

SUNRISE S.R.L.

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

€ 5,000,000,000

### Consumer Loans Backed Floating Rate Note Programme

Sunrise S.r.l. (the **“Issuer”**) has established a consumer loans backed note programme (the **“Programme”**) under which it may from time to time issue consumer loans backed notes (the **“Notes”**) denominated in Euro to finance the purchase of receivables in accordance with Italian law no. 130 of 30 April 1999 (the **“Securitisation Law”**). The maximum aggregate principal amount of all Notes from time to time issued and outstanding under the Programme will not exceed Euro 5,000,000,000 (the **“Programme Limit”**). This Base Prospectus constitutes a base prospectus under Art. 8 of Luxembourg Law of July 10, 2005, implementing EC Directive 2003/71/EC of 4 November 2003 (**“Prospectus Directive”**). Application has been made to the Commission de Surveillance de Secteur Financier (the **“CSSF”**) for approval of this Base Prospectus. Application has been made to the Luxembourg Stock Exchange for the Senior Notes issued under the Programme during the period of 12 months following the date of this Base Prospectus to be listed on the Luxembourg Stock Exchange (the **“Stock Exchange”**) in accordance with the Prospectus Directive and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange (the **“Regulated Market”**)

Notes will be issued under the Programme in series (each a **“Series”**) and each Series may consist of one or more predetermined classes (namely, the **“Class A Notes”**, the **“Class B Notes”** and, where provided by the relevant Final Terms, the **“Class C Notes”** (together, the **“Senior Notes”**) and/or the **“Class J Notes”** (together with the Senior Notes, the **“Notes”**)). Each Note shall (except for the issue dates thereof) have the same characteristics of the Notes of the same Class issued by the Issuer from time to time pursuant to the Programme and the Notes of each Class of any Series will rank *pari passu* among themselves and, subject to the provisions of Condition 6.4.1 (*Interest Amount Arrears*) and Condition 7.2 (*Mandatory pro rata Redemption*) of the Terms and Conditions of the Notes (the **“Conditions”**), among the Notes of the same Class issued in previous and future Series. Specific details of each Series to be issued can be found in the Final Terms relating to such Series (each the **“Final Terms”**) relating to such Series, distributed with or attached to this Base Prospectus and dated on or around the issue date for such Series (the **“relevant Series Issue Date”**). The Issuer proposes to issue the first Series of Notes pursuant to the Programme, consisting of one or more Class(es), shortly after the date of this Base Prospectus.

The primary source for the payment of interest and the repayment of principal under the Notes will be collections made in respect of consumer loan receivables and connected rights (the **“Receivables”**) due under consumer loan agreements (the **“Consumer Loans”**) granted to the debtors thereunder by Agos S.p.A. (**“Agos”** or the **“Originator”**), purchased by the Issuer from the Originator and Calyon, Milan branch (**“Calyon Milan”**) and to be purchased from time to time by the Issuer from the Originator pursuant to the terms of a master transfer agreement executed on 9 June 2006 (the **“Master Transfer Agreement”**). Pursuant to the Master Transfer Agreement, the Originator and Calyon Milan, in its capacity as seller, have transferred to the Issuer an initial portfolio of Receivables (the **“Initial Portfolio”**), the purchase price of which will be paid by the Issuer out of the proceeds from the issuance of the first Series of Notes (see *“The Portfolio”* below). On each Purchase Date, the Originator may, 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 Transfer Agreement (the **“Purchase Notices”** and together with the Master Transfer Agreement, the **“Transfer Agreements”**), sell further Receivables (each a **“Subsequent Portfolio”**) to the Issuer, the purchase price of which will be paid by the Issuer out of the principal amounts collected in respect of the Receivables and, where applicable, out of the net proceeds of the issue of each new Series of Notes. The term **“Portfolio”** refers to all the Receivables transferred to the Issuer pursuant to the Programme, the term **“Initial Receivables”** means, collectively, the Receivables included in the Initial Portfolio and the term **“Subsequent Receivables”** means, collectively, the Receivables included in any Subsequent Portfolio. **The Notes and interest accrued on the Notes will not be obligations or responsibilities of any person other than the Issuer.**

Each Series or Class of Notes (except the Class J Notes) is expected, on issue, to be rated the relevant rating by each of Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (**“S&P”**) and Moody's Investors Service Inc. (**“Moody's”**) (S&P and Moody's are collectively referred to as the **“Rating Agencies”**). It is a condition precedent to the issuance of Notes of any Class in any subsequent Series (other than the first Series) that each Rating Agency confirms that the issuance of such Series or Class(es) of Notes will not negatively affect the ratings of any of the then outstanding Notes. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation.**

**The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and are subject to United States tax law requirements. The Notes are being offered only outside the United States (“U.S.”) in compliance with Regulation S under the Securities Act (“Regulation S”), and may not be offered, sold or delivered 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. For a description of certain restrictions on resales or transfers, see “Subscription and Sale”.**

The Notes will be in bearer form and will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. (**“Monte Titoli”**) for the account of the relevant Monte Titoli Account Holders. The expression **“Monte Titoli Account Holders”** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depository banks appointed by Clearstream Banking, société anonyme, Luxembourg (**“Clearstream”**) and Euroclear Bank S.A./N.V. as operator of the Euroclear System (**“Euroclear”**). Monte Titoli shall act as depository for Euroclear and Clearstream. Title to the Notes will be evidenced by book entries in accordance with the provisions of Article 28 of Legislative Decree No. 213 of 24 June 1998 and CONSOB Resolution No. 11768 of 23 December 1998, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

**An “Investment Considerations” section is included in this Base Prospectus. Prospective Noteholders should be aware of the aspects of the issuance of the Notes that are described in that section.**

*Arranger*

Calyon, Milan branch

*Lead Manager*

Calyon Paris

The date of this Base Prospectus is 9 June 2006

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

This Base Prospectus should be read and construed together with any supplements hereto and with any other documents incorporated by reference herein and, in relation to any Series of Notes, should be read and construed together with the relevant Final Terms.

The distribution of this Base Prospectus and of any Final Terms and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus and any Final Terms (or any part of each of them) come are required by the Issuer, the Arranger, the Lead Manager and the Managers to inform themselves about, and to observe, any such restrictions. Neither this Base Prospectus, any Final Terms nor any part of each of them constitutes an offer, and may not be used for the purpose of an offer, to sell any of the Notes, or a solicitation of any 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 laws and are subject to U.S. tax law requirements. 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). In addition, the Issuer has not authorised any offer of Notes to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (the “**Regulations**”). Notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations. See “*Subscription and Sale*”.

The Notes may not be offered or sold directly or indirectly, and neither this Base Prospectus, any Final Terms nor any other 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 U.S.), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. This Base Prospectus and any Final Terms may not be used for any purpose other than that for which they are being published. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Base Prospectus and any Final Terms, see “*Subscription and Sale*”.

No action has or will be taken which would allow an offering (nor a “*sollecitazione all’investimento*”) 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 this Base Prospectus, any Final Terms nor any other offering material relating to the Notes may 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.

Each initial and each subsequent purchaser of a Note will be deemed, by its acceptance of such Note, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as described in this Base Prospectus and the relevant Final Terms and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases. See “*Subscription and Sale*”.

The Issuer accepts responsibility for the information contained in this Base Prospectus other than the information for which the Originator and each Hedging Counterparty accept responsibility. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.

The Originator accepts responsibility for the information contained in this Base Prospectus in the sections headed “*The Portfolio*”, “*The Originator*”, “*The procedures*” and “*The Originator’s Historical Performance Data*”. The Originator accepts responsibility for such information also where replicated in other parts of the Base Prospectus. 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 true and does not omit anything likely to affect the import of such information.

Each Hedging Counterparty will accept responsibility for the information contained in this Base Prospectus and/or the relevant Final Terms relating to the Series in relation to which such Hedging Counterparty will act as such. To the best of the knowledge and belief of each such Hedging Counterparty (which will take all reasonable care to ensure that such is the case), such information will, as of the date of this Base Prospectus or the relevant Final Terms, as applicable, be true and will not omit anything likely to affect the import of such information.

No person is or has been authorised to give any information or to make any representation not contained in this Base Prospectus and/or any Final Terms and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Arranger, the Lead Manager, the Managers, the Representative of the Noteholders, the Issuer, the Corporate Servicer, the Account Bank, the Paying Agents, the Hedging Counterparty(ies), the Commingling Guarantee Provider(s), the Programme Administrator, the Calculation Agent (each as described in “*Summary - Relevant Parties*”) or Agos (in any capacity). None of the aforementioned relevant parties, other than the Issuer, the Originator and the Hedging Counterparty(ies) to the extent set forth above, accepts responsibility for the accuracy or

completeness of the information contained in this Base Prospectus and/or any Final Terms. Neither the delivery of this Base Prospectus, any Final Terms nor any offer, sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has been no change in the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof.

Neither the Arranger, the Lead Manager, the Managers, the Representative of the Noteholders, the Paying Agents nor any of their respective affiliates have separately verified the information contained herein, and accordingly neither the Arranger, the Lead Manager, the Managers, the Representative of the Noteholders, the Paying Agents nor any of their respective affiliates make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Notes or their distribution, or the future performance and adequacy of the Notes, and none of them accepts any responsibility or liability therefor. Neither the Arranger, the Lead Manager, the Managers, the Representative of the Noteholders, the Paying Agents nor any of their respective affiliates undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus and any Final Terms nor to advise any investor or potential investor in the Notes of any information coming to their attention.

#### **OTHER MATTERS**

**In connection with the distribution of the Notes of any Series, the party named as the stabilising manager (if any) in the applicable Final Terms, or any person acting for him, may over-allot or effect transactions with a view to supporting the market price of the Notes of such Series at a level higher than that which might otherwise prevail for a limited period after the relevant Series Issue Date. However, there may be no obligation on such stabilising manager or any of its agents to take such action. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all relevant laws and regulations.**

#### **CAPITALISED TERMS USED IN THIS BASE PROSPECTUS; CURRENCY REFERENCES**

From time to time capitalised terms are used in this Base Prospectus and in the Transaction Documents. Each of those capitalised terms has the meaning assigned to it in the “*Glossary of Terms*” as amended from time to time. Certain monetary amounts and currency translations included in this Base 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 precede them.

All references in this Base Prospectus to “Euro”, “EUR” 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 by, *inter alia*, the Single European Act 1986 and the Treaty of European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and form part of, this Base Prospectus:

1. the financial statements of the Issuer as of and for the period ended 31 December 2005 consisting of:
  - a. Balance sheet (page 5 of the annual accounts for the year 2005);
  - b. Profit and loss account (page 6 of the annual accounts for the year 2005);
  - c. Notes to the accounts (page 7 and 8 of the annual accounts for the year 2005);
  
2. the interim audited financial statements of the Issuer as of and for the period ended 30 April 2006 consisting of:
  - a. Balance sheet (page 5 of the interim financial statements for the period ended 30 April 2006);
  - b. Profit and loss account (page 6 of the interim financial statements for the period ended 30 April 2006);
  - c. Notes to the accounts (page 7 and 8 of the interim financial statements for the period ended 30 April 2006).

As long as the Notes are listed on the Luxembourg Stock Exchange, this Base Prospectus and the documents herein incorporated by reference will be published on the internet site of the Luxembourg Stock Exchange [www.bourse.lu](http://www.bourse.lu).

All information included in the documents incorporated by reference, but not mentioned in the cross reference table above, is given for information purposes only.

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following information is a description of the transactions and assets underlying the Notes and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Base Prospectus and in the Transaction Documents.*

### 1. The principal parties

|  |  |
|--|--|
| <b>Issuer</b>                                    | <b>SUNRISE S.r.l.</b> (the “ <b>Issuer</b> ”), a company incorporated under the laws of the Republic of Italy and having as its sole corporate object the realisation of securitisation transactions pursuant to Article 3 of Law 30 April 1999 No. 130 as amended and supplemented from time to time (the “ <b>Securitisation Law</b> ”), having its registered office at Via Melchiorre Gioia 32, Milan, Italy, with a fully paid-up equity capital equal to Euro 10,000, Fiscal Code, VAT number and enrolment with the register of Enterprises of Milan number 04731380962; registered under No. 36461 with the register held by <i>Ufficio Italiano dei Cambi</i> pursuant to Article 106 of Italian Legislative Decree No. 385 of 1 September 1993 (as amended and supplemented from time to time, the “ <b>Banking Act</b> ”), and registered with the register held by the Bank of Italy pursuant to Article 107 of the Banking Act. |
| <b>Originator</b>                                | <b>Agos S.p.A.</b> (“ <b>Agos</b> ”), a company incorporated under the laws of the Republic of Italy as a joint stock company, with its registered office at Via Bernina 7, Milan, Italy, registered under number 08570720154 with the Register of Enterprises of Milan; registered under No. 193094 with the register held by <i>Ufficio Italiano dei Cambi</i> pursuant to Article 106 of the Banking Act and registered under No. 5373 with the register held by Bank of Italy pursuant to Article 107 of the Banking Act.  |
| <b>Quotaholder</b>                               | <b>Stichting Trustmate 4</b> , a <i>stichting</i> incorporated under the laws of the Netherlands, having its registered office at Fred. Roeskestraat 123, 1076 EE, Amsterdam, the Netherlands.   |
| <b>Servicer</b>                                  | <b>Agos</b>  |
| <b>Corporate Servicer</b>                        | <b>Accounting Partners S.r.l.</b> , a company incorporated under the laws of Italy, with registered offices at Corso Re Umberto 8, 10121 Turin, Fiscal Code number 1030897 and enrolment with the register of Enterprises of Turin number 09180200017.   |
| <b>Account Bank</b>                              | <b>CALYON</b> , a bank incorporated under the laws of France with its registered offices at 9, Quai du Président Paul Doumer, 92920 Paris La Défense Cedex, registered with the <i>Registre du Commerce et des Sociétés de Nanterre</i> with no. SIREN 304 187 701, acting through its Milan branch (Calyon., Milan branch) at Via Brera 21, 20121 Milan, Italy, authorised in Italy pursuant to article 13 of the Banking Act (“ <b>Calyon Milan</b> ”).  |
| <b>Calculation Agent</b>                         | <b>Calyon Milan.</b>   |
| <b>Principal Paying Agent</b>                    | <b>Calyon Milan.</b>   |
| <b>Cash Manager</b>                              | <b>Calyon Milan.</b>   |
| <b>Managers</b>                                  | The party or parties specified as such in the applicable Final Terms in relation to each Series of Senior Notes.   |
| <b>Representative of the Noteholders</b>         | <b>CACEIS Bank Luxembourg (Crédit Agricole – Caisse d’Epargne Investor Services)</b> (“ <b>CACEIS</b> ”), duly licensed to exercise the activity of a credit institution in Luxembourg, having its registered office in 5, Allée Scheffer, L-2520 Luxembourg, and registered with the register of commerce and companies of Luxembourg under the number B91985.  |
| <b>Listing Agent and Luxembourg Paying Agent</b> | <b>CACEIS.</b>   |
| <b>Programme Administrator</b>                   | <b>Calyon Milan.</b>   |
| <b>Hedging Counterparties</b>                    | The party or parties specified as such in the applicable Final Terms in relation to each Series of Senior Notes. Each Hedging Counterparty shall have at least a short term  |

rating equal to A1 by S&P and a short term rating equal to P1 and a long term rating equal to A1 by Moody's.

**Arranger**

**Calyon Milan.**

**Lead Manager**

**Calyon**, a bank incorporated under the laws of France with its registered offices at 9, Quai du Président Paul Doumer, 92920 Paris La Défense Cedex, registered with the Registre du Commerce et des Sociétés de Nanterre with No. SIREN 304 187 701, ("**Calyon Paris**").

## **THE PRINCIPAL FEATURES OF THE NOTES**

**The Programme**

Consumer Loans Backed Note Programme (the "**Programme**"). Under the Programme, the Issuer may from time to time issue Notes to finance the purchase of the Receivables. The aggregate outstanding principal amount of the Notes cannot at any time exceed the Programme Limit (as defined below).

**Programme Limit**

€ 5,000,000,000

**Series Minimum Issuance Amount**

The aggregate Notes Initial Principal Amount of each Series of Notes cannot be lower than € 300,000,000.

**Legislation of creation of the Notes**

The Notes are created under the Italian legislation.

**Distribution**

The Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

**"Notes Initial Principal Amount"** means, with reference to each Note (or, as the case may be, Class or Series of Notes), the principal amount outstanding thereof as of its (or, as the case may be, their) relevant Series Issue Date.

**Issuance in Series and Classes**

The Notes will be issued in Series and each Series may include Class A Notes, Class B Notes and, where provided by the relevant Final Terms, Class C Notes (collectively, the "**Senior Notes**") and Class J Notes (the "**Junior Notes**", and together with the Senior Notes, the "**Notes**"), subject to the terms set out in the relevant Final Terms in respect of such Series or Class.

**Series Issue Date**

In relation to each Series, the date specified as such in the applicable Final Terms in relation to such Series.

**Issuance Period**

The Issuer can issue new Series of Notes in the period starting from the First Issue Date and ending, but excluding, on the earlier of:

- (i) the Payment Date falling on May 2011; and
- (ii) the date in which the Purchase Period ends.

**"First Issue Date"** means the issue date of the first Series of Notes under this Programme.

**Portfolio**

The principal source of payment of interest and of repayment of principal on the Notes will be collections made in respect of a portfolio (the "**Initial Portfolio**") of consumer loan receivables and connected rights arising out of consumer loan agreements (the "**Consumer Loans**") purchased by the Issuer from the Originator and Calyon Milan pursuant to a master transfer agreement executed on 6 June 2006 (the "**Master Transfer Agreement**") and further portfolios of consumer loan receivables and connected rights arising out of consumer loan agreements (the "**Subsequent Portfolios**") to be purchased by the Issuer from the Originator during the Purchase Period (as defined below) pursuant to the transfer agreements to be entered into from time to time between the Issuer and the Originator in compliance with the terms of the Master Transfer Agreement (the "**Purchase Notices**" and together with the Master Transfer Agreement, the "**Transfer**

**Agreements”**).

The consumer loan receivables purchased by the Issuer from Calyon Milan in the context of the assignment of the Initial Portfolio (the “**Calyon Initial Receivables**”) have been originated by the Originator and have been assigned by the latter to Calyon Milan pursuant to Italian Law no. 52 of 21 February 1992 as amended from time to time.

The Purchase Price for the Initial Portfolio will be funded from the proceeds of the issue of the first Series of Notes under this Programme. Any positive balance of such proceeds will be credited by the Issuer to the Purchase Account on the First Issue Date.

The Purchase Price for each Subsequent Portfolio will be funded from the net proceeds of the issue of subsequent Series of Notes (if any) as well as from the principal collections made under the Receivables.

All the Notes of all Series will be collateralised by the Portfolio. The Noteholders will have rights over the Portfolio as a whole (subject to the relevant Priority of Payments).

In this Base Prospectus, the term “**Portfolio**” means the Initial Portfolio and any Subsequent Portfolios; the term “**Initial Receivables**” means, collectively, the Receivables included in the Initial Portfolio and the term “**Subsequent Receivables**” means, collectively, the Receivables included in any Subsequent Portfolio.

“**Purchase Period**” means the period starting on (and including) the First Purchase Date and ending on the earlier of:

- (i) the earlier of (a) the Optional Purchase Date falling in May 2016 (included) and (b) the Optional Purchase Date immediately preceding the date on which the latest Series Amortising Period (as defined below) of all the outstanding Series commences (included); and
- (ii) the date on which an Early Termination Event Notice (as defined below) is delivered (excluded).

“**First Purchase Date**” means the purchase date of the Initial Portfolio, being 9 June 2006.

“**Optional Purchase Date**” means, during the Purchase Period, as from July 2006:

- (i) a Payment Date; or
- (ii) following receipt by the Issuer of the notice referred to under Clause 4.9 of the Master Transfer Agreement, the 27<sup>th</sup> day (or, if such day is not a Business Day, the Business Day immediately following such date) of any month immediately following the Payment Date immediately following receipt by the Issuer of the aforementioned notice.

“**Purchase Date**” means:

- (i) the First Purchase Date; and
- (ii) during the Purchase Period and from the month of July 2006, each Optional Purchase Date on which Agos sells Receivables to the Issuer and “**relevant Purchase Date**” means with respect to each Receivable or Portfolio, the Purchase Date as of which such Receivable or Portfolio is transferred to the Issuer.

## **Further Issues and Fungibility**

The Issuer may, during the Issuance Period, without the prior consent of the holders of any outstanding Notes but subject to certain conditions, from time to time create and issue further Notes having the same terms and conditions as the Notes of the same Class of any existing Series (except for the Issue Price, the Margin and the relevant Initial Interest Period relating to such further Notes) so



that the same shall be consolidated with the Notes of the same Class of any existing Series without the consent of the Noteholders of such Series. It is a condition precedent to the issuance of a new Series of Notes (other than the first Series of Notes under this Programme), that:

- (i) the Class A Notes, the Class B Notes and the Class C Notes of each such Series obtain the Class A Rating, the Class B Rating and the Class C Rating, respectively;
- (ii) the Rating Agencies confirm to the Issuer that the issuance of such Series of Notes will not negatively affect the then current ratings of any of the then outstanding Senior Notes; and
- (iii) an Early Termination Event Notice (as defined below) has not been served.

Each Series of Notes will be the subject of certain final terms (the “**Final Terms**”) which, for the purposes of those Series of Notes only, will supplement the Conditions of the Notes and this Base Prospectus and shall be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular issue of Notes are the Conditions of the Notes as supplemented and amended by the relevant Final Terms.

## Rating

“**Class A Rating**“ means a rating equal to “Aaa“ by Moody's Investors Service Limited (“**Moody's**“) and “AAA“ by Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies Inc. (“**S&P**“ and, together with Moody's, the “**Rating Agencies**“) or such other rating level notified by each of the Rating Agencies for the Class A Notes at any time during the Programme.

“**Class B Rating**“ means a rating equal to “Aa3“ by Moody's and “A“ by S&P or such other rating level notified by each of the Rating Agencies for the Class B Notes at any time during the Programme.

“**Class C Rating**“ means a rating equal to “Baa2” by Moody's and “BBB“ by S&P and or such other rating level notified by each of the Rating Agencies for the Class C Notes at any time during the Programme.

Each of the Class A Rating, the Class B Rating and the Class C Rating is referred to as a “**Rating**“.

The Junior Notes will not be assigned a rating.

**A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any of the Rating Agencies.**

## Listing and Admission to trading of the Senior Notes

Application will be made to list the Class A Notes, the Class B Notes and the Class C Notes of each Series of Notes issued under the Programme on the Luxembourg Stock Exchange (and/or on any other stock exchange as may be agreed between the Issuer and each relevant Managers and as specified in the relevant Final Terms) and to admit such Notes to trading on the Regulated Market. The Junior Notes will not be listed on the Luxembourg Stock Exchange and/or on any other stock exchange.

## Proceeds of the issue of the Notes

The proceeds of the issue of the first Series of Notes under this Programme will be applied by the Issuer to purchase the Initial Portfolio.

The net proceeds of the issue of each further Series of Notes will be part of the principal available funds to be used by the Issuer to pay from time to time the purchase price for the relevant Subsequent Portfolios.

## Issue Price

The Notes will be issued at par.

## Form and Denominations

The Senior Notes will be issued in denominations of € 50,000 or such different denomination specified in the relevant Final Terms, provided that the minimum

denomination of the Notes is always € 50,000.

The Class J Notes will be issued in denominations of € 50,000 with a minimum increase equal to € 10,000 or integral multiples thereof. Each Series may include up to one hundred Class J Notes.

The Notes will be in bearer form and will at all times be evidenced by, and title thereto will be transferable by means of, book-entries in accordance with the provisions of article 28 of Italian Legislative Decree number 213 of 24 June 1998 and CONSOB Resolution number 11768 of 23 December 1998, as amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

#### Status and Subordination

The Notes of each Class will rank *pari passu* and rateably without any preference or priority among themselves for all purposes. The obligations of the Issuer to each Noteholder as well as to each of the Other Issuer Creditors (as defined below) will be limited recourse obligations of the Issuer. Each Noteholder and Other Issuer Creditor will have a claim against the Issuer only to the extent of the Issuer Available Funds.

“**Other Issuer Creditors**” means the Issuer’s creditors under the Transaction Documents other than the Noteholders.

Save as provided in the Conditions,

- (i) the Class A Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Class B Notes, the Class C Notes and the Class J Notes;
- (ii) the Class B Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Class C Notes and the Class J Notes and subordinated to the Class A Notes;
- (iii) the Class C Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Class J Notes and subordinated to the Class A Notes and the Class B Notes;
- (iv) the Class J Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

#### Selling restrictions

There are restrictions on the sale of the Notes and on the distribution of information in respect thereof. See “*Subscription and Sale*”.

#### Interest on the Senior Notes

The Senior Notes will bear interest on their Notes Principal Amount Outstanding from and including the relevant Series Issue Date until final redemption pursuant to the Conditions. Interest on the Senior Notes will be payable in Euro quarterly in arrears on the 27<sup>th</sup> day of February, May, August and November in each year (provided that, if any such day is not a Business Day, the interest on such Notes will be payable on the next following Business Day) (each a “**Payment Date**”), starting from 27 August 2006 (the “**First Payment Date**”), provided that following the delivery of a Trigger Notice due to the occurrence of an Insolvency Event, the Payment Date will be any Business Day. In respect of the Notes of each Series, the period from (and including) the relevant Series Issue Date to (but excluding) the next succeeding Payment Date is referred to as the “**relevant Initial Interest Period**”.

The rate of interest payable from time to time in respect of the Senior Notes shall be Euribor for three month Euro deposits (as determined in accordance with Condition 6 (*Interest*)) (or, in the case of each relevant Initial Interest Period of each Series of Notes, the rate obtained by linear interpolation of the Euribor rates

indicated in the relevant Final Terms) plus the applicable margin in respect of the Senior Notes of each Class specified in the relevant Final Terms. Each Final Terms will also indicate the relevant Initial Interest Period applicable to the relevant Series of Notes.

“**Insolvency Event**” means any of the Trigger Events described in the paragraph “*Insolvency of the Issuer*”.

“**Notes Principal Amount Outstanding**” means, on any date:

- (a) in relation to each Series, the aggregate principal amount outstanding of all the Notes in such Series;
- (b) in relation to each Class of Notes of a specific Series, the aggregate principal amount outstanding of all the Notes in such Class of Notes of such Series;
- (c) in relation to each Class of Notes, the aggregate principal amount outstanding of all Notes in such Class of Notes in all Series; and
- (d) in relation to a Note, the principal amount of that Note upon issue (considering the relevant Series Issue Date) less the aggregate amount of all principal payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that date.

## Interest on the Class J Notes

Each Class J Note will bear interest as follows:

- (a) a base interest which will accrue on its Notes Principal Amount Outstanding from and including the relevant Series Issue Date until final redemption, at Euribor for three month Euro deposits (as determined in accordance with Condition 6 (*Interest*)) (or, in the case of each relevant Initial Interest Period, the rate obtained by linear interpolation of the Euribor rates indicated in the relevant Final Terms) plus the applicable margin in respect of the Class J Notes specified in the relevant Final Terms (the “**Class J Base Interest**”); and
- (b) an additional interest (if any), in an amount equal to the Class J Additional Interest (together with the Class J Base Interest, the “**Class J Coupon**”) shall be due on each Payment Date to the Class J Notes.

“**Class J Additional Interest**” means in respect of each Payment Date an amount calculated and determined by the Calculation Agent as follows:

- (a) the aggregate of all Interest Component accrued in the immediately preceding Quarter Reference Period; *plus*
- (b) the Collection of Fees debited to the Debtor and accounted in the immediately preceding Quarter Reference Period; *plus*
- (c) all interest for late payments received by the Issuer and all expenses for late payments debited to the Debtor and accounted in the immediately preceding Quarter Reference Period; *plus*
- (d) all amounts accrued by Sunrise under any Hedging Agreement at the such Payment Date; *plus*
- (e) the interest accrued on the Issuer Accounts as well as any net proceed derived from the Eligible Investments realised during the Quarter Reference Period immediately preceding such Payment Date, and constituting clear funds on such Payment Date; *minus*
- (f) before the delivery of a Trigger Notice, all amounts accrued and related to item (i), (iii), (iv), (v), (vi), (vii), (viii), (x), (xi), (xvii), (xviii), (xix), (xxii), (xxiii), (xxiv), or after the delivery of a Trigger Notice, (i), (ii), (iii), (iv), (v), (vi), (vii), (ix), (xi), (xiii), (xiv) (considering only the fees to be paid), (xxii), (xxiii) *minus*
- (g) all amounts of all Receivables which have been classified as written-off by the Servicer during the immediately preceding Quarter Reference Period.

## Series Amortising Period

Means, in relation to each Series, the period starting from (and excluding) the earlier of:

- (i) the first Payment Date falling at least 60 months after the relevant Series Issue Date; and
- (ii) in case of delivery of an Early Termination Event Notice, the Payment Date immediately following the later of the date on which an Early Termination Event Notice is delivered by the Programme Administrator to the Issuer and the date falling 18 months after the relevant Series Issue Date;

and ending on (and including) the earlier of:

- (i) the date defined as the Series Final Maturity Date in the relevant Final Terms (which shall fall, in any case, not later than the Programme Final Maturity Date); and

- (ii) the date on which the Notes of such Series are fully redeemed.

**Series Initial Amortising Date**

Means, in relation to each Series, upon delivery of an Early Termination Event Notice, the first Payment Date falling at least 18 months after the relevant Series Issue Date.

If an Early Termination Event Notice is delivered (other than by reason of a Trigger Event Notice determined by the occurrence of an Insolvency Event), any principal payment due to be paid in respect of the Notes of such Series before the relevant Series Initial Amortising Date (excluded) will be credited to the Early Principal Reserve Account for a payment to the Noteholders of the relevant Series, without application of the relevant Priority of Payments, on such Series Initial Amortising Date.

If the delivery of an Early Termination Event Notice is due to the delivery of a Trigger Notice determined by the occurrence of an Insolvency Event, any principal payment due to be paid in respect of the Notes of such Series will be paid, in accordance with the provision of Condition 5.2 (*Priority of Payments after the delivery of a Trigger Notice*), on the Business Day following the delivery of such Trigger Notice, also if falling prior to the relevant Series Initial Amortising Date, and on each relevant Business Day thereafter.

If, as a result of any change of fiscal laws of Italy, the Issuer will no longer be required to pay any taxes upon redemption of the Notes during the period up to the date falling eighteen months after the relevant Series Issue Date and the effects of this change of fiscal laws are confirmed by a legal opinion of a law firm reasonably satisfactory to the Representative of the Noteholders, the Series Initial Amortising Date of the Notes will, with the prior consent of the Representative of the Noteholders, be anticipated to the Payment Date immediately following the entering into force of such changes and accordingly, there will be no further accumulations of principal on the Early Principal Reserve Account and any amounts already accumulated thereon (and not utilised) may forthwith be paid to the relevant Noteholders, without application of the relevant Priority of Payments, on the next succeeding Payment Date. The Representative of the Noteholders shall give its consent to the anticipation of the Series Initial Amortising Date of the Notes if it receives confirmation from the Rating Agencies that such anticipation shall not adversely affect the rating of the than outstanding Senior Notes.

**Withholding Tax on the Notes**

As of the date of this Base Prospectus, payments of interest and other proceeds under the Notes may be subject to withholding or deduction for or on account of Italian substitute tax, in accordance with Legislative Decree No. 239 of 1 April 1996 (as subsequently amended and supplemented) (any such deduction, a "**Decree 239 Deduction**"). Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes.

**Mandatory Pro-Rata Redemption of the Notes**

Provided that an Early Termination Event Notice has not been delivered to the Issuer, the Notes of each Series will be subject to mandatory redemption, as provided in Condition 7.2 (*Mandatory Pro Rata Redemption*), in full or in part, *pro rata*, on the first Payment Date of the relevant Series Amortising Period and on each Payment Date thereafter if and to the extent that there are sufficient Principal Available Funds which may be applied for repayment of principal on the Notes of each relevant Class of each Series in accordance with the provision of Condition 5.1.3.1 (*Priority of Payments Prior to the delivery of an Early Termination Event Notice*).

**Mandatory Redemption following the delivery of an Early Termination Event Notice**

Upon delivery of an Early Termination Event Notice (other than an Early Termination Event Notice by reason of a Trigger Notice which is caused by the occurrence of an Insolvency Event), the Notes of each Series will be subject to mandatory redemption, as provided in Condition 7.2 (*Mandatory Pro Rata Redemption*), in full or in part, *pro rata*, on the relevant Series Initial Amortising Date and on each Payment Date thereafter if and to the extent that there are sufficient Principal Available Funds which may be applied for repayment of principal on the Notes of each relevant Class of such Series in accordance with the provisions of

Condition 5.1.3.2 (*Priority of Payments After the delivery of an Early Termination Event Notice*). Prior to the Series Initial Amortising Date of any Series of Notes, the principal payments in respect of such Series or Class of Notes will be deposited on the Early Principal Reserve Account and on the relevant Series Initial Amortising Date, the aggregate of the principal payments deposited in the Early Principal Reserve Account in respect of such Series of Notes will be paid to the relevant Noteholders without application of the relevant Priority of Payments.

Following delivery of a Trigger Notice which is due to the occurrence of an Insolvency Event, the Issuer, to the extent that it has sufficient available funds which may be applied for repayment of principal on the Notes of each relevant Class in accordance with the provision of Condition 5.2 (*Priority of Payments after the delivery of a Trigger Notice*), shall on the immediately following Business Day redeem the Notes then outstanding in full (or in part *pro rata*).

#### **Optional Redemption of the Notes of all Series**

Unless previously redeemed in full, and prior to the delivery of an Early Termination Event Notice, the Issuer may, at its option, redeem all but not some only of the Notes of all Series outstanding under the Programme, on the Series Initial Amortising Date of the last Series of Notes issued under the Programme or on any Payment Date thereafter, at their Notes Principal Amount Outstanding together with all accrued but unpaid interest thereon if the aggregate Principal Amount Outstanding of all the Receivables is equal to or less than 10% of the aggregate Initial Principal Amount of the Receivables comprised in the Initial Portfolio and in each Subsequent Portfolios (or portion of Subsequent Portfolios) the purchase of which was financed through the issuance of Notes of any Series.

This option may only be exercised provided that the Issuer has (i) received a notice from Agos pursuant to which Agos has notified its intention to exercise its purchase option pursuant to Clause 16 of the Master Transfer Agreement and (ii) given not more than sixty (60) and not less than thirty (30) days' prior written notice to the Representative of the Noteholders and has produced a certificate duly signed by two directors or the sole director, as the case may be, of the Issuer to the effect that it will have the necessary funds (not subject to the interests of any person) on such Payment Date to discharge all of its outstanding liabilities in respect of the Notes and any amount required to be paid under the Intercreditor Agreement in priority to, or *pari passu* with, the Notes.

On the relevant Payment Date, upon the conditions referred to under Clause 16 of the Master Transfer Agreement, Agos will have the right to purchase the Portfolio at a purchase price equal to the market value of the Receivables as determined by a third party independent arbitrator which, together with the Issuer Available Funds as determined on the Calculation Date immediately preceding such Payment Date, shall be sufficient to provide the Issuer with the funds, not subject to the interests of any other person, necessary in order to discharge all its outstanding liabilities in respect of the Notes that are still outstanding on such date and any amounts required under the Conditions to be paid; such amounts to be paid in accordance with the applicable Priority of Payments.

#### **Redemption for Tax Reasons**

If, at any time, the Issuer confirms to the Representative of the Noteholders that, on any Payment Date, the Issuer would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) any amount from any payment of principal or interest on the Notes for or on account of any present or future taxes, duties, assessments or governmental charges by the Republic of Italy or any political sub-division thereof or any authority thereof or therein, and the Issuer provides the Representative of the Noteholders with a certificate signed by two directors, or the sole director, as the case may be, of the Issuer to the effect that the Issuer will have the necessary funds, not subject to the interest of any other person, to discharge all its outstanding liabilities in respect of the Notes and any amounts required under the relevant Conditions to be paid in priority to or *pari passu* with such Notes, then, following receipt of a written notice from the Representative of the Noteholders authorising the redemption, the Issuer may, at its option, redeem on the next succeeding Payment Date all but not some only of the Notes at their Notes Principal Amount Outstanding together with accrued but unpaid interest up to and including the relevant Payment Date, having given not more than sixty (60)

nor less than thirty (30) days' notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 14 (*Notices*).

**Series Final Maturity Date**

Unless previously redeemed in full or cancelled in accordance with the Conditions, the Notes of all Series are due to be repaid in full at their Notes Principal Amount Outstanding on their relevant Series Final Maturity Date. The Series Final Maturity Date of each Series shall not fall after the Programme Final Maturity Date.

**Programme Final Maturity Date**

Means the Payment Date falling on 27 August 2030.

**Cancellation Date**

The Notes will be cancelled on the date (the "**Cancellation Date**") which is the earlier of:

- (i) the date falling 1 year after the Programme Final Maturity Date; and
- (ii) the date on which the Notes have been redeemed in full.

**Segregation of Issuer's Rights and security for the Notes**

The Notes will have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio and the Issuer's Rights (as defined in the Glossary of Terms) are segregated by operation of law from the Issuer's other assets. Both before and after a winding-up of the Issuer, amounts deriving from the Portfolio and the Issuer's Rights will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. The Portfolio and the Issuer's Rights may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation of the Notes. Pursuant to the terms of the Intercreditor Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice, to exercise all the Issuer's Rights, powers and discretion under the Transaction Documents and to take such actions in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio and the Issuer's Rights. Italian law governs the delegation of such powers.

Security over certain monetary rights of the Issuer arising out of certain Transaction Documents will be granted by the Issuer in favour of the Noteholders and the Other Issuer Creditors.

In addition, security over the monetary rights of the Issuer arising out of the Hedging Agreements and all other contracts, agreements, deeds and documents, if any, governed by English law to which the Issuer may become a party in relation to the Notes and the Portfolio, will be granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Deed of Charge for the benefit of the Noteholders and the Other Issuer Creditors.

**Trigger Events**

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

- (i) *Non-payment*
  - (a) on each Payment Date, the Issuer defaults in any payment of interest due and payable on the highest ranking Class of Senior Notes then outstanding; or
  - (b) on the Series Final Maturity Date of any Series of Notes, the Notes Principal Amount Outstanding of the highest ranking Class of then outstanding Senior Notes of such Series is not totally redeemed;

and such default is not remedied within a period of, respectively, five and three Business Days from the due date for payment thereof; or

(ii) *Breach of other obligations*

the Issuer is in breach of any of its obligations, representations or warranties under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Notes) and (except where, in the sole opinion of the Representative of the Noteholders, such breach is not capable of remedy in which case no notice will be required) such breach remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in its opinion, materially prejudicial to the interests of the Noteholders and requiring the same to be remedied; or

(iii) *Insolvency of the Issuer*

(a) an administrator, administrative receiver or liquidator of the Issuer is appointed over or in respect of the whole or any part of the undertaking, assets and/or revenues of the Issuer or the Issuer becomes subject to any bankruptcy, liquidation, administration, insolvency, composition, reorganisation (among which, without limitation, “*fallimento*”, “*concordato preventivo*” and “*amministrazione controllata*” within the meaning ascribed to those expressions by the laws of the Republic of Italy) or similar proceedings (or application is filed for the commencement of any such proceedings) or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Issuer; or

(b) proceedings are initiated against the Issuer under any applicable bankruptcy, liquidation, administration, insolvency, composition, reorganisation or similar laws and proceedings are not, in the opinion of the Representative of the Noteholders, being disputed in good faith; or

(c) the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for bankruptcy or suspension of payments; or

(iv) *Winding-up etc.*

an order is made or an effective resolution is passed (in any respect deemed by the Representative of the Noteholders to be material and incapable of being remedied) for the winding up, liquidation or dissolution of the Issuer except a winding up for the purposes of or pursuant to an amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders or by an extraordinary resolution of the Noteholders pursuant to the Rules of the Organisation of the Noteholders; or

(v) *Unlawfulness*

it is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material and incapable of being remedied) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents;

then the Representative of the Noteholders:

1. in the case of a Trigger Event under item (i) above may in its sole discretion or shall, if so directed by an Extraordinary Resolution; and
2. in the case of a Trigger Event under items (ii), (iii), (iv) or (v) above, shall if



so directed by an Extraordinary Resolution;

give written notice (a "**Trigger Notice**") to the Issuer with copy to the Programme Administrator and the Originator, following which all payments of principal, interest and other amounts due in respect of the Notes shall be made in accordance with the provisions of Condition 5.2 (*Priority of Payments after the delivery of a Trigger Notice*).

In addition, following the service of a Trigger Notice and in accordance with the Conditions, the Issuer shall, if so requested by the Representative of the Noteholders, dispose of the Portfolio if certain conditions are satisfied.

## **Early Termination Events**

**"Early Termination Event"** means each of the following events:

- (a) a Trigger Notice is delivered to the Issuer;
- (b) Agos is in material breach of its obligations under the Warranty and Indemnity Agreement, the Servicing Agreement or any other Transaction Document to which Agos is a party and, in the justified opinion of the Programme Administrator, (i) such breach is materially prejudicial to the interests of the Senior Noteholders, and (ii) (except where, in the opinion of the Programme Administrator, such breach is not capable of remedy) such breach remains unremedied for 10 (ten) days (or 7 (seven) days where the breach relates to an undertaking to pay an amount of money) after the Programme Administrator has given written notice thereof to Agos, requiring the same to be remedied;
- (c) any of the representations and warranties given by Agos under the Master Transfer Agreement, the Servicing Agreement or the Warranty and Indemnity Agreement is breached, or is untrue, incomplete or inaccurate and in the justified opinion of the Programme Administrator, (i) such breach (or, as the case may be, such untruthfulness, incompleteness or inaccuracy) is materially prejudicial to the interests of the Senior Noteholders, and (ii) (except where, in the opinion of the Programme Administrator, such breach is not capable of remedy, in which case no notice will be required), such situation remains unremedied for 10 (ten) days after the Programme Administrator has given written notice thereof to Agos, requiring the same to be remedied;
- (d) Agos is declared insolvent or becomes subject to bankruptcy proceedings; a liquidator or administrative receiver is appointed or a resolution is passed for such appointment; a resolution is passed by Agos for the commencement of any of such proceedings or the whole or any substantial part of Agos's assets are subject to enforcement proceedings;
- (e) Agos carries out any action for the purpose of rescheduling its own debts, in full or with respect to a material portion thereof, or postponing the maturity dates thereof, enters into any extrajudicial arrangement with all or a material portion of its creditors (including any arrangement for the assignment of its assets in favour of its creditors), files any petition for the suspension of its payments or any court grants a moratorium for the fulfilment of its debts or the enforcement of the securities securing its debts and the Programme Administrator, in its justified opinion, deems that any of the above events have or may have a material adverse effect on Agos's financial conditions;
- (f) a resolution is passed for the winding up, liquidation or dissolution of Agos, except a winding up for the purposes of or pursuant to an amalgamation or reconstruction allowed under the terms of the

Warranty and Indemnity Agreement;

- (g) the validity or effectiveness of any Transaction Document is challenged before any judicial, arbitration or administrative authority on the basis of arguments which, in the justified opinion of the Programme Administrator based on a legal opinion issued in favour of the Program Administrator and Agos by a primary law firm, are grounded, where any such challenge is or may be, in the justified opinion of the Programme Administrator, materially prejudicial to the interests of the Noteholders;
- (h) the Issuer revokes Agos (in its capacity as Servicer) or any Servicer which may succeed to Agos in such role, in accordance with the provisions of the Servicing Agreement;
- (i) starting from the First Payment Date, the 3 Months Rolling Theoretical Excess Spread, (x) as calculated on each Calculation Date preceding a Purchase Date, is lower than 0,465%, or (y) as calculated on each Calculation Date preceding a Payment Date after termination of the Purchase Period is lower than 0%, or (z) in both cases is lower than such other percentage as may be agreed upon between the Issuer and Agos on each Series Issue Date, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes;
- (j) on two successive Payment Dates during the Purchase Period the Collateral Ratio (as calculated at the immediately preceding Confirmation Date or, if a Payment Date is not a Purchase Date, on the Business Day immediately following the Calculation Date immediately preceding such Payment Date), is lower than 90% or such other percentage as may be agreed upon between the Issuer and Agos on each Series Issue Date, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes;
- (k) if any, any Commingling Guarantee Provider has made any payment under Clauses 2 and 5.3 of any Commingling Guarantee, or Agos has not fulfilled its obligations under Clause 5.4, second sentence, of any Commingling Guarantee, or Agos is in breach with its obligation to pay the Commitment Fees due to any Commingling Guarantee Provider under Clause 6.3 of any Commingling Guarantee and such default is not remedied in the 30 days following the relevant due date; or
- (l) on any Payment Date the Defaulted Account is not credited for the amount due to be credited to such account out of the Interest Available Funds and in accordance with the applicable relevant Priority of Payments.

**"Early Termination Event Notice"** means the notice delivered by the Programme Administrator to the Issuer, the Originator, the Servicer and the Representative of the Noteholders in accordance with the Master Transfer Agreement following the occurrence of an Early Termination Event. The delivery of an Trigger Notice by the Representative of the Noteholders to the Issuer, with copy to Agos and the Programme Administrator, will constitute an Early Termination Event without any other notice by the Programme Administrator being required.

**"Collateral Ratio"** means:

- (i) on the Confirmation Date immediately preceding each Payment Date, or on any Business Day immediately following the Calculation Date immediately preceding a Payment Date, the ratio between (a) the Receivables Eligible Outstanding Amount as of the Calculation Date

immediately preceding such Confirmation Date (taking into account the Receivables to be purchased on such Payment Date, if any) and (b) the Notes Principal Amount Outstanding of the Senior Notes on such Confirmation Date (taking into account any principal reimbursement of the Notes to be made on such Payment Date and the Notes to be issued on such Payment Date, if any); and

- (ii) on each Calculation Date, the ratio between (a) Receivables Eligible Outstanding Amount as of such Calculation Date and (b) the difference between the Notes Principal Amount Outstanding of the Senior Notes on such Calculation Date and the balance of the Principal Reserve Account on such Calculation Date (without taking into account any interest accrued and any net proceeds deriving from the Eligible Investments credited on such Principal Reserve Account).

**“Calculation Date”** means, during the Purchase Period, 11.00 a.m. of the date which falls 11 Business Days prior to any Optional Purchase Date and, once the Purchase Period is expired, 11.00 a.m. of the date which falls 6 Business Days prior to each Payment Date.

**“Purchase Notice Date”** means, during the Purchase Period, 11.00 a.m. of the date which falls 1 Business Days prior to each Report Date.

**“Confirmation Date”** means, during the Purchase Period, 3.00 p.m. of the date which falls 10 Business Days prior to each Purchase Date.

**“Cut-Off Date”** means

- (i) 11:59 p.m. of the last day of the months of January, April, July and October; and

- (ii) following the Payment Date (excluded) immediately following receipt by the Issuer of the notice provided for under Clause 4.9 of the Master Transfer Agreement, 11:59 p.m. of the last day of each calendar month.

The first Cut-Off Date is the First Valuation Date.

**“Report Date”** means, during the Purchase Period, 1.00 p.m. of the date which falls 13 Business Days prior to each Optional Purchase Date and, once the Purchase Period is expired, 1.00 p.m. of the date which falls 8 Business Days prior to each Payment Date.

**“Receivables Eligible Outstanding Amount”** means, on each date and in relation to all the Receivables which are not Defaulted Receivables as of such date, the aggregate of all the Principal Components of such Receivables plus any unpaid Accrual of Interests due by the relevant Debtor from (but excluding) the Cut-Off Date immediately preceding such date.]

**“Defaulted Receivables”** means, with reference to a date, the Receivables which on the Cut-Off Date preceding such date (i) have at least 9 Late Instalments or (ii) have one Instalment which is due but unpaid in whole or paid less than the 50% of the total amount of such Instalment as from 270 Business Days (iii) in relation to which judicial proceedings have been commenced for the purpose of recovering the relevant amounts due or (iv) in relation to which Agos has exercised its right to terminate the relevant Consumer Loan Agreement or has declared that the Debtor has lost the benefit of the term (“*decaduto dal beneficio del termine*”) or has sent to the Debtor a notice communicating to him that in case of failure by the Debtor to pay the amounts due within the time limit specified therein, Agos may declare that the Debtor has lost the benefit of the term (“*decaduto dal beneficio del termine*”). A Receivable will be considered a Defaulted Receivable as of the occurrence of the first of the events described in the above points (i), (ii), (iii) and (iv). The Receivables classified as Defaulted Receivables at any date shall be considered as Defaulted Receivables at any following date.

“**Late Instalment**” means, with reference to a Cut-Off Date, any Instalment which is due during any calendar month immediately preceding such Cut-Off Date and which is not paid in whole or paid less than the 50% of the total amount of such Instalment as of the last day of the calendar month immediately following the month on which such Instalment was due.

“**3 Months Rolling Theoretical Excess Spread**” means, on each Calculation Date,

- 1) if such Calculation Date falls before or on the Calculation Date immediately preceding the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement or after the first Payment Date of the Amortisation Period, the Theoretical Excess Spreads calculated on such Calculation Date
- 2) if such Calculation Date falls after or on the Calculation Date immediately preceding the second Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement, but before the first Payment Date of the Amortisation Period, the aggregate of the Theoretical Excess Spreads calculated on such Calculation Date and on the two immediately preceding Calculation Dates.
- 3) if such Calculation Date falls before a Optional Purchase Date falling during the period starting (but excluding) on the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement and ending (but excluding) on the second Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement, the Theoretical Excess Spreads calculated on the Calculation Date immediately preceding the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement

“**Theoretical Excess Spread**” means, on each Calculation Date, the ratio of:

(A) the difference between:

(a) the aggregate of:

(i) the Collections of Interest and the Collections of Fees, including any Collections received with respect to the Accrual of Interest, received during the Calculation Reference Period preceding such Calculation Date, plus

(ii) any amount due and payable by the Hedging Counterparties on the immediately following Payment Date multiplied by the Period Ratio as of such Calculation Date and further multiplied by the Collateral Ratio as of the immediately preceding Calculation Date, plus

(iii) the ratio, if positive, of (i) the Spread Required Amount as determined on the Confirmation Date immediately preceding the Payment Date immediately preceding such Calculation Date and (ii) the Average Life of the Portfolio as determined on the Confirmation Date immediately preceding the Payment Date immediately preceding such Calculation Date (which shall include also any Subsequent Receivable to be purchased on the Payment Date immediately following such Confirmation Date) (it being specified that such ratio shall be multiplied by 3 if the Calculation Reference Period is equal to a Quarterly Reference Period) and

(iv) the Interest Component which should have been paid by the relevant Debtor according to the amortising plan of each Receivable during the Calculation Reference Period, but not paid by the Debtor during the Calculation Reference Period following the exercise by the

relevant Debtor of the option granted to it to postpone the payment of the relevant Instalment;

(b) the aggregate of:

(i) an amount equal to the aggregate of the payments to be made by the Issuer on the immediately following Payment Date under items (i), (iii), (iv) and (v) (taking into account only the fees to be paid in respect of the Receivables which are not Defaulted Receivables), (vi), (viii), (x) and (xii) of the Priority of Payments of the Interest Available Funds, prior to the delivery of a Trigger Notice, all multiplied by the Period Ratio as of such Calculation Date and further, multiplied (limited to the payments under items (vi), (viii), (x) and (xii) by the Collateral Ratio as of the immediately preceding Calculation Date; and

(ii) the Principal Amount Outstanding (as calculated on the date on which such Receivables become a Defaulted Receivables) of the Receivables which have become Defaulted Receivables for the first time during the Calculation Reference Period immediately preceding such Calculation Date; and

(B) (a) if the Calculation Reference Period is equal to a Quarterly Reference Period, the arithmetic average of the Receivables Eligible Outstanding Amount as of the Calculation Date immediately preceding such Calculation Date and as of such Calculation Date; or

(b) if the Calculation Reference Period is equal to a Monthly Reference Period, the Receivables Eligible Outstanding Amount as of the Calculation Date immediately preceding such Calculation Date;

For the purpose of all the calculations to be made under this definition, “**Calculation Reference Period**” means

(i) if such Calculation Date falls before or on the Calculation Date immediately preceding the date on which the Issuer has received the notice provided for under Clause 4.9 of the Master Transfer Agreement or after the first Payment Date of the Amortisation Period, the Quarterly Reference Period and;

(ii) on each other Calculation Date, the Monthly Reference Period.

“**Period Ratio**” means

i) if such Calculation Date falls before or on the Calculation Date immediately preceding the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement or after the first Payment Date of the Amortisation Period, one (1); or

ii) on each other Calculation Date, the ratio between (i) the number of calendar days of the Monthly Reference Period immediately preceding such Calculation Date and (ii) the number of calendar days of the Quarter Reference Period immediately preceding the Payment Date which falls immediately following such Calculation Date.

“**Average Life of the Portfolio**” means, on any date, the weighted average life (in months) of all the Receivables (other than the Defaulted Receivables as at such date) determined as of the Cut-Off Date immediately preceding such date.

“**Eligible Investments**” means any bank account, repurchase agreement (*pronti contro termine*), deposit or other Euro denominated, unsubordinated debt instrument that (i) guarantees the restitution of the invested capital, (ii) is issued, or fully or unconditionally guaranteed, on unsubordinated basis by an institution rated at least A1/P1 by Moody's, and A-1+ by S&P or A-1 by S&P if the aggregate amount deposited with such institutions (including amounts invested in Eligible

Investments with such institutions) is lower than or equal to 20% of the Notes Principal Amount Outstanding of the Senior Notes at all times, and with a maturity date not exceeding the immediately following Payment Date or, in the case of investments rated A-1 by S&P the earlier of such date and the date falling 30 days after the date on which the relevant investment is made, provided that, if other rating agencies than S&P have given a rating to the Senior Notes, any eligible investment shall also comply with the rating criteria of such additional rating agencies.

“**Spread Required Amount**” means, at any Confirmation Date, the product of:

- (i) the difference between:
  - (a) the Minimum Rate and
  - (b) the Excess Spread Rate of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date),
- (ii) the Average Life of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date), divided by twelve;
- (iii) the Receivables Eligible Outstanding Amount as determined on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date).

#### **Issuer Available Funds**

“**Issuer Available Funds**” means, in respect of each Payment Date:

- (i) in respect of each Payment Date prior to the delivery of a Trigger Notice, the aggregate of the Interest Available Funds and the Principal Available Funds as of such date; or
- (ii) (a) in respect of each Payment Date upon the exercise of the Optional Redemption or (b) in respect of each Payment Date after the Senior Notes have been redeemed in full (also taking into account the amounts in principal paid under the Issuer Available Funds on such Payment Date) or (c) in respect of each Payment Date after the delivery of a Trigger Notice (which is not due to the occurrence of an Insolvency Event) or (d) in respect of any Business Day after the delivery of a Trigger Notice which is due to the occurrence of an Insolvency Event, all amounts standing on the Issuer Accounts (except on the Guarantee Account and on the Commingling Account) at such date and all amounts received or recovered on such Payment Date or Business Day as applicable by or on behalf the Issuer or the Representative of the Noteholders in respect of the Receivables and any Transaction Documents (any date under item (a), (b), (c) and (d), an “**Exceptional Date**”).

It is specified that any amount received by the Issuer in accordance with Clause 4.4 of the Servicing Agreement shall form part of the Interest Available Funds or the Principal Available Funds as applicable.

“**Interest Available Funds**” means, in respect of each Payment Date, the aggregate of:

- (a) the interest accrued on the Issuer Accounts as well as any net proceed derived from the Eligible Investments realised during the Quarter Reference Period immediately preceding such Payment Date, and constituting clear funds on such Payment Date;
- (b) the Collections of Interest and the Collections of Fees received during the

- Quarter Reference Period immediately preceding such Payment Date;
- (c) any amount due and payable by all the Hedging Counterparties on such Payment Date;
  - (d) the aggregate of (i) the Recoveries received during the Quarter Reference Period immediately preceding such Payment Date; and (ii) the purchase price paid by the Originator for the repurchase of the Defaulted Receivables on the Business Day immediately preceding such Payment Date in the cases specified under clause 16 of the Master Transfer Agreement;
  - (e) the positive difference, if any, between (i) the purchase price to be paid by the Originator for the repurchase of the Receivables (excluding the price of any Defaulted Receivables) on the Business Day immediately preceding such Payment Date pursuant to Clause 16 of the Master Transfer Agreement and (ii) the Notes Principal Amount Outstanding of all the Notes on the Calculation Date immediately preceding such Payment Date;
  - (f) the positive difference, only in relation to Receivables which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable, if any, between (i) the Positive Price Adjustment paid by the Originator or by Calyon Milan as seller of the Calyon Initial Receivables to the Issuer during the Quarter Reference Period immediately preceding such Payment Date and (ii) the Principal Amount Outstanding of the relevant Receivables as determined on the date on which the Positive Price Adjustment has become due and payable;
  - (g) the Positive Price Adjustment paid by the Originator or by Calyon Milan as seller of the Calyon Initial Receivables for the repurchase of such Receivables which are Defaulted Receivables at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable;
  - (h) any amount paid and to be paid by Agos to the Issuer pursuant to Clause 4 and by Calyon Milan to the Issuer pursuant to Clause 6 of the Warranty and Indemnity Agreement from (and excluding) the preceding Payment Date to (and including) such Payment Date, (i) in respect of any cost or losses in interest borne or to be borne by the Issuer if the relevant Receivables is not a Defaulted Receivables as at the Payment Date immediately preceding the date on which such amount is due and payable or (ii) in respect of any Receivables which is a Defaulted Receivables as at the Payment Date immediately preceding the date on which such amount is due and payable
  - (i) if such Payment Date is not falling during the Amortising Period, the positive balance on the Calculation Date immediately preceding such Payment Date, of the Additional Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments) ;
  - (j) if an Early Termination Event Notice is delivered, the positive balance on the Calculation Date immediately preceding such Payment Date of the Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments);
  - (k) if an Early Termination Event Notice is delivered or if the Notes Principal Amount Outstanding of the Senior Notes has been totally redeemed (also taking into account the amounts in principal paid under the Principal Available Funds on such Payment Date), the positive balance on the Calculation Date immediately preceding such Payment Date of the Additional Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments) and of the Product Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments)
  - (l) if a Servicer's Event has occurred, (i) any amount received and to be received

by the Issuer from (but excluding) the preceding Payment Date to (and including) such Payment Date pursuant to Clause 2 of any Commingling Guarantee (if any) or (ii) any amount drawn or to be drawn by the Issuer out of the Commingling Account from (but excluding) the preceding Payment Date to (and including) such Payment Date in accordance with the Cash Allocation, Management and Payments Agreement;

- (m) any other amount received during the Quarter Reference Period immediately preceding such Calculation Date, not ascribable as amounts received under any of the above items as well as under any of the items of the definition of Principal Available Funds.

**“Recoveries”** means any Collection received or recovered in relation to a Defaulted Receivable (including the purchase price received by the Issuer in respect of a Defaulted Receivable pursuant to clause 5.2 of the Servicing Agreement).

**“Reference Period”** means, with reference to each date falling during the Purchase Period, the period starting from (but excluding) the Cut-Off Date preceding the last Purchase Date immediately prior to such date and ending on (and including) the Cut-Off Date preceding such date and, with reference to each date falling after the Purchase Period, the Quarter Reference Period immediately preceding such date, it being specified that the Reference Period may not exceed the Quarter Reference Period immediately preceding such date.

**“Monthly Reference Period”** means, with reference to each date, the calendar month immediately preceding such date

**“Quarter Reference Period”** means, with reference to each Calculation Date, the three Monthly Reference Periods immediately preceding such Calculation Date.

**“Principal Available Funds”** means:

in respect of each Purchase Date which is not a Payment Date, the aggregate of:

- (a) the Collections of Principal received during the immediately preceding Reference Period in relation to such Payment Date;
- (b) the positive balance of the Purchase Account on such Calculation Date (without considering any interest accrued thereon); and
- (c) the portion of any Positive Price Adjustment corresponding to the Principal Amount Outstanding of the relevant Receivables (which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable), paid by the Originator to the Issuer during the immediately preceding Reference Period in relation to such Payment Date; and

in respect of each Payment Date, the aggregate of:

- (a) the Collections of Principal received during the immediately preceding Reference Period in relation to such Payment Date;
- (b) the positive balance of the Purchase Account on the Calculation Date immediately preceding such Payment Date (without considering any interest accrued on such account);
- (c) the portion of any Positive Price Adjustment corresponding to the Principal Amount Outstanding of the relevant Receivables, paid by the Originator to the Issuer during the immediately preceding Reference Period in relation to such Payment Date (which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable);
- (d) the positive balance of the Principal Reserve Account on the Calculation Date immediately preceding such Payment Date (without



considering any interest accrued and any net proceeds deriving from the Eligible Investments credited on such Principal Reserve Account);

- (e) the amount, if any, paid and to be paid by Agos to the Issuer under the Warranty and Indemnity Agreement from (but excluding) the preceding Payment Date to (and including) such Payment Date, as indemnity of any losses in principal borne or to be borne by the Issuer as a consequence of the occurrence of any event under clause 4 of such agreement (only in relation to Receivables which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the such indemnity is due and payable);;
- (f) the portion of the purchase price corresponding to the Notes Principal Amount Outstanding, paid by the Originator on the Business Day immediately preceding such Payment Date for the repurchase of the Receivables (excluding the price of any Defaulted Receivables) in the cases specified under Clause 16 of the Master Transfer Agreement;
- (g) any amount credited to the Defaulted Account out of the Interest Available Fund on such Payment Date; and
- (h) if such Payment Date is also a Series Issue Date, the balance (without considering the interest accrued thereon) of the Cash Reserve Required Amount in excess of the Cash Reserve Required Amount as at the Calculation Date immediately preceding such Payment Date; and
- (i) if the Notes Principal Amount Outstanding of the Senior Notes has been totally redeemed (also taking into account the principal payments made out of the Issuer Available Funds on such Payment Date) and if no Early Termination Event is occurred, the balance (without considering the interest accrued thereon) of the Cash Reserve Required Amount as at the Calculation Date immediately preceding such Payment Date; and
- (j) if such Payment Date is a Series Issue Date, the proceeds deriving from the issuance of such Notes (net of the issuance expenses, if any) of the Notes issued on such Series Issue Date.

**Priority of Payments prior to the delivery of an Early Termination Event Notice on a Purchase Date which is not a Payment Date**

On each Purchase Date which is not a Payment Date and prior the delivery of an Early Termination Event Notice, the Issuer shall procure that the Principal Available Funds are applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full and provided that any arrear in the payment of any item shall be paid in priority to any new payment due on such Purchase Date in respect of the same item):

- (i) to credit, in respect of all the Series entered in the relevant Series Amortising Period, the Principal Reserve Account of the relevant Series Principal Reimbursement Reserve calculated on the Calculation Date immediately preceding such Purchase Date and by reference to the immediately preceding Reference Period;
- (ii) to pay to the Originator the Purchase Price of any Subsequent Portfolio purchased on such Purchase Date;
- (iii) to credit any residual amount on the Purchase Account.

“**Series Principal Reimbursement Reserve**” means on each Calculation Date preceding a Purchase Date and in respect of each Series for which the relevant Series Amortising Period has commenced, the lower of:

- (i) the Notes Principal Amount Outstanding of such Series on such

Calculation Date less any Series Principal Reimbursement Reserve of such Series already credited to the Principal Reserve Account from the immediately preceding Payment Date (excluded); and

- (ii) the product of:
  - (a) the Ratio Series relating to such Series as of such Calculation Date; and
  - (b) the Available Principal Collections, if positive, received during the immediately preceding Reference Period in relation to such Calculation Date.

**Priority of Payments prior to the delivery of a Trigger Notice on a Payment Date**

On each Payment Date prior to the delivery of a Trigger Notice, the Issuer shall procure that the Issuer Available Funds are applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full and provided that any arrear in the payment of any item shall be paid in priority to any new payment due on such Payment Date in respect of the same item):

**In respect of the Interest Available Funds**

- (i) to pay, *pari passu* and *pro rata* according to the respective amounts thereof,
  - (a) any all outstanding taxes due and payable by the Issuer on such Payment Date; and
  - (b) any Expenses due and payable on such Payment Date by the Issuer, to the extent that they have not been paid with the amounts standing to the Expenses Account;
- (ii) if the Payment Date is a Cancellation Date, to pay to the Servicer the Interest Component and the Expenses Component of any amount due to the Servicer pursuant to Clause 4.2, last Paragraph, of the Servicing Agreement;
- (iii) to pay the remuneration due to the Representative of the Noteholders and any costs and expenses incurred by the Representative of the Noteholders pursuant to, or in connection with, any of the Transaction Documents, to the extent that they have not been paid with the amounts standing to the Expenses Account;
- (iv) to pay *pari passu* and *pro rata* according to the respective amounts thereof, (i) any amounts due and payable on such Payment Date to the Calculation Agent, the Cash Manager, the Account Bank, the Paying Agents, the Corporate Servicer and the Programme Administrator, and (ii) and to credit the Expenses Account the amount necessary to ensure that the balance, at such Payment Date, of the Expenses Account is equal (after credit) to the Expenses Required Amount;
- (v) to pay any amount due and payable on such Payment Date to the Servicer under the Servicing Agreement;
- (vi) to pay *pari passu* and *pro rata* any amounts due and payable to the Hedging Counterparties under the Hedging Agreements, except for any amounts due and payable under item (xxii) below;
- (vii) to pay *pari passu* and *pro rata* to the Commingling Guarantee Providers (if any) which have credited the Guarantee Account pursuant to Clause 5 of any Commingling Guarantee, all the interest matured on the Guarantee Account in respect of the amount respectively credited by each of them;
- (viii) to pay *pari passu* and *pro rata* all amounts due and payable on such Payment Date in respect of interest on the Class A Notes;

- (ix) if
  - (a) a Limit Interest Class B Event has occurred as of the immediately preceding Calculation Date and an Early Termination Event Notice (which is due to the occurrence of any of the Early Termination Events specified under letters (i) or (l) of the definition of Early Termination Event) has been delivered; and
  - (b) the Class A Notes of all the Series have not been totally redeemed (also taking into account the Class A Notes to be redeemed on such Payment Date);

to pay to the Class A Noteholders an amount up to the Notes Principal Amount Outstanding of the Class A Notes of all the Series (net of any reimbursement on the Class A Notes made on such Payment Date out of the Principal Available Funds), or, if such Payment Date falls before the Series Initial Amortising Date of the Class A Notes of any Series, to credit the Early Principal Reserve Account of an amount up to the Notes Principal Amount Outstanding of the Notes of such Series;

- (x) to pay *pari passu* and *pro rata* all amounts due and payable on such Payment Date in respect of interest on the Class B Notes;

- (xi) if
  - (a) a Limit Interest Class C Event has occurred as of the immediately preceding Calculation Date and an Early Termination Event Notice (which is due to the occurrence of any of the Early Termination Events specified under letters (i) or (l) of the definition of Early Termination Event) has been delivered; and
  - (b) the Class A Notes and the Class B Notes of all the Series have not been totally redeemed (also taking into account the Class A Notes and the Class B Notes to be redeemed on such Payment Date);

to pay to the Class A Noteholders an amount up to the Notes Principal Amount Outstanding of the Class A Notes of all the Series considering the reimbursement on the Class A Notes made on such Payment Date under the Principal Available Funds, and, after full redemption of the Class A Notes, to pay to the Class B Noteholders an amount up to the Notes Principal Amount Outstanding of the Class B Notes of all the Series (net of any reimbursement on the Class B Notes made on such Payment Date out of the Principal Available Funds), or, if such Payment Date falls before the Series Initial Amortising Date of the Class A Notes and the Class B Notes of any Series, to credit the Early Principal Reserve Account of an amount up to the Notes Principal Amount Outstanding of the Notes of such Series;

- (xii) to pay *pari passu* and *pro rata* all amounts due and payable on such Payment Date in respect of interest on the Class C Notes;

- (xiii) if an Early Termination Event Notice has been delivered and the Notes Principal Amount Outstanding of the Senior Notes has not been totally redeemed (also taking into account the amounts in principal paid under the Principal Available Funds on such Payment Date) and if the Notes Principal Amount Outstanding (also taking into account the amounts to be paid on such Payment Date out of the Principal Available Funds) of all the Senior Notes is higher than the Interest Available Funds available for the purpose of this item (xiii), to credit the Cash Reserve Account up to the Cash Reserve Required Amount (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments);

- (xiv) to credit to the Defaulted Account, all the amounts debited out of the

Principal Available Funds as Defaulted Interest Amount until (and including) such Payment Date;

- (xv) to credit to the Defaulted Account the Principal Amount Outstanding (determined as of the date on which the Receivables have become Defaulted Receivables) of the Receivables which have become Defaulted Receivables for the first time during the Quarter Reference Period preceding such Payment Date;
- (xvi) if an Early Termination Event Notice has been delivered, and the Notes Principal Amount Outstanding of the Seniors Notes has not been totally redeemed (also taking into the principal payments made out of the Principal Available Funds on such Payment Date), to pay to the Senior Noteholders an amount up the aggregate of (a) Notes Principal Amount Outstanding of the Class A Notes and, upon full redemption of the Class A Notes, (b) the Notes Principal Amount Outstanding of the Class B Notes of all the Series, and, upon full redemption of the Class A Notes and the Class B Notes, (c) the Notes Principal Amount Outstanding of the Class C Notes of all the Series;
- (xvii) to pay *pari passu* and *pro rata* any amount due by Agos as Commitment Fees under any Commingling Guarantee (if any) but not paid after 30 days following the due date thereof;
- (xviii) to pay *pari passu* and *pro rata* to the Commingling Guarantee Providers (if any) all amount due as Drawing Fees under the relevant Commingling Guarantees;
- (xix) to reimburse *pari passu* and *pro rata* to the Commingling Guarantee Providers (if any) all amount drawn under the relevant Commingling Guarantees (also taking into account the amounts paid out of the Principal Available Funds on such Payment Date);
- (xx) if such Payment Date is not falling during the Amortisation Period, to credit the Additional Cash Reserve Account up to an amount equal to the Additional Cash Reserve Required Amount (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments), as of the Confirmation Date immediately preceding such Payment Date;
- (xxi) if such Payment Date is the Payment Date immediately following the notice received under clause 4.10 of the Master Transfer Agreement, to credit the Product Cash Reserve Account up to an amount equal to the Product Cash Reserve Required Amount (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments), as of the Calculation Date immediately preceding such Payment Date;
- (xxii) to pay any amounts due and payable to any Hedging Counterparty upon early termination of the relevant Hedging Agreement in the event that such Hedging Counterparty is the "Defaulting Party" or the sole "Affected Party" as both terms are defined in the Hedging Agreements;
- (xxiii) to pay to the Originator, any amount and payable on such Payment Date under Clause 8 of the Warranty and Indemnity Agreement;
- (xxiv) to pay *pari passu* and *pro rata* the Class J Base Interest to the Class J Notes;
- (xxv) to pay *pari passu* and *pro rata* any residual amount as Class J Additional Interest to the Class J Notes.

**“Expenses”** means:

- (a) any and all outstanding fees, costs, liabilities and any other expenses to

be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations to third parties (other than the Other Issuer Creditors) incurred in the course of the Issuer's business in relation to the Programme;

(b) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to any Transaction Document.

**“Expenses Component”** means, with reference to a Receivable the management fees and any other fees or expenses (different from the fees and expenses included in the Principal Component and the Interest Component) due as part of the relevant Instalment as from (and including) the Financial Effective Date with reference to the Initial Receivables and from (and including) the relevant Valuation Date with reference to the Subsequent receivables.

**“Expenses Required Amount”** means Euro 50,000.

**“Cash Reserve Required Amount”** means,

- (a) on any Calculation Date immediately preceding a Series Issue Date or on any Series Issue Date, 1.45% (or such other percentage as may be established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes) of the Notes Principal Amount Outstanding of the Senior Notes outstanding as of the Calculation Date preceding such Series Issue Date (also considering the Notes, if any, to be issued on the immediately following Series Issue Date and any principal reimbursement of the Notes to be made on such Series Issue Date);
- (b) if an Early Termination Event Notice has been delivered, on any Payment Date, the minimum of (i) the Cash Reserve Required Amount as determined at the Series Issue Date immediately preceding such Payment Date and (ii) the aggregate amount to be paid in respect of interest on the Class A Notes, the Class B Notes and the Class C Notes on the immediately following Payment Date (without considering for the purpose of the determination of the Notes Principal Amount Outstanding any payments to be made out of the Interest Available Funds on such Payment under any item following the item (xiii) of the Priority of Payment of the Interest Available Funds)

The Cash Reserve Required Amount as of the First Series Issue Date will be Euro 14,500,000.00.

**“Collections”** means any amounts received and/or recovered in connection with the Receivables including, but not limited to, any amount received whether as principal, interests and/or costs in relation to the Receivables.

**“Collections of Principal”** means, with reference to each Receivable and to a Reference Period, the Collections (other than a Recovery), effectively collected (net of the Principal Component of any Unpaid Amount determined during such Reference Period) by the Issuer during such Reference Period, which cause a reduction of the Principal Amount Outstanding of such Receivable as of the end of such Reference Period (including the Collections received as prepayment of the Receivable, the insurance indemnities due under the Registered Assets Insurance Policies, any amount received as principal from the persons having a particular arrangement such as the suppliers of services and goods, with reference to such Receivable and any other amount received as principal in relation to such Receivable, including the insurance indemnities due under the Agos Insurance Policies and the Collections related to the Accrual of Interests).

**“Collections of Fees”** means the aggregate of the Expenses Component and any

other fee (including those related to the prepayment of the Receivables, and the commissions for direct debit payments and commissions for postal giro payments, if any) effectively collected by the Issuer (net of the Expenses Component of any Unpaid Amount).

**“Collections of Interest”** means the aggregate of the Interest Component effectively collected by the Issuer (net of the Interest Component of any Unpaid Amount and net of any Collection received in connection with the Accrual of Interests).

**“Accrual of Interests”** means, with reference to each Receivable, the Interest Component of the First Instalment accrued pursuant to the relevant Consumer Loan Agreement until (but excluding) the Financial Effective Date with reference to the Initial Receivables and until (but excluding) the relevant Valuation Date with reference to the Subsequent Receivables.

**“Additional Cash Reserve Required Amount”** means during the Purchase Period, on any Confirmation Date immediately preceding any Payment Date the product of (i) the Additional Cash Reserve Rate on such Confirmation Date and (ii) the Notes Principal Amount Outstanding of the Senior Notes on such Confirmation Date (which shall include also any Notes Principal Amount Outstanding of the Notes to be issued on such Payment Date and shall be reduced by any principal reimbursement of the Notes to be made to be redeemed on such Payment Date)

**“Additional Cash Reserve Rate”** means, on any Confirmation Date, the aggregate, if positive, of

- (A) the result, if positive, of the product of (i) the difference, if positive, between
  - (a) the Personal Loans Concentration on such Confirmation Date (which shall also take into account any Subsequent Receivable to be transferred on the immediately following Purchase Date), and (b) the Maximum Personal Loans Concentration, and (ii) 6% and
- (B) the product of
  - (i) 65% and
  - (ii) the difference between
    - (a) the Minimum Rate and
    - (b) the Excess Spread Rate of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date),
  - (iii) and (1) if the Average Life of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date) is higher than 14, the ratio between (i) such Average Life of the Portfolio and (ii) 12, or (2) 117% in the other cases.

**“Product Cash Reserve Required Amount”** means at the Calculation Date immediately preceding the Payment Date immediately following the notice received under clause 4.10 of the Transfer Agreement, the product of (i) 0.05% and (ii) the Notes Principal Amount Outstanding of the Senior Notes on such Calculation Date (which shall include also any the Notes Principal Amount Outstanding of the Notes to be issued on such Payment Date and shall be reduced by the any principal reimbursement of the Notes to be made to be redeemed on such Payment Date).

**“Defaulted Interest Amount”** means, on each Payment Date, any amount due and payable on such Payment Date out of the Interest Available Funds under items

(i), (iii), (iv), (v), (vi), (vii), (viii), (x) and (xii) of the Priority of Payment of the Interest Available Funds on such Payment Date but not paid.

**“Individual Purchase Price”** means the purchase price of each Receivable, which is equal to the Principal Amount Outstanding of such Receivable as of the relevant Purchase Date.

**“Interest Component”** means, with reference to each Receivable, the interest component of each Instalment which is due pursuant to the relevant Consumer Loan Agreement from (and including) the Financial Effective Date with reference to the Initial Receivables and from (and including) the relevant Valuation Date with reference to the Subsequent Receivables.

**“Limit Interest Class B Event”** means on any Calculation Date preceding a Payment Date, the ratio of (a) the aggregate of the Principal Amount Outstanding (net of any Recoveries received until the Cut-Off Date immediately preceding such Calculation Date) of the Receivables which have become Defaulted Receivables for the first time from (but excluding) the Cut-Off Date immediately preceding the end of the Purchase Period to (and including) the Cut-Off Date immediately preceding such Calculation Date and (b) the Receivables Eligible Outstanding Amount as of the Calculation Date falling during the month on which the last Purchase Date is falling is higher than 7.66 % or such other percentage as may be established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes).

**“Limit Interest Class C Event”** means on any Calculation Date preceding a Payment Date, the ratio of (a) the aggregate of the Principal Amount Outstanding (net of any Recoveries received until the Cut-Off Date immediately preceding such Calculation Date) of the Receivables which have become Defaulted Receivables for the first time from (but excluding) the Cut-Off Date immediately preceding the end of the Purchase Period to (and including) the Cut-Off Date immediately preceding such Calculation Date and (b) the Receivables Eligible Outstanding Amount as of the Calculation Date falling during the month on which the last Purchase Date is falling is higher than 4,40% or such other percentage as may be established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes).

**“Negative Price Adjustment”** means any amount to be paid by the Issuer to Agos or to Calyon Milan pursuant to Clause 11.4 (ii) of the Master Transfer Agreement.

**“Positive Price Adjustment”** means any amount to be paid by Agos or by Calyon Milan to the Issuer pursuant to Clause 11.3 (ii) of the Master Transfer Agreement.

**“Principal Component”** means, with reference to each Receivable, the principal component of each Instalment (including the fees for the opening of the file due by the Debtor during the life of the Consumer Loan and the insurance premiums) which is due pursuant to the relevant Consumer Loan Agreement from (and including) Financial Effective Date with reference to the Initial Receivables and from the relevant Valuation Date with reference to the Subsequent Receivables..

**“Excess Spread Rate”** means on any Confirmation Date (and taking into account also the Subsequent Receivables which are the subject of the Purchase Notice notified by Agos on the Purchase Notice Date immediately preceding such Confirmation Date) the difference between (i) the Rate of Return on such date and (ii) the weighted average (on the basis of the notional amount of each Hedging Agreement calculated with reference to the immediately following Purchase Date) of the fixed rates due to the Hedging Counterparties pursuant to the Hedging Agreements (executed or to be executed on the immediately following Payment Date).

**“Rate of Return”** means, on any date and with reference to the Receivables which

are not Defaulted Receivables on such date and on the basis of the Aggregate Amortising Plan of such Receivables calculated as of the Cut-Off Date immediately preceding such date, the internal annual rate of return resulting from such Aggregate Amortising Plan.

“**Aggregate Amortising Plan**” means, with reference to a number of Receivables, the aggregate of the amortising plans of such Receivables.

“**Unpaid Amount**” means, in relation to any Collection, credited by Agos to the Collection Account in accordance with the Servicing Agreement, the unpaid amount of such Collection on the relevant due date, as verified by Agos, in its capacity as Servicer, following the above mentioned crediting to the Collection Account.

### **In respect of the Principal Available Funds**

*Prior the delivery of an Early Termination Event Notice*

- (a) to pay, up to the Defaulted Interest Amount as of such Payment Date:
  - (1) the aggregate amount due but unpaid out of the Interest Available Funds under items (i), (iii), (iv), (v), (vi) and (vii) of the Priority of Payments of the Interest Available Funds;
  - (2) upon payment in full of the amounts under the item (1) above, *pari passu* and *pro rata* to the Class A Noteholders any amount of interest due and payable on such Payment Date but not paid out of the Interest Available Funds in respect of the Class A Notes;
  - (3) upon payment in full of the amounts under items (1) and (2) above, *pari passu* and *pro rata* to the Class B Noteholders any amount of interest due and payable on such Payment Date but not paid out of the Interest Available Funds in respect of the Class B Notes, (except where the circumstances under item (ix) of the Priority of Payments of the Interest Available Funds, occur);
  - (4) upon payment in full of the amounts under items (1), (2) and (3) above, *pari passu* and *pro rata* to the Class C Noteholders any amount of interest due and payable on such Payment Date but not paid out of the Interest Available Funds in respect of the Class C Notes, (except where the circumstances under item (xi) of the Priority of Payments of the Interest Available Funds, occur);
- (b) in respect of all the Series for which the Series Amortising Period has commenced, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class A Notes of such Series for an amount equal to the Series Principal to Redeem of such Series as of the Calculation Date preceding such Payment Date;
- (c) in respect of all the Series for which the Series Amortising Period has commenced, upon full redemption of the Class A Notes of the relevant Series, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class B Notes of such Series for an amount equal to the Series Principal to Redeem of such Series as of the Calculation Date preceding such Payment Date (less any amount already paid in respect of the relevant Series under item (b) above);
- (d) in respect of all the Series for which the Series Amortising Period has commenced, upon full redemption of the Class A Notes and the Class B Notes of the relevant Series, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class C Notes of such Series for an amount equal to the Series Principal to Redeem of such Series as of the Calculation Date preceding such Payment Date (less any amount already paid in respect of the relevant Series under item (b) and (c))



above);

- (e) in respect of all the Series for which the Series Amortising Period has commenced (i) upon full redemption of the Class A Notes, the Class B Notes and the Class C Notes of the relevant Series, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class J Notes of such Series for an amount equal to the Series Principal to Redeem of such Series (less any amount already paid in respect of the relevant Series under items (b), (c) and (d) above) and (ii) if such Payment Date is also a Series Issue Date, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class J Notes of such Series for an amount equal to the amount drawn out of the Cash Reserve Account as at such Series Issue Date;
- (f) if such Payment Date is also a Series Issue Date, to credit the Cash Reserve Account up to an amount equal to the Cash Reserve Required Amount, as of such Series Issue Date;
- (g) if the Payment Date is also a Cancellation Date, to pay to the Servicer the Principal Component of any amount due to the Servicer pursuant to Clause 4.2, last Paragraph, of the Servicing Agreement;
- (h) to pay to the Originator or to Calyon Milan, any Negative Price Adjustment to be paid on such Payment Date;
- (i) to pay to the Originator the Purchase Price of any Subsequent Portfolio purchased on such Payment Date;
- (j) to credit any residual amount to the Purchase Account or if the Notes Principal Amount Outstanding of the Senior Notes has been totally redeemed, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class J Notes of all the Series;
- (k) to pay *pari passu* and *pro rata* any residual amount as Class J Additional Interest to the Class J Notes.

*After the delivery of an Early Termination Event Notice*

- (a) to pay, up to the Defaulted Interest Amount as of such Payment Date:
  - (1) the aggregate amount due but unpaid out of the Interest Available Funds under the items (i), (iii), (iv), (v), (vi) and (vii) of the Priority of Payments of the Interest Available Funds;
  - (2) upon payment in full of the amounts under item (1) above, *pari passu* and *pro rata* to the Class A Noteholders any amount of interest due and payable on such Payment Date, but not paid out of the Interest Available Funds in respect of the Class A Notes ;
  - (3) upon payment in full of the amounts under items (1) and (2) above, *pari passu* and *pro rata* to the Class B Noteholders any amount for interest due and payable on such Payment Date but not paid out of the Interest Available Funds in respect of the Class B Notes, (except where the circumstances under item (ix) of the Priority of Payment of the Interest Available Fund occur);
  - (4) upon payment in full of the amounts under items (1), (2) and (3) above, *pari passu* and *pro rata* to the Class C Noteholders any amount of interest due and payable on such Payment Date but not paid out of the Interest Available Funds in respect of the Class C Notes, (except where the circumstances under item (xi) of the Priority of Payment of the Interest Available Fund occur);
- (b) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class A Notes of all the Series or, prior to the Series

Initial Amortisation Date of each Series, to transfer to the Early Principal Reserve Account any amount relating to the Principal Payment of the Class A Notes of such Series;

- (c) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class B Notes of all the Series or, prior to the Series Initial Amortisation Date of each Series, to transfer to the Early Principal Reserve Account any amount relating to the Principal Payment of the Class B Notes of such Series;
- (d) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class C Notes of all the Series or, prior to the Series Initial Amortisation Date of each Series, to transfer to the Early Principal Reserve Account any amount relating to the Principal Payment of the Class C Notes of such Series;
- (e) to reimburse *pari passu* and *pro rata* to the Commingling Guarantee Providers (if any) all amount drawn under the relevant Commingling Guarantee;
- (f) if the Payment Date is also a Cancellation Date, to pay to the Servicer the eventual Principal Component of any amount due to the Servicer pursuant to Clause 4.2, last Paragraph, of the Servicing Agreement;
- (g) to pay to the Originator or to Calyon Milan, any Negative Price Adjustment to be paid on such Payment Date;
- (h) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class J Notes of all the Series or, prior to the Series Initial Amortisation Date of each Series, to transfer to the Early Principal Reserve Account any amount relating to the Principal Payment of the Class J Notes of such Series; and
- (i) to pay *pari passu* and *pro rata* any residual amount as Class J Additional Interest to the Class J Notes.

“**Personal Loans Concentration**” means on any Confirmation Date the ratio between (i) the aggregate of the Principal Amount Outstanding on such Confirmation Date of all the Receivables which are not Defaulted Receivables on such Confirmation Date and which are included in the Pool of the Personal Loans (considering the Subsequent Receivables acquired at the Purchase Date immediately following such Confirmation Date) and (ii) the Receivables Eligible Outstanding Amount as determined on such Confirmation Date (considering the Subsequent Receivables acquired at the Purchase Date immediately following such Confirmation Date).

“**Series Principal to Redeem**” means, on each Calculation Date preceding a Payment Date and for each Series for which the relevant Series Amortising Period has commenced, the lower of:

- (i) the product of:
  - (a) the Ratio Series relating to such Series as of such Calculation Date; and
  - (b) the Available Principal Collections, if positive, received during the preceding Quarter Reference Period; and
- (ii) the Notes Principal Amount Outstanding of such Series on such Calculation Date;

provided that, if the Payment Date is the first Payment Date falling during the relevant Series Amortising Period, the Series Principal to Redeem is equal to the Series Principal Reimbursement Reserve as

determined on such Calculation Date.

“**Ratio Series**” means on each Calculation Date and with reference to each Series, the ratio between:

- (i) the ratio of (a) the Notes Principal Amount Outstanding of such Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date and (b) the Redeem Corrector of such Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date;

and

- (ii) the aggregate, for all the Series outstanding, of the ratios of (a) the Notes Principal Amount Outstanding of the Notes of each Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date and (b) the relevant Redeem Corrector of the relevant Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date;

it being specified that if a Series is the last Series outstanding, the Ratio Series of such Series shall be equal to 100%.

“**Redeem Corrector**” means, with reference to each Series and for each Calculation Date preceding a Payment Date, the value indicated in the relevant Final Terms and calculated on the relevant Series Issue Date, as the ratio between the expected Notes Principal Amount Outstanding of such Series on a specific date and the expected Collection of principal (without taking into account any default and any prepayments under the relevant Consumer Loans) of the Receivables purchased out of the proceeds of such Series during the following three months; it being specified that no other Series of Notes issued under the Programme, other than the relevant Series, will be considered for the purpose of calculating such ratio.

“**Available Principal Collections**” means, on each Calculation Date the difference, if positive, between:

- (a) the aggregate of
  - (i) if such Calculation Date is a Calculation Date immediately preceding a Purchase Date which is not a Payment Date, the Principal Available Funds under item (a) and (c) of such definition or (ii) if such Calculation Date is a Calculation Date immediately preceding a Payment Date, the Principal Available Funds under item (a), (c), (e), (g) (but in relation of the Defaulted Receivables, only) of such definition and
  - (b) if such Calculation Date is a Calculation Date immediately preceding a Payment Date, any principal component of the Negative Purchase Price Adjustment (including any Negative Purchase Price Adjustment which remained unpaid as at the Payment Date immediately preceding such Payment Date) to be paid by the Issuer on the immediately following Payment Date pursuant to Clause 11.4 and 11.5 of the Master Transfer Agreement;

provided that after the end of the Purchase Period any positive balance of the Purchase Account (without considering any interest accrued thereon or any net proceeds out of the relevant Eligible Investment) as of such Calculation Date shall be taken into account and added for the calculation of the Available Principal Collections.

“**Maximum Purchase Amount**” means, on each Calculation Date the difference between:

- (i) the Principal Available Funds on such Calculation Date by reference to the immediately following Purchase Date and
- (ii) any amounts due on the Purchase Date immediately following such

Calculation Date and to be paid, in accordance with the applicable Order of Priority, in priority to the payment of the Purchase Price of the relevant Subsequent Receivables.

## Post Enforcement Priority of Payments

(1) On each Payment Date following the delivery of a Trigger Notice (other than a Trigger Notice which is due to the occurrence of an Insolvency Event), or (2) on the first Business Day following the delivery of a Trigger Notice which is due to the occurrence of an Insolvency Event and on any Business Day thereafter on which the aggregate of the balances standing to the credit of the Issuer Accounts is at least equal to Euro 1,000,000, all the amounts received or recovered by or on behalf the Issuer or the Representative of the Noteholders in respect of the Receivables and any Transaction Documents will be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full and it being understood that any arrear in payment of any item shall be paid in priority to any new payment due on such Payment Date in respect of the same item). In the case under (2) above, any reference hereinafter to a "Payment Date" shall be interpreted as a reference to a "Business Day".

- (i) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any all outstanding taxes due and payable by the Issuer on such Payment Date; (b) all outstanding Expenses due and payable on such Payment Date by the Issuer to the extent that they have not been paid with the amounts standing to the Expenses Account;
- (ii) to pay the remuneration due to the Representative of the Noteholders and any costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents to the extent that they have not been paid with the amounts standing to the Expenses Account;
- (iii) to pay *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due and payable on such Payment Date to the Calculation Agent the Cash Manager, the Account Bank, the Paying Agents, the Corporate Servicer and the Programme Administrator to the extent that they have not been paid with the amounts standing to the Expenses Account;
- (iv) to pay any amount due and payable on such Payment Date to the Servicer under the Servicing Agreement;
- (v) to pay *pari passu* and *pro rata* any amounts due and payable to the Hedging Counterparties under the Hedging Agreements, except for any amounts due and payable under item (xiii) below;
- (vi) to pay *pari passu* and *pro rata* to the Commingling Guarantee Providers (if any) which have credited the Guarantee Account pursuant to Clause 5 of the Commingling Guarantee all the interest matured on the Guarantee Account in respect of the amount respectively credited by each of them;
- (vii) to pay all amounts due and payable in respect of interest on the Class A Notes of any Series;
- (viii) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class A Notes of all Series except that, in respect of those Series in relation to which the relevant Series Initial Amortising Date has not yet elapsed, if the delivery of the Trigger Notice is due to a Trigger Event other than an Insolvency Event all the relevant payments of principal in respect of the Class A Notes of such Series shall be credited to the Early Principal Reserve Account until the relevant Series Initial Amortising Date;

- (ix) to pay all amounts due and payable in respect of interest on the Class B Notes of any Series;
- (x) upon redemption in full of the Class A Notes, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class B Notes of all Series except that, in respect of those Series in relation to which the relevant Series Initial Amortising Date has not yet elapsed, if the delivery of the Trigger Notice is due to a Trigger Event other than an Insolvency Event all the relevant payments of principal in respect of the Class B Notes of such Series shall be credited to the Early Principal Reserve Account until the relevant Series Initial Amortising Date;
- (xi) to pay all amounts due and payable in respect of interest on the Class C Notes of any Series;
- (xii) upon redemption in full of the Class A Notes and the Class B Notes, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class C Notes of all Series except that, in respect of those Series in relation to which the relevant Series Initial Amortising Date has not yet elapsed, if the delivery of the Trigger Notice is due to a Trigger Event other than an Insolvency Event all the relevant payments of principal in respect of the Class C Notes of such Series shall be credited to the Early Principal Reserve Account until the relevant Series Initial Amortising Date;
- (xiii) to pay any amounts due and payable to any Hedging Counterparty upon early termination of the relevant Hedging Agreement in the event that such Hedging Counterparty is the "Defaulting Party" or the sole "Affected Party" as both terms are defined in the Hedging Agreement;
- (xiv) to pay *pari passu* and *pro rata* to the Commingling Guarantee Providers any amount due and payable on such Payment Date (including any amount not paid by Agos as commitment fees) under each Commingling Guarantee;
- (xv) if the Payment Date is also a Cancellation Date, to pay any amount due to the Servicer pursuant to Clause 4.2 last Paragraph, of the Servicing Agreement;
- (xvi) to pay to the Originator, any Negative Price Adjustment to be paid on such Payment Date;
- (xvii) to pay to the Originator, any amount and payable on such Payment Date under Clause 8 of the Warranty and Indemnity Agreement;
- (xviii) to pay *pari passu* and *pro rata* the Class J Base Interest on the Class J Notes of any Series;
- (xix) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class J Notes of all the Series;
- (xx) to pay *pari passu* and *pro rata* any residual amount as Class J Additional Interest to the Class J Notes outstanding.

#### **Early Principal Reserve Account**

“**Early Principal Reserve Account**” means the account, which will be opened by the Issuer, with the Account Bank upon delivery of an Early Termination Event Notice prior to the Series Initial Amortising Dates of all relevant Series, where prior to such date any relevant reimbursement in principal of the relevant Series shall be credited.

On the Payment Date immediately following the Series Initial Amortising Date of each relevant Series, the amount credited to the Early Principal Reserve Account in respect of such Series shall be transferred to the holders of the Notes of such Series in compliance with the following order of priority:

- (i) *pari passu*, to the Class A Noteholders of such Series,
- (ii) upon redemption in full of the Class A Notes, *pari passu*, to the Class B Noteholders of such Series,
- (iii) upon redemption in full of the Class A Notes and the Class B Notes, *pari passu*, to the Class C Noteholders of such Series,
- (iv) upon redemption in full of the Class A Notes, the Class B Notes and the Class C Notes, *pari passu*, to the Class J Noteholders of such Series.

**Governing Law** The Notes will be governed by Italian law.

**Purchase of the Notes** The Issuer may not purchase any Note at any time.

## TRANSFER AND ADMINISTRATION OF THE PORTFOLIO

**Transfer of the Portfolios** Pursuant to the terms of the Master Transfer Agreement, on the First Purchase Date, the Originator has sold to the Issuer the Agos Initial Receivables and Calyon Milan has assigned to the Issuer the Calyon Initial Receivables. The Agos Initial Receivables and the Calyon Initial Receivables (together the “**Initial Receivables**”) are comprised in the Initial Portfolio and have been assigned to the Issuer without recourse (*pro soluto*) in accordance with the Securitisation Law. The Purchase Price of the Agos Initial Receivables and of the Calyon Initial Receivable will be payable by the Issuer to, respectively, the Originator and Calyon Milan on the First Issue Date using the proceeds of the issue of the Notes of the first Series of Notes under this Programme.

**The Portfolio** The Notes of each Series or Class will be collateralised by the Portfolio constituted of the Initial Receivables and of the Subsequent Receivables that the Issuer may purchase from time to time on any Purchase Date during the Purchase Period in accordance with the Master Transfer Agreement.

The Noteholders will have rights over the Portfolio as a whole (subject to the Priority of Payments) irrespective of the Series Issue Date of the relevant Series or Class of Notes and of the Receivables comprised in the Portfolio on or prior to the relevant Series Issue Date.

**Conditions for the purchase of Subsequent Portfolios** The Issuer may purchase Subsequent Portfolios from the Originator only if all of the conditions specified in Clause 5 of the Master Transfer Agreement will be satisfied.

**Warranties and Guarantees in relation to the Portfolio** Pursuant to the terms of a warranty and indemnity agreement (the “**Warranty and Indemnity Agreement**”) entered into on the First Purchase Date between the Originator, Calyon Milan, as seller of the Calyon Initial Receivables and the Issuer, the Originator and Calyon Milan have given certain representations and warranties in favour of the Issuer in relation to the Initial Portfolio and the Initial Receivables, and the Originator has agreed to give certain representations and warranties in relation to any Subsequent Receivables and Subsequent Portfolio and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Receivables. See “*Description of the Warranty and Indemnity Agreement*”.

**Criteria** The Receivables will be identified by the Originator and the Issuer on the basis of objective general criteria listed in exhibit A of the Master Transfer Agreement (the “**General Criteria**”) and of certain specific criteria, listed in exhibit A of the Master Transfer Agreement with respect of the Initial Receivables, and in exhibit A of each subsequent Purchase Notice with respect to the relevant Subsequent Receivables (the “**Specific Criteria**” and, together with the General Criteria, the “**Criteria**”).

## The Pools

The Receivables will be classified in the following pools:

- (i) Pool of the Furniture Loans;
- (ii) Pool of the New Vehicles Loans;
- (iii) Pool of the Personal Loans;
- (iv) Pool of the Special Purpose Loans.
- (v) Pool of the Used Vehicles Loans.

“**Pool of the Furniture Loans**” means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing furniture (excluding domestic appliances).

“**Pool of the New Vehicles Loans**” means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing New Vehicles.

“**Pool of the Personal Loans**” means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan without a specific destination (although the purpose of the loan may be specified in the relevant loan’s request).

“**Pool of the Special Purpose Loans**” means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing an asset different from a New Vehicle, a Used Vehicle or a furniture.

“**Pool of the Used Vehicles Loans**” means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing Used Vehicles.

## Servicing Agreement and Collection Policies

Pursuant to the terms of the Servicing Agreement, the Servicer will agree to administer and service the Receivables on behalf of the Issuer and, in particular:

- to collect amounts due in respect thereof;
- to administer relationships with any Debtor; and
- to carry out, on behalf of the Issuer, certain activities in relation to the Receivables in accordance with the Servicing Agreement and the Collection Policies.

The Servicer will be the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*" pursuant to article 2.3 (c) of the Securitisation Law and, therefore, it will undertake to verify that the operations comply with the law and the Base Prospectus.

In addition, the Servicer will undertake to prepare and submit the Servicer Report, in the form set out in the Servicing Agreement, on each Report Date, to the Issuer, the Representative of the Noteholders, the Rating Agency, the Calculation Agent and the Cash Manager.

## Sale Option of the Defaulted Receivables

The Servicer may in the name and on behalf of the Issuer sell to third parties at any time one or more Defaulted Receivables provided that the sale price shall be in line with the market value of the relevant Receivables and, in any event, not lower than 1% of the Principal Amount Outstanding of such Defaulted Receivables as of the preceding Calculation Date.

## Servicing Fees

In consideration for the services provided by the Servicer under the Servicing Agreement, the Issuer will pay in arrear to the Servicer, on each Payment Date: (a) a management and collection fee calculated pursuant to the following formula: 0,5% per cent. \* (number of calendar days of the Interest Period preceding such

Payment Date/360) \* (the Receivables Eligible Outstanding Amount as of the Calculation Date preceding the Payment Date immediately preceding such Payment Date, it being understood that, with reference to the first Payment Date, the Receivables Eligible Outstanding Amount will be calculated as of the First Issue Date); and (b) a recovery fee equal to 6% per cent. of the Collections made in respect of any Defaulted Receivables during the Quarter Reference Period preceding such Payment Date.

### **The Commingling Guarantee and the Commingling Account**

In connection with the Programme and as a condition for its implementation, in the case the rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations of Agos falls below the Servicer Minimum Rating (a “**Servicer Downgrade**”), Agos shall:

(i) procure to the Issuer, also for the benefit of the Noteholders, a guarantee from a bank having at least the Minimum Rating (the “**Commingling Guarantee**”); or

(ii) credit the Commingling Account

in order to secure the payment obligations of Agos as Servicer under Clauses 4.2 and 4.4 of the Servicing Agreement, for an amount equal to Commingling Reserve Required Amount as calculated on the Calculation Date immediately preceding the Payment Date immediately preceding the date on which the downgrading has occurred.

Upon the occurrence of a Servicer Event, the Issuer shall have the right to demand payment under the Commingling Guarantee or to draw any amounts out of the Commingling Account for an amount equal to the Commingling Loss Amount.

“**Commingling Loss Amount**” means, any amount due but unpaid under clauses 4.2 and 4.4 of the Servicing Agreement by the Servicer.

“**Commingling Reserve Required Amount**” means at any Calculation Date, 6,314% (or such other percentage as may be established by the Issuer on any Series Issue Date or on the date on which the Servicer Downgrade occurs with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes) of the Notes Principal Amount Outstanding of the Senior Notes as determined at such Calculation Date (also taking into account the principal payments made out of the Issuer Available Funds on the Payment Date immediately preceding such Calculation Date).

“**Minimum Rating**” means a rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations at least equal to A1+ by S&P, and P1 by Moody's.

“**Servicer Minimum Rating**” means a rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations at least equal to A1 by S&P.

“**Servicer's Event**” means any of the following events: an administrator, administrative receiver or liquidator of Agos is appointed over or in respect of the whole or any substantial part of the undertaking, assets and/or revenues of Agos or Agos becomes subject to any bankruptcy, liquidation, administration, insolvency, composition (among which, without limitation, “*fallimento*”, “*concordato preventivo*” and “*amministrazione controllata*”) or similar proceedings or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of Agos.

### **The Issuer Accounts**

Pursuant to the terms of the Cash Allocation, Management and Payments Agreement, (i) the Issuer will open in its name the following Euro denominated accounts (the “**Issuer Accounts**”) with the Account Bank:



- (a) the Purchase Account, with number 100020700001;
- (b) the General Account, with number 100020700002;
- (c) the Collection Account, with number I100020700003;
- (d) the Principal Reserve Account, with number 100020700004;
- (e) the Early Principal Reserve Account, with number 100020700005;
- (f) the Additional Cash Reserve Account, with number 100020700006;
- (g) the Product Cash Reserve Account, with number 100020700007;
- (h) the Cash Reserve Account, with number 100020700008;
- (i) the Guarantee Account, with number 100020700009;
- (j) the Commingling Account, with number 100020700010;
- (k) the Defaulted Account, with number 100020700011;
- (l) the Capital Account, with number 100020700012; and
- (m) The Expenses Account, with number 100020700013;

During the Programme, on each Purchase Date or Payment Date as applicable, the Issuer shall pay or cause to be paid:

- (i) to the Purchase Account any residual Principal Available Funds after their application in compliance with the relevant Priority of Payments;
- (ii) on each Payment Date only, to the Expenses Account, an amount such that the balance of the such account is equal to the Expenses Required Amount;
- (iii) on each Payment Date not falling during the Amortisation Period, to credit the Additional Cash Reserve Account, an amount such that the balance of the such account is equal to the Additional Cash Required Amount;
- (iv) on the Payment Date immediately following the notice received by the Issuer under clause 4.10 of the Master Transfer Agreement, to credit the Product Cash Reserve Account, an amount such that the balance of the such account is equal to the Product Cash Required Amount;
- (v) to the Principal Reserve Account, any Series Principal Reimbursement Reserve;
- (vi) on each Series Issue Date or on each Payment Date only and upon delivery of an Early Termination Event Notice (other than by means of a Trigger Notice determined by the occurrence of an Insolvency Event) to credit the Cash Reserve Account, an amount such that the balance of the such account is equal to the Cash Reserve Required Amount;
- (vii) on each Payment Date only and upon delivery of an Early Termination Event Notice (other than by means of a Trigger Notice determined by the occurrence of an Insolvency Event) prior to the Series Initial Amortising Date of any Series of Notes, to the Early Principal Reserve Account any principal payment due to be paid to the Noteholders of such Series before the relevant Series Initial Amortising Date.

Any Collection will be credited to the Collection Account. On each Purchase Date and/or Payment Date (as applicable) any amounts received on the Collection Account shall be debited from such account to be credited to the General Account,

in the amount necessary to effect the relevant payments, on such Purchase Date and/or Payment Date as part of the Issuer Available Funds on such Purchase Date and/or Payment Date.

The balance of the Purchase Account shall be debited to be credited on the General Account on each Purchase Date and/or Payment Date as applicable and will be part of the Principal Available Funds on such date.

The balance of the Principal Reserve Account shall be debited to be credited to the General Account on each Payment Date and will be part of the Principal Available Funds on such date.

On any Payment Date not falling during the Amortisation Period, the Additional Cash Reserve Account shall be debited to credit the General Account and the amount standing to the credit of such accounts will be part of the Interest Available Funds on such Payment Date.

If an Early Termination Event Notice is delivered or if the Notes Principal Amount Outstanding of the Senior Notes has been redeemed in full (also taking into account the principal payments made out of the Principal Available Funds on such Payment Date), the Cash Reserve Account, the Additional Cash Reserve Account and the Product Cash Reserve Account shall be debited to credit the General Account and the amount standing to the credit of such accounts will be part of the Interest Available Funds on such Payment Date.

After the occurrence of a Servicer's Event, any amount due but unpaid by the Servicer during the Quarterly Reference Period immediately preceding a Payment Date under Clauses 4.2 and 4.4 of the Servicing Agreement shall be drawn out of the Commingling Account as at such Payment Date and will be part of the Interest Available Funds on such Payment Date.

The Defaulted Account shall be debited to credit the General Account and will be part of the Principal Available Funds on such Payment Date.

The Cash Reserve Account shall be credited on each Series Issue Date for the amount necessary to ensure that the balance of such account is equal to the Cash Reserve Required Amount. If, on any Series Issue Date, the balance of the Cash Reserve Account exceeds the Cash Reserve Required Amount, the Cash Reserve Account shall be debited to credit the General Account of such amount in excess and will be part of the Principal Available Funds on such Payment Date.

All the Issuer Accounts will bear interest at a rate equal to EONIA (except for the Guarantee Account which will bear interest at a rate equal to EONIA less 0.20 bp/year calculated on an actual/360 basis). The interest accrued on each Issuer Account until (and including) the Cut-Off Date preceding a Payment Date will be debited from each such accounts on such Payment Date to be credited to the General Account and will be part of the Issuer Available Funds on such Payment Date.

“**Minimum Rate**” means 5.2% or such other percentage as may be established by the Issuer with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating assigned to the then outstanding Senior Notes.

The definition (including the relevant amounting) of Additional Cash Reserve Required Amount, Product Cash Reserve Rate and/or Cash Reserve Required Amount may be modified by the Issuer subject to the prior written consent of the Representative of the Noteholders, which shall provide such consent if the Rating Agencies confirm that such modifications of the definition of Additional Cash Reserve Required Amount, Additional Cash Reserve Rate, Product Cash Required Amount and/or Product Cash Reserve Rate will not adversely affect the ratings of the then outstanding Senior Notes.

**accounts**

with any Italian resident bank or any Italian branch of a non-Italian bank (including the Issuer Accounts) will be subject to withholding tax on account of Italian income tax. As of the date of this Base Prospectus, such withholding tax is levied at the rate of 27 per cent.

## RISK FACTORS

*The following is a description of certain aspects of the Programme and the Notes issued thereunder of which prospective Noteholders should be aware. This summary is not intended to be exhaustive and prospective Noteholders should make their own independent valuations of all investment considerations and should also read the information set out elsewhere in this document and in the Transaction Documents.*

### RISK FACTORS RELATING TO THE SECURITIES

#### Source of Payments to Noteholders

The Notes constitute direct, secured and limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of or guaranteed by any of Calyon Milan, as seller of the Calyon Initial Receivables, the Arranger, the Lead Manager, the Managers, the Representative of the Noteholders, the Corporate Servicer, the Account Banks, the Paying Agents, the Programme Administrator, the Calculation Agent, the Cash Manager, the Hedging Counterparty(ies), the quotaholders of the Issuer or Agos (in any capacity). None of the aforementioned parties accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent upon, among other things, the timely payment of amounts due under the Consumer Loans by the Debtors, the receipt by the Issuer of the Collections made on its behalf by the Servicer from the Portfolio, any payments made by the Hedging Counterparty(ies) under the Swap Agreement(s) and any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party. The Issuer's principal assets will be the Receivables. As at the date hereof, the Issuer's principal assets are the Initial Receivables. During the Purchase Period, pursuant to the Master Transfer Agreement, it is envisaged that the Issuer will purchase Subsequent Receivables. The Initial Receivables, together with the Subsequent Receivables (if any) will form one and the same collateral for the Notes. For a description of the Initial Receivables and the criteria that the Issuer will utilise when investing in Subsequent Receivables, please see "*The Portfolio*" and "*Description of the Master Transfer Agreement*", below. The Issuer will not have any significant assets, for the purpose of meeting its obligations under this Securitisation, other than the Receivables, any amounts standing to the credit of the Issuer Accounts 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 on the redemption date of any Notes (whether on maturity, on the Cancellation Date, or upon redemption by acceleration of maturity following service of an Trigger Notice or otherwise), there will be sufficient funds to enable the Issuer to repay the Senior Notes in full.

The Notes will be limited recourse obligations solely of the Issuer. If there are not sufficient funds available to the Issuer to pay in full all principal and interest and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of an 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.

Other than as provided in the Warranty and Indemnity Agreement, the Master Transfer Agreement and the Servicing Agreement, the Issuer and the Representative of the Noteholders will have no recourse to Agos (in any capacity) or any other entity including, but not limited to, in circumstances where the proceeds received by the Issuer from the enforcement of any particular Consumer Loan are insufficient to repay in full the Receivable in respect of such Consumer Loan.

If, upon default by one or more Debtors under the Consumer Loans and after the exercise by the Servicer of all usual remedies in respect of such Consumer Loans, the Issuer does not receive the full amount due from those Debtors, then the Senior Noteholders may receive by way of principal repayment an amount less than the face value of their Senior Notes and the Issuer may be unable to pay in full interest due on the Senior Notes.

#### Performance of the Portfolio

The Initial Portfolio is comprised of Consumer Loans which were classified as performing (*crediti in bonis*) by the Originator in accordance with the Bank of Italy's supervisory regulations as at the First Purchase Date. The Subsequent Portfolios, if any, are comprised only of Consumer Loans classified as performing (*crediti in bonis*) by the Originator in accordance with the same supervisory regulations as at the relevant Purchase Date. All the Consumer Loans are unsecured loans. There can be no guarantee that the Debtors will not default under such Consumer Loans or that they will continue to perform thereunder. It should be noted that adverse changes in economic conditions may affect the ability of the Debtors to repay the Consumer Loans.

The recovery of overdue amounts in respect of the Consumer Loans will be affected by the length of enforcement proceedings in respect of the Consumer Loans, which in the Republic of Italy can take a considerable amount of time

depending on the type of action required and on where such action is taken. Factors which can have a significant effect on the length of the proceedings include the following: (i) certain courts may take longer than the national average to enforce the Consumer Loans and (ii) more time will be required for the proceedings if it is first necessary to obtain a payment injunction (*decreto ingiuntivo*) or if the Debtor raises a defence or counterclaim to the proceedings.

### **No Independent Investigation in relation to the Receivables**

Except for certain limited sample investigation performed by independent auditors on behalf of the Originator, none of the Issuer, the Arranger, the Lead Manager, the Managers nor any other party to the Transaction Documents (other than the Originator) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Portfolio sold by the Originator to the Issuer, nor has any of such parties undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtor.

Pursuant to the Warranty and Indemnity Agreement the Originator and Calyon Milan, as seller of the Calyon Initial Receivables, have given certain representations and warranties in favour of the Issuer with respect to the Initial Portfolio and the Originator will give certain representations and warranties in favour of the Issuer in respect of each relevant Portfolio transferred pursuant to the Master Transfer Agreement and has undertaken and will undertake connected indemnification obligations. Such indemnification obligation of the Originator are unsecured claims of the Issuer and no assurance can be given that the Originator can or will pay the relevant amounts when due.

### **Recoveries under the Consumer Loans**

Following default by a Debtor under a Consumer Loan, the Servicer will be required to take steps to recover the sums due under the Consumer Loan in accordance with its credit and collection policies and the Servicing Agreement. The Consumer Loans provide that if any Debtor fails to pay in due time any amount due thereunder, the lender is entitled to take steps to terminate its agreement with the relevant Debtor under the relevant Consumer Loan and to require immediate repayment of all amounts advanced and/or due under such Consumer Loan in accordance with its terms. See “*Description of the Servicing Agreement*” and “*The Collection Policies*”, below.

The Servicer may take steps to recover the deficiency from the Debtor. Such steps could include an out-of-court settlement; however, legal proceedings may be taken against the Debtor if the Servicer is of the view that the potential recovery would exceed the costs of the enforcement measures. In such event, due to the complexity of, and the time involved in carrying out, legal proceedings against the Debtor and the possibility for challenges, defences and appeals by the Debtor, there can be no assurance that any such proceedings would result in the payment in full of outstanding amounts under the relevant Consumer Loan.

In the Republic of Italy, a lender which has received a judgment against a debtor in default may enforce the judgment through a forced sale of the debtor’s (or guarantor’s) goods (*pignoramento mobiliare*) or real estate assets (*pignoramento immobiliare*), if the lender has previously been granted 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 relevant debtor together with a *titolo esecutivo*, i.e. an instrument evidencing the nature of the claims and having certain characteristics.

The average length of time for a forced sale of a debtor’s goods, from the court order or injunction of payment to the final sharing-out, is about three years. The average length of time for a forced sale of a debtor’s real estate assets, from the court order or injunction of payment to the final sharing-out, is between six and seven years. In the medium-sized central and northern Italian cities it can be significantly less whereas in major cities or in southern Italy the duration of the procedure can significantly exceed the average.

Attachment proceedings may also be commenced on due and payable claims of a borrower (such as bank accounts, salary etc.) or on a borrower’s moveable property which is located on a third party’s premises.

### **Possible insolvency proceedings**

Although the Consumer Loan Agreements are entered into with Debtors which are individuals, there can be a part of those individuals which are also entrepreneurs and as such are subject to insolvency proceedings (*procedura fallimentare*) under Italian law. In the event of insolvency, prepayments made by a Debtor under the relevant Consumer Loan may be revoked pursuant to article 65 of Royal Decree No. 267 of 16 March 1942.

### **Liquidity and Credit Risk**

The Issuer will be subject to the risk that any payments due by the Debtors under the Consumer Loans are paid after the scheduled payment dates.

The Issuer will be subject to the further risk of failure by the Servicer to collect or recover sufficient funds in respect of the Portfolio in order to discharge all amounts payable under the Notes when they fall due, as well as to the risk of default in payment by the Debtors and failure to realise or recover sufficient funds in respect of the Defaulted Receivables in order to discharge all amounts due by the Debtors under the relevant Consumer Loans. This risk is mitigated: with respect to the Class A Notes, by the credit support provided by the Class B Notes, the Class C Notes and the Class J Notes and by the Cash Reserve, and if any, the Product Cash Reserve and the Additional Cash Reserve; with respect to the Class B Notes, by the credit support provided by the Class C Notes and the Class J Notes and by the Cash Reserve, and if any, the Product Cash Reserve and the Additional Cash Reserve; and with respect to the Class C Notes, by the credit support provided by the Class J Notes and by the Cash Reserve, and if any, the Product Cash Reserve and the Additional Cash Reserve.

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

On each Payment Date, if some of the Receivables become Defaulted Receivables, the Interest Available Funds (after deduction of the amounts due for taxes, Expenses, remuneration of the Other Issuer Creditors and for interest of the Senior Notes (see Condition 5.1.2 (*Interest Priority of Payments prior to the delivery of a Trigger Notice*))) will be credited on the Defaulted Account up to the Principal Amount Outstanding of such Defaulted Receivables. On such Payment Date, the balance of the Defaulted Account, if any, will be used by the Issuer for the purchase of Subsequent Portfolios or for the redemption of the Notes of the Series entered in Amortisation Period.

### **Commingling Risk**

The Issuer is subject to the risk that, in the event of insolvency of Agos, acting as Servicer, the Collections held by the Servicer are lost or frozen. Such risk is mitigated through the prompt payment to the Issuer of any Collections held by the Servicer into the Collection Account.

In order to further mitigate such risk, in the case the rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations of Agos falls below the Servicer Minimum Rating, Agos shall:

- (i) procure to the Issuer, also for the benefit of the Noteholders, a guarantee from a bank having at least the Minimum Rating (the “**Commingling Guarantee**”); or
- (ii) credit the Commingling Account

in order to secure the payment obligations of Agos as Servicer under Clauses 4.2 and 4.4 of the Servicing Agreement, for an amount equal to Commingling Reserve Required Amount as calculated on the Calculation Date immediately preceding the Payment Date immediately preceding the date on which the downgrading has occurred.

### **Interest Rate Risk**

To the extent that the Issuer is, as a result of issuing one or more Series of Notes, exposed to the risks of adverse interest rate movements or timing differences, in each case between the interest on the Portfolio received by the Issuer and the payment obligations of the Issuer with respect to such Series of Notes, the Issuer will enter into one or more confirmation(s) each, a “**Confirmation**”) with one or more Hedging Counterparty(ies), whose obligations may be guaranteed, in order to hedge itself against such risk. Each Confirmation will be entered into with a Hedging Counterparty having the minimum debt ratings specified by the Rating Agencies, pursuant to a 1992 ISDA Master Agreement (Multicurrency – Cross Border) as amended and supplemented by a Schedule, each as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) (the “**ISDA Master Agreement**” and together with the Confirmation, the “**Hedging Agreement**”). Prospective Noteholders should note that hedging agreements generally expose participants to certain risks depending on the nature and terms of such agreements and should accordingly review the applicable Final Terms and the terms of the relevant Hedging Agreement carefully to evaluate how the terms of any such hedging transaction might affect the Notes of a particular Series.

The ability of the Issuer to meet its obligations under the Notes will be dependent on the receipt by it of payments due from the Hedging Counterparty(ies) under the Hedging Agreement(s).

To seek to reduce this risk, provisions dealing with the actions to be carried out in case of a downgrading of the rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations of the Hedging Counterparty by S&P and Moody's have been and will be included in each Hedging Agreement. See “*Description of the Hedging Agreement*”, below.

Should an early termination of any of the Hedging Agreements occur, the Issuer may be exposed to an interest rate risk in relation to the floating rates of interests it is required to pay in respect of the Notes. Furthermore, in the event of

insolvency of any Hedging Counterparty, the Issuer will be treated by the relevant receiver as a general creditor of such Hedging Counterparty.

### **Subordination of the Notes**

Notes will be issued under the Programme in Series and each Series will comprise one or more predetermined Class(es), each of which shall (except for the Series Issue Date, the Issue Price, the applicable margin and the relevant Initial Interest Period thereof) have the same characteristics of Notes of the same Class issued by the Issuer from time to time pursuant to the Programme. Notes of each Class of any one Series shall accordingly rank *pari passu* among themselves and, subject to the provisions of Condition 6.4.1 (*Interest Amount Arrears*) and Condition 7.2 (*Mandatory pro rata Redemption*), among the Notes of the same Class issued in previous and future Series.

The rights of holders of the Notes to receive payments of interest and repayments of principal on the Notes pursuant to the Priorities of Payment are subordinated to the rights of the Representative of the Noteholders and other parties to receive certain amounts due under the Transaction Documents.

In respect of the obligation of the Issuer to pay interest on the Notes before the delivery of a Trigger Notice:

- (a) the Class A Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes and the Class J Notes, in each case, of all Series;
- (b) the Class B Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class C Notes and the Class J Notes but subordinated to the Class A Notes, in each case, of all Series;
- (c) the Class C Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class J Notes but subordinated to the Class A Notes and the Class B Notes, in each case, of all Series; and
- (d) the Class J Notes of all Series shall rank *pari passu* without preference or priority amongst themselves but subordinated to the Class A Notes, the Class B Notes and the Class C Notes, in each case, of all Series,

*provided however that:*

(AA) upon the occurrence of the Limit Interest Class B Event and an Early Termination Event Notice (which is due to the occurrence of any of the Early Termination Events specified under letters (i) or (l) of the definition of Early Termination Event contained in Condition 11.2 hereunder) is delivered, as well as in the case in which the Class A Notes of all the Series are not totally redeemed (also taking into account the amounts of principal paid under the Principal Available Funds on such Payment Date of such Class A Notes) the interest to be paid on the Class B Notes, Class C Notes and Class J Notes shall be subordinated to the redemption in full of the Class A Notes;

(BB) upon the occurrence of the Limit Interest Class C Event and an Early Termination Event Notice (which is due to the occurrence of any of the Early Termination Events specified under letters (i) or (l) of the definition of Early Termination Event contained in Condition 11.2 hereunder) is delivered, as well as in the case in which the Class A Notes and the Class B Notes of all the Series are not totally redeemed (also taking into account the amounts of principal paid under the Principal Available Funds as of such Payment Date of such Class A Notes and Class B Notes) the interest to be paid on the Class C Notes and Class J Notes shall be subordinated to the redemption in full of the Class A Notes and the Class B Notes.

In respect of the obligation of the Issuer to repay principal on the Notes on any Payment Date before the delivery of a Trigger Notice and of an Early Termination Event Notice,

- (a) the Class A Notes of each Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes and the Class J Notes, in each case, of such Series;
- (b) the Class B Notes of each Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class C Notes and the Class J Notes but subordinated to the Class A Notes of such Series;
- (c) the Class C Notes of each Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class J Notes but subordinated to the Class A Notes and the Class B Notes, in each case, of such Series; and
- (d) the Class J Notes of each Series will rank *pari passu* without preference or priority amongst themselves but subordinated to the Class A Notes, the Class B Notes and the Class C Notes, in each case, of such Series,

In respect of the obligation of the Issuer to repay principal on the Notes on any Payment Date before the delivery of a Trigger Notice, but after the delivery of an Early Termination Event Notice,

- (a) the Class A Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes and the Class J Notes of all Series;
- (b) the Class B Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class C Notes and the Class J Notes but subordinated to the Class A Notes of all Series;
- (c) the Class C Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class J Notes but subordinated to the Class A Notes and the Class B Notes of all Series; and
- (d) the Class J Notes of all Series will rank *pari passu* without preference or priority amongst themselves but subordinated to the Class A Notes, the Class B Notes and the Class C Notes of all Series,

*provided however that:* in respect of the Notes of each Series and subject to Condition 7.6 (*Change of Law*), any Principal Payment which would otherwise be due and payable to the Noteholders of each Series before the relevant Series Initial Amortising Date shall be deposited in the Early Principal Reserve Account and the amounts of Principal Payment so accumulated in respect of each Series will be paid to the Noteholders of the relevant Series not considering the relevant Priority of Payments on the first Payment Date after such Series Initial Amortising Date (or on such Series Initial Amortising Date if coincident with a Payment Date).

In respect of the obligation of the Issuer to pay interest and repay principal on the Notes after the delivery of a Trigger Notice,

- (a) the Class A Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes and the Class J Notes, in each case, of all Series;
- (b) the Class B Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class C Notes and the Class J Notes but subordinated to the Class A Notes of all Series;
- (c) the Class C Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class J Notes but subordinated to the Class A Notes and the Class B Notes, in each case, of all Series; and
- (d) the Class J Notes of all Series shall rank *pari passu* without preference or priority amongst themselves but subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class J Notes, in each case, of all Series.

*provided however that,* if the Trigger Notice is not due to the occurrence of an Insolvency Event, in respect of the Notes of each Series and subject to Condition 7.6 (*Change of Law*), any Principal Payment which would otherwise be due and payable to the Noteholders of each Series before the relevant Series Initial Amortising Date shall be deposited in the Early Principal Reserve Account and the amounts of Principal Payment so accumulated in respect of each Series will be paid to the Noteholders of the relevant Series not considering the relevant Priority of Payments on the first Payment Date after such Series Initial Amortising Date (or on such Series Initial Amortising Date if coincident with a Payment Date).

As long as any Notes of a Class ranking in priority to any one or more other Classes of Notes are outstanding, unless notice has been given to the Issuer declaring the Notes of such first-mentioned Class due and payable, the Notes of the lower-ranking Class(es) shall not be capable of being declared due and payable, and the Noteholders of the Class ranking in the highest priority shall be entitled to determine the remedies to be exercised. Remedies pursued by the Noteholders of the Class ranking in the highest priority could be adverse to the interests of the Noteholders of the lower-ranking Class(es).

### **Limited Enforcement Rights**

Pursuant to the Transaction Documents, the Representative of the Noteholders is responsible for implementing the resolutions of the Meeting of the Noteholders and for protecting the Noteholders' common interests vis-à-vis the Issuer and is entitled to exercise all the rights granted by the Issuer in favour of the Noteholders under the Security Documents and, following the service of a Trigger Notice, the contractual rights of the Issuer under the Intercreditor Agreement. The Rules of the Organisation of the Noteholders limit the ability of individual Noteholders to commence proceedings against the Issuer by giving the Meeting of the Organisation of the Noteholders the power to decide whether a Noteholder may commence any such individual actions.

### **Relationship amongst Noteholders and between Noteholders and the Other Issuer Creditors**



The Intercreditor Agreement contains provisions applicable where, in the opinion of the Representative of the Noteholders, there is a conflict between all or any of the interests of one or more Classes of Noteholders, or of one or more Classes of Noteholders and any Other Issuer Creditors, requiring the Representative of the Noteholders to have regard only to the holders of the highest ranking of Senior Notes then outstanding and the Representative of the Noteholders is not required to have regard to the holders of any other Class of Notes then outstanding, nor to the interests of the Other Issuer Creditors, except to ensure that the application of the Issuer's funds is in accordance with the applicable Priority of Payments. In addition, the Intercreditor Agreement contains provisions requiring the Representative of the Noteholders to have regard to the interests of each Class of Noteholders as a class and relieves the Representative of the Noteholders from responsibility for any consequence for individual Noteholders as a result of such Noteholders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.

Under Condition 11 (*Trigger Events and Early Termination Events*), the Representative of the Noteholders:

- (A) in the case of a Trigger Event under Condition 11 (*Trigger Events and Early Termination Events*), letter (a) may in its sole discretion or shall, if so directed by an Extraordinary Resolution, shall;
- (B) in the case of a Trigger Event under Condition 11 (*Trigger Events and Early Termination Events*) letters (b), (c), (d) or (e), shall if so directed by an Extraordinary Resolution; and/oris not obliged to serve to the Issuer a Trigger Notice declaring the Notes to be due and payable, unless it is requested to do so either:

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

The Intercreditor Agreement contains provisions requiring the Representative of the Noteholders to have regard to the interests of the Other Issuer Creditors as regards all powers, trusts, authorities, duties and discretions of the Representative of the Noteholders (except where expressly provided otherwise), but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of any Class of outstanding Notes and any Other Issuer Creditor, to have regard only (except where specifically provided otherwise) to the interests of the holders of such Class of outstanding Notes.

Moreover, prospective Noteholders' attention is drawn to the fact that payments from time to time due by the Issuer to Agos under the various Transaction Documents (with the exception of payments of fees and reimbursement of other costs and expenses under the Servicing Agreement) will be subordinated to payments due in respect of the Senior Notes in accordance with the applicable Priority of Payments.

### **Claims of creditors of the Issuer**

Without prejudice to the right of the Representative of the Noteholders to enforce the Security Documents, the Intercreditor Agreement contains provisions stating, and each of the Other Issuer Creditors have undertaken, that no Noteholder or Other Issuer Creditor will petition or begin proceedings for a declaration of insolvency against the Issuer until two years and one day after the earlier of (i) the day on which the Notes have been paid in full and (ii) the Cancellation Date. There can be no assurance that each and every Noteholder and Other Issuer Creditor will honour its contractual obligation not to petition or begin proceedings for a declaration of insolvency against the Issuer before two years and one day has elapsed after the earlier of (i) the day on which the Notes have been paid in full and (ii) the Cancellation Date. In addition, under Italian law, any other creditor of the Issuer would be able to begin insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt. Such creditors could arise, for example, by virtue of unexpected expenses owed to third parties. In order to address this risk, the Priority of Payments contains provision for the payment of amounts to third parties.

The Issuer is unlikely to have a large number of creditors unrelated to this Securitisation or any other securitisation transaction because the corporate object of the Issuer as contained in its by-laws (*statuto*) is limited and the Issuer has provided certain covenants in the Intercreditor Agreement which contain restrictions on the activities which the Issuer may carry out with the result that the Issuer may only carry out limited transactions.

No creditors other than the Representative of the Noteholders on behalf of the Noteholders, the Other Issuer Creditors and any third-party creditors having the right to claim for amounts due in connection with this Securitisation would have the right to claim in respect of the Receivables, even in a bankruptcy of the Issuer.

Notwithstanding the above, 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.

### **Limited secondary market**

There is not at present an active and liquid secondary market for the Senior Notes. While the Managers may make a market in the Senior Notes, they are under no obligation to do so. The Senior Notes will not be registered under the Securities Act and will be subject to significant restrictions on resale in the United States. Although the application has been made to list the Senior Notes on the Luxembourg Stock Exchange and to admit such Notes to trading on the Regulated Market, there can be no assurance that a secondary market for any of the Senior Notes will develop, or, if a secondary market does develop in respect of any of the Senior Notes, that it will provide the holders of such Senior Notes with liquidity of investments or that it will continue until the final redemption or cancellation of such Senior Notes. Consequently, any purchaser of Senior Notes may hold such Senior Notes until the final redemption or cancellation thereof.

### **Suitability**

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

### **Servicing of the Portfolio**

The Portfolio has always been serviced by Agos, previously as owner of the Consumer Loans and the relevant Receivables and, with regard to the Calyon Initial Receivables as servicer thereof on behalf of Calyon Milan, and following the transfer of the Receivables to the Issuer, as Servicer pursuant to the Servicing Agreement. Consequently, the net cash flows from the Portfolio may be affected by decisions made, actions taken and collection procedures adopted by the Servicer pursuant to the provisions of the Servicing Agreement.

The Servicer has been appointed by the Issuer as responsible for the collection of the Receivables transferred by it (as Originator) to the Issuer and for the cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*). In accordance with the Securitisation Law, the Servicer is therefore responsible for ensuring that the collection of the Receivables serviced by it and the relative cash and payment services comply with Italian law and this Base Prospectus.

### **The Securitisation Law**

As at the date of this Base Prospectus, no interpretation of the application of the Securitisation Law has been issued by any Italian governmental or regulatory authority, except for (i) regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions for special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction, and (ii) the Decree of the Italian Ministry of Treasury dated 4th April, 2001 and the Bank of Italy regulation dated 16th December, 2002 on the terms for the registration of the financial intermediaries in the register held by the Bank of Italy pursuant to article 107 of the Consolidated Banking Act. Consequently, it is possible that such 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 Base Prospectus.

### **Consumer protection legislation**

In Italy, consumer loans are regulated by, amongst other things: (a) articles 121 to 126 of the Italian legislative decree No. 385 of 1 September, 1993 (the “**Banking Act**”), (b) chapter II, section I of law No. 142 of 10 February, 1992 and (c) Italian legislative decree No. 206 of 6 September 2005. Chapter II, section I of law No. 142 of 10 February, 1992 was repealed by the Banking Act, but currently remains in force pending the Bank of Italy issuing the regulations implementing the foregoing provisions of the Banking Act. Under the current legislation, consumer loans are only those granted for amounts respectively lower and higher than the maximum and minimum levels set by the *Comitato Interministeriale per il Credito e il Risparmio* (“**CICR**”) (the inter-ministerial committee for credit and savings), such levels being currently fixed at 30,987.41 and 154.94, respectively.

The following risks, amongst others, could arise in relation to a consumer loan contract:

- (a) pursuant to sub-section 2 of article 125 of the Banking Act, debtors under consumer loan contracts have the right (which cannot be waived by agreement between the parties) to prepay any consumer loan without penalty and with the additional right to a *pro rata* reduction in the aggregate amount of the loan, as provided by CICR. This defence could potentially be used by the Debtors against the payment of any amount on the termination of a Consumer Loan;
- (b) pursuant to sub-section 3 of article 125 of the Banking Act, debtors are entitled to exercise against the assignee of

any lender under a consumer loan contract, any defence (including set-off) which they had against the original lender, in derogation to the provisions of article 1248 of the Italian civil code (that is even if the debtor has accepted the assignment or has been given written notice thereof). This could result in Debtors obtaining a right of set-off or other right of defence against the Issuer in respect of any of the Originator's obligations to the Debtor. For this purpose, the Originator has undertaken that, in case it converts into a bank, it will not open any deposit accounts or current accounts with the Debtors;

- (c) pursuant to sub-section 4 of article 125 of the Banking Act, debtors under consumer loan contracts have the right to seek redress against a lender following default by suppliers linked to the lenders by an exclusivity agreement. In this respect it should be noted that the Italian Supreme Court seems to purport that the existence of an exclusivity agreement between the lender and the supplier is not considered as a prerequisite for the exercise by the debtor of its right to seek redress. For this purpose, under the Warranty and Indemnity Agreement, the Originator has agreed to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred as a result of the exercise by any Debtor of any counterclaim and it has represented and warranted that the Receivables derive from Consumer Loans in relation to which no agreement has been entered into between Agos and the relevant supplier pursuant to which Agos has the exclusive right to grant loans to the clients of the relevant supplier; and
- (d) sub-section 11 of article 21 of law No. 142 of 10 February, 1992 provides that debtors under consumer loan contracts must receive 15 days' prior written notice of any assignment of the rights of the lender under such contracts. This provision has been repealed by the Banking Act, with effect from the date on which the Bank of Italy issues the relevant implementing regulations, but no such regulations have been enacted as yet. As usual in Securitisation transactions of Consumer Loans, prior notice of the purchase of the Receivables under the Master Transfer Agreement was not, and will not be, given to the Debtors as the Originator will continue to service the relevant Receivables and the Debtors' payment procedure will not be subject to change. Since no notice of the assignment of the Receivables to the Issuer is being given there is a risk that Debtors could raise a defence in any enforcement action taken by the Issuer in respect of the Consumer Loans that the assignment of the Receivables cannot be enforced against them, until 15 days after they receive formal notice of the assignment.

The Consumer Loans are regulated, *inter alia*, by articles 1469-bis to 1469-sexies of the Italian civil code, which implement EC Directive 93/13/CEE on unfair terms in consumer contracts, and provide that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith.

Article 1469-bis identifies clauses which, if included in consumer contracts, are deemed to be *prima facie* unfair but which are binding on the consumer if it can be shown that such clauses were actually individually negotiated or that they can be considered fair in the circumstances of the relevant consumer contract. Such clauses include, amongst others, clauses which give the right to the non-consumer contracting party to (a) terminate the contract or (b) modify the conditions of the contract without reasonable cause. However, with regard to financial contracts, if there is a valid reason, the provider is empowered to modify the economic terms but must inform the consumer immediately; in this case the consumer has the right to terminate the contract.

Pursuant to article 1469-quinquies of the Italian civil code, the following clauses, amongst others, are considered unfair as a matter of law and are not enforceable: (a) any clause which has the effect of excluding or limiting the remedies of the consumer in case of total or partial failure by the non-consumer contracting party to perform its obligations under the consumer contract; and (b) any clause which has the effect of making the consumer party to clauses he has not had any opportunity to consider and evaluate before entering into the consumer contract.

Agos has represented and warranted in the Warranty and Indemnity Agreement that the Consumer Loans comply with all applicable laws and regulations.

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

### **Italian Usury Law**

The interest payments and other remuneration paid by the Debtors under the Consumer Loans are subject to Italian law No. 108 of 7 March, 1996 (the "**Usury Law**"), which introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a decree issued by the Italian Ministry of Economy and Finance (the last such decree being issued on 17 March 2005). 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 situations of the transaction and the average rate usually applied for similar transactions); and (ii) the person who paid or agreed to pay them 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.

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

As the Usury Law Decree became law at the end of February 2001, no official or judicial interpretation of it is yet available. However, the Italian Constitutional Court has rejected, with decision No. 29/2002 (deposited on 25 February, 2002), a constitutional exception raised by the Court of Benevento (2 January, 2001) concerning article 1, paragraph 1, of the Usury Law Decree (now reflected in article 1, paragraph 1 of the above mentioned conversion law No. 24 of 28 February, 2001). In so doing, it has confirmed the constitutional validity of the provisions of the Usury Law Decree which hold that interest rates may be deemed to be void due to usury only if they infringe Usury Regulations at the time they are agreed as between the debtor and the lender and not at the time such rates are actually paid by the debtor.

If a Consumer Loan is found to contravene the Usury Regulations, the relevant Debtor might be able to claim relief on any interest previously paid and oblige the Issuer to accept a reduced rate of interest, or potentially no interest on such Consumer Loan. In such cases, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected.

Pursuant to the Warranty and Indemnity Agreement, the Originator has undertaken to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any failure or alleged failure by the Originator to comply with the Usury Regulations in respect of any Receivables.

For a description of the terms of the Consumer Loans, see “*The Portfolio*”, below.

#### **Compounding of interest (*anatocismo*)**

Pursuant to article 1283 of the Italian civil code, accrued interest in respect of a monetary claim or receivable may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices (*usi normativi*) to the contrary. Banks and financial companies in the Republic of Italy have traditionally capitalised accrued interest on a three-monthly basis on the grounds that such practice could be characterised as a customary practice (*uso normativo*). However, a number of recent judgments from Italian courts (including the judgment from the Italian Supreme Court (*Corte di Cassazione*) No. 2374/99) have held that such practices are not *uso normativo*. Consequently, if customers of the Originator were to challenge this practice and such interpretation of the Italian civil code were to be upheld before other courts in the Republic of Italy, there could be a negative effect on the returns generated from the Consumer Loans.

Agos has consequently undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge in respect of interest on interest. In this respect, it should be noted that article 25, paragraph 3, of legislative decree No. 342 of 4 August, 1999 (“Law No. 342”), enacted by the Italian Government under a delegation granted pursuant to law No. 142 of 19 February, 1992, has considered the capitalisation of accrued interest (*anatocismo*) made by banks prior to the date on which it came into force (19 October, 1999) to be valid. After such date, the capitalisation of accrued interest is no longer possible upon the terms established by a resolution of the CICR issued on 22 February, 2000. Law No. 342 has been challenged and decision No. 425 of 17 October, 2000 of the Italian Constitutional Court has declared as unconstitutional the provisions of Law No. 342 regarding the validity of the capitalisation of accrued interest made by banks prior to the date on which Law No. 342 came into force.

#### **Yield and repayment considerations**

The yield to maturity of the Notes of each Class will depend, *inter alia*, on the amount and timing of repayment of principal (including prepayments and sale proceeds arising on enforcement of a Consumer Loan) on the Consumer Loans. Such yield may therefore be adversely affected by a higher or lower than anticipated rate of prepayments on the Consumer Loans.

Each Debtor is entitled under the Consumer Loans to prepay the Consumer Loans at any time, with a prepayment fee equal to one per cent. of the principal amount outstanding. [Such prepayment fee does not apply to certain Consumer Loans in respect of which the Debtors are entitled to prepay the relevant at any time or to modify the relevant amortising plan in accordance with pre determined terms and conditions, as better described in Schedule H to the Master Transfer Agreement (the “**Flexible Loans**”).

The rate of prepayment of Consumer Loans cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing consumer loans market interest rates and margins offered by the banking system, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayments that the Consumer Loans will experience.

The stream of principal payments received by a Noteholder may not be uniform or consistent. In particular, under the Flexible Loans the Debtor will have the right to prepay the relevant loan or to modify the relevant amortising plan in accordance with pre determined terms and conditions, as better described in Schedule H to the Master Transfer Agreement. No assurance can be given as to the yield to maturity which will be experienced by a holder of any Notes.

### **Historical, financial and other information**

The historical, financial and other information set out in the sections headed "*The Originator – Credit Recovery*", "*Description of the Servicing Agreement*" and "*The Portfolio*", including information in respect of collection rates, represents the historical experience of Agos. There can be no assurance that the future experience and performance of Agos, as Servicer of the Portfolio, will be similar to the experience shown in this Base Prospectus.

### **Competition in the consumer credit business**

Agos faces significant competition from a large number of banks and consumer credit firms throughout the Republic of Italy. Many of its competitors have in the recent past adopted and implemented aggressive policies aimed at increasing their market share and reaching the critical mass which would enable them to face the challenges imposed by the market and in particular to invest heavily in more reliable and efficient credit scoring technologies. Strong competition has in general led to a progressive narrowing of the margins (consumer loan rates less funding cost). Consequently, no assurance can be given that the interest rates charged to Debtors under Consumer Loans constituting the Subsequent Portfolios from which the Issuer may purchase Subsequent Receivables will be as high as those described under "*The Portfolio*" below.

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

### **Administration and reliance on third parties**

The ability of the Issuer to make payments in respect of the Notes will depend upon the due performance by the parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are each a party. In particular, without limitation, the punctual payment of amounts due on the Notes will depend on (a) the ability of the Servicer to service the Portfolio and to recover the amounts relating to Defaulted Receivables (if any), (b) any Hedging Counterparty complying with its obligation under the relevant Hedging Agreement and (c) the continued availability of hedging under the Hedging Agreements. Prospective Noteholders should note that any hedging transaction may be terminated in certain circumstances described in the relevant Hedging Agreement. In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by the Originator of its obligations under the Warranty and Indemnity Agreement in respect of the Portfolio. The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. In each case, the performance by the Issuer of its obligations under the Transaction Documents is also dependent on the solvency of, *inter alios*, Agos, the Hedging Counterparties and the Commingling Guarantee Providers.

In the event of the termination of the appointment of the Servicer under the Servicing Agreement, it would be necessary for the Issuer to appoint a substitute servicer (acceptable to the Representative of the Noteholders). Such substitute servicer would be required to assume responsibility for the services required to be performed under the Servicing Agreement for the Consumer Loans. The ability of a substitute servicer to perform fully the required services would depend, *inter alia*, on the information, software and records available at the time of the relevant appointment. There can be no assurance that a substitute servicer will be found or that any substitute servicer will be willing to accept such appointment or that a substitute servicer will be able to assume and/or perform the duties of the Servicer pursuant to the Servicing Agreement. In such circumstances, the Issuer could attempt to sell all, or part of, the Receivables, 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. The Representative of the Noteholders has no obligation to assume the role or responsibilities of the Servicer or to appoint a substitute servicer.

### **Legal proceedings**

There is no material litigation in the period covering the 12 months preceding the date of this Base Prospectus that is likely to have a material adverse effect on Agos's financial position or results of operations or ability to perform its obligations

under the Transaction Documents to which it is a party.

### **Claw-back of the transfer of the Receivables**

The transfers of the Receivables under the Master Transfer Agreement are subject to revocation upon bankruptcy of the Originator under article 67 of the Bankruptcy Law but only in the event that the relevant transfer is perfected within three months of the adjudication of bankruptcy of Agos or, in cases where paragraph 1 of article 67 applies, within six months of the adjudication of bankruptcy.

### **The Representative of the Noteholders and conflicts of interests between holders of different Classes of Notes**

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders, with respect to all of its powers, authorities, duties and discretion, to regard the interests of the Noteholders of each Class of Notes of all Series as if they formed a single Class (except where expressly provided otherwise) but such Conditions also require the Representative of the Noteholders, in the event of a conflict among the interests of the Noteholders of different Classes, to regard only the interests of the Noteholders of the Class ranking highest in the applicable Priority of Payments with respect to any Notes which are then outstanding. Remedies pursued by the Representative of the Noteholders in such circumstances may be adverse to the interests of the Noteholders of the lower ranking Class(es) of Notes.

### **Limited Nature of Credit Ratings assigned to the Notes**

Each credit rating to be assigned to each Class of the Notes of each Series upon their issue reflects the relevant Rating Agency's assessment only of the likelihood of timely payment of interest and the ultimate repayment of principal on or before the relevant Series Final Maturity Date, not that such payments will be paid when expected or scheduled. These ratings are based, among other things, on the Rating Agencies' determination of the value of the Portfolio, the reliability of the payments on the Portfolio and the availability of credit enhancement.

The ratings do not address, *inter alia*, the following:

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

Ratings are not a recommendation to buy, sell or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor or the tax-exempt nature or taxability of payments made in respect of any security.

Any Rating Agency may reduce or withdraw its rating if, in the sole judgment of that Rating Agency, the credit quality of the Notes has declined or is in question. If any rating assigned to the Notes is reduced or withdrawn, the market value of the Notes may be affected.

### **Terms of the Consumer Loans**

Although the majority of the Consumer Loan Agreements entered into by Agos with the Debtors are based on the standard terms and conditions of Agos, there can be no assurance that the Consumer Loan Agreements do not contain any terms or conditions that adversely affect in any manner the value of the Receivables or the enforceability of the Consumer Loans. Agos has represented (or will be deemed to represent) in the Warranty and Indemnity Agreement that the Consumer Loan Agreements were entered into in the form of the standard agreements used by Agos from time to time.

### **Potential Conflicts of Interest**

Calyon Milan (as defined in the section headed "*Glossary of Terms*") is the arranger in respect of the issue of the first Series of Notes under this Programme. Calyon Milan is acting as the Account Bank, the Calculation Agent, the Principal Paying Agent, the Cash Manager, the Manager of the first Series of Notes under this Programme, the Programme Administrator pursuant to the relevant Transaction Documents. Crédit Agricole Investor Services Bank Luxembourg ("**CACEIS**") is the Representative of the Noteholders and also acts as Listing Agent and Luxembourg Paying Agent of the transaction. Agos is the Originator and Servicer of the transaction. Each of CACEIS, Calyon Milan and Calyon is a member of the group Crédit Agricole. Conflicts of interest may potentially exist or may arise as a consequence of the various Crédit Agricole group company having different roles in this transaction. However, the management board and senior management of each of CACEIS, Calyon Milan and Calyon act independently from each other.

## **Tax treatment of the Issuer**

Taxable income of the Issuer is determined, without any special rights, in accordance with the Italian presidential decree No. 917 of 22 December, 1986 as subsequently amended. Pursuant to the regulations issued by the Bank of Italy on 29 March, 2000 (schemi di bilancio delle società per la cartolarizzazione dei crediti), the assets, liabilities (including those deriving from the Notes), costs and revenues of the Issuer in relation to the Securitisation will be treated as off-balance sheet assets, liabilities, costs and revenues. Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting earnings (i.e. on-balance sheet earnings), subject to such adjustments as are specifically provided for by applicable income tax rules and regulations.

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

It is possible, however, that the Ministry of Finance or another competent authority may issue regulations, letters or rulings relating to the Securitization 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.

The interest accrued on any account opened by the Issuer in the Republic of Italy, with the Account Bank or another bank resident in Italy for tax purposes, will be subject to withholding tax on account of Italian corporate income tax which, as at the date of this Base Prospectus, is levied at the rate of 27 per cent.

Payments under the Notes may in certain circumstances, described in the section headed "Taxation" of this Base Prospectus, be subject to a Decree 239 Withholding. In such circumstance, any 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 "imposta sostitutiva". At the date of this Base Prospectus, such imposta sostitutiva is levied at the rate of twelve point five per cent. (12.5%). As to non-Italian resident beneficial owners, imposta sostitutiva may apply at lower or nil rate under double taxation treaties entered into by Italy, where applicable.

In the event that any Decