of the Senior Notes with no permanent establishment in Italy to which the Senior Notes are effectively connected are exempt from *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Senior Notes if they are resident, for tax purposes, in a country which allows an adequate exchange of information with Italy, which are those countries listed in a ministerial decree to be issued under article 168-bis of Presidential Decree No. 917 of December 22, 1986 and, until the year of enactment of the new decree, in the ministerial decree of 4 September 1996, as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, they are established in such a country (see Article 5, paragraph letter a) of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian residents without a permanent establishment in Italy to which the Senior Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above; and
- (2) in any event, non Italian resident persons or entities without a permanent establishment in Italy to which the Senior Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Senior Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Senior Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Senior Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by 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 1987, 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 1987, 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

Italian inheritance and gift taxes were first abolished by Law No. 383 of 18 October, 2001 in respect of gifts made or succession proceedings started after 25 October, 2001 and then reintroduced by Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, entered in force on 29 November 2006 and further modified by Law No. 296 of 27 December 2006, effective as of 1 January 2007.

Further to the above law amendments, the transfer by inheritance of the Notes is currently subject to inheritance tax at the following rates:

- (i) when the beneficiary is the spouse or a relative in direct lineage, the value of the Notes transferred to each beneficiary exceeding Euro 1,000,000 is subject to a 4 per cent. rate;
- (ii) when the beneficiary is a brother or a sister, the value of the Notes exceeding Euro 100,000 for each beneficiary is subject to a 6 per cent. rate;
- (iii) when the beneficiary is a relative within the fourth degree or is a relative-in-law in direct and collateral lineage within the third degree, the value of the Notes transferred to each beneficiary is subject to a 6 per cent. rate;
- (iv) in any other case, the value of the Notes transferred to each beneficiary is subject to an 8 per cent. rate.

The transfer of the Notes by donation is subject to gift tax at the same rates as in case of inheritance.

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.

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income under which Member States are required starting from July 1, 2005, to provide to the tax authorities of another Member State the details of payments of interest (or similar income) paid by a person within its jurisdiction, qualifying as paying agent under the Directive, to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg, Austria and five European Third Countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain Member States' relevant dependent or associated territories (the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean) will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain Third Countries). Belgium, Luxembourg or Austria may however elect to introduce automatic exchange of information during the transitional period, in which case they will no longer apply the withholding tax. Based on the

available information, Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010.

The Council Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005. Pursuant to said decree Italian paying agents (e.g., banks, SIMs, SGRs., financial companies and fiduciary companies resident in Italy for tax purposes, permanent establishments in Italy of non-resident persons as well as any other person resident in Italy for tax purposes paying interest for professional or commercial reasons) are required to report to the Italian tax authorities details of interest payments made from 1 July 2005 to individuals which qualify as beneficial owners thereof and are resident for tax purposes in another EU Member State. Such information must be transmitted by the Italian tax authorities to the competent authorities of the State of residence of the beneficial owner of the interest payment by 30th June of the fiscal year following the fiscal year in which said interest payment is made.

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the Directive in their particular circumstances.

Tax monitoring

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals resident in Italy who, at the end of the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). Such obligation is not provided if, *inter alia*, each of the overall value of the foreign investments or financial activities held at the end of the fiscal year, and the overall value of the related transfers carried out during the relevant fiscal year, does not exceed Euro 10,000.

SUBSCRIPTION AND SALE

Pursuant to the Senior Notes Subscription Agreement entered into on or prior the Issue Date between the Issuer, the Originator, the Initial Senior Notes Subscriber, the Computation Agent and the Representative of the Noteholders, the Initial Senior Notes Subscriber, shall, subject to the terms and conditions specified therein, subscribe the Senior Notes and pay (i) on the Issue Date the relevant Initial Issue Price, equal to 100% (one hundred per cent.) of the initial principal amount outstanding of the Senior Notes as of the Issue Date and (ii) each Senior Notes Further Instalment Payments. In addition, pursuant to the Senior Notes Subscription Agreement, the Initial Senior Notes Subscriber shall appoint the Representative of the Noteholders to act as the representative of the Noteholders.

Pursuant to the Junior Notes Subscription Agreement entered into on or prior the Issue Date between the Issuer, the Originator, the Initial Junior Notes Subscriber, the Computation Agent and the Representative of the Noteholders, the Initial Junior Notes Subscriber, shall, subject to the terms and conditions specified therein, subscribe the Junior Notes and pay (i) on the Issue Date the relevant Initial Issue Price, equal to 100% (one hundred per cent.) of the initial principal amount outstanding of the Junior Notes as of the Issue Date and (ii) each Junior Notes Further Instalment Payments. In addition, pursuant to the Junior Notes Subscription Agreement, the Initial Junior Notes Subscriber shall appoint the Representative of the Noteholders to act as the representative of the Noteholders.

The Subscription Agreements will be subject to a number of conditions and may be terminated in certain circumstances.

GENERAL

The purchase, offer, sale and delivery of the Notes shall be made in compliance with all applicable laws and regulations in each jurisdiction in which the Notes are purchased, offered, sold or delivered. Furthermore, there will not be, directly or indirectly, offer, sell or deliver any Notes or distribution or publication of any prospectus, form of application, offering circular (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act.

REPUBLIC OF ITALY

No action has or will be taken which would allow an offering (or an "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Individual sales of the Notes to any Persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

No application has been made by the Issuer to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

Accordingly, the Notes, this Prospectus nor any other offering material relating to Notes have not been offered, sold or delivered, and will not be offered, sold or delivered, and have not been distributed and will not be distributed and have not been made available and will not be made available in the Republic of Italy other than to professional investors ("*investitori qualificati*"), as defined on the basis of the Directive 2003/71/EC (*Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading*), pursuant to article 100, paragraph 1, letter (a), of the Financial Laws Consolidated Act or in other circumstances where an express exemption from compliance with the restrictions to the offerings to the public applies, as provided under the Financial Laws Consolidated Act or CONSOB regulation No. 11971/1999, and in accordance with applicable Italian laws and regulations. In any case the Notes may not be offered to individuals or entities not being professional investors in accordance with the Securitisation Law. Additionally the Notes may not be offered to any investor qualifying as "*cliente al dettaglio*" pursuant to CONSOB regulation No. 16190/2007.

Any offer, sale or delivery of the Notes in the Republic of Italy shall be made only by banks, investment firms or financial companies permitted to conduct such activities in Italy in accordance with the Banking Act, the Financial Laws Consolidated Act, CONSOB Regulation No. 16190 of 31 October 2007 and any other applicable laws and regulations and in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

In connection with the subsequent distribution of the Notes in the Republic of Italy, article 100-bis of the Consolidated Financial Act requires to comply also on the secondary market with the public offering rules and disclosure requirements set forth under the Financial Laws Consolidated Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Financial Laws Consolidated Act and relevant CONSOB implementing regulations.

FRANCE

This Prospectus has not been prepared in the context of a public offering in France within the meaning of article L.411-1 of the Code monétaire et financier and Title I of Book II of the Règlement Général of the Autorité des marchés financiers (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither the Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

In connection with the initial distribution of the Notes, (A) there has been and there will be no offer or sale, directly or indirectly, of the Notes to the public in the Republic of France (*an appel public à l'épargne as defined in article L. 411-1 of the French Code monétaire et financier*); (B) offers and sales of Notes in the Republic of France will be made in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) as defined in articles L. 411-2 and D. 411-1 to D. 411-3 of the French Code monétaire et financier; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in article L. 411-2 acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties as mentioned in article L. 411-2 of the Code monétaire et financier (together the "**Investors**").

Offers and sales of the Notes in the Republic of France will be made on the condition that (i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors and (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular

articles L.411-1, L.411-2, L.412-1 and L.621-8 of the Code monétaire et financier).

UNITED KINGDOM

- (i) Financial promotion: any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by the Noteholders in connection with the issue or sale of such Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) general compliance: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by the Noteholders in relation to such Notes in, from or otherwise involving the United Kingdom.

EEA STANDARD SELLING RESTRICTION

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), there has not been and there will not be an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer of Notes to the public in that Relevant Member State may, with effect from and including the Relevant Implementation Date, be made:

- (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; or
- (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the 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 resolutions of the Sole Quotaholder passed on 29 October 2010.

2. Funds available to the Issuer

The source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be collections made in respect of the Portfolios and in the Receivables thereunder.

3. No material litigation

The Issuer is not involved in any litigation, arbitration or administrative proceeding relating to claims or amounts which are material in the context of the issue of the Notes and which may have, or have had, since the date of its incorporation, 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 borrowing 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.

5. Clearing of the Notes

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

	ISIN	Common Code
Senior Notes	IT0004682156	CC 058678058
Junior Notes	IT0004682131	CC 058679054

6. Post Issuance Reporting

The Issuer does not intend to provide *post* issuance transaction information regarding securities to be admitted to trading and the performance of the underlying collateral.

ISSUER Alba 1 SPV S.r.l. Via Vittorio Alfieri 1 31015 Conegliano (Treviso) Italy	
ORIGINATOR - SERVICER - CASH MANAGER AND INITIAL JUNIOR NOTES SUBSCRIBER Alba Leasing S.p.A. Via Sile, 18 20139 Milan Italy	
BACK-UP SERVICER Selmabipiemme Leasing S.p.A. Via Battistotti Sassi 11/A 20133 Milan Italy	
REPRESENTATIVE OF THE NOTEHOLDERS - COMPUTATION AGENT AND CORPORATE SERVICES PROVIDER Securitisation Services S.p.A. Via Vittorio Alfieri, 1 31015 Conegliano (TV) (Italy)	
ACCOUNT BANK - PAYING AGENT The Bank of New York Mellon (Luxembourg) S.A., Italian Branch Via Carducci, 31 20123 Milan (Italy)	
CUSTODIAN BANK The Bank of New York Mellon S.A.N.V., London Branch One Canada Square, London E14 5AL United Kingdom	
INITIAL SENIOR NOTES SUBSCRIBER DUOMO FUNDING P.L.C. Riverside One, Sir John Rogersons Quay Dublin 2 (Ireland)	
SOLE QUOTAHOLDER SVM Securitisation Vehicles Management S.r.l. Via Vittorio Alfieri 1 31015 Conegliano (Treviso) Italy	
ARRANGER - HEDGING COUNTERPARTY Banca IMI S.p.A. Largo Mattioli 3 20121 Milan Italy	
LEGAL ADVISERS	
TO THE ISSUER AS TO ITALIAN LAW Orrick, Herrington & Sutcliffe Piazza della Croce Rossa 2b 00161 Rome Italy	TO THE ISSUER AS TO ENGLISH LAW Orrick, Herrington & Sutcliffe 107 Cheapside London, EC2V 6DN DX: 557 London/City United Kingdom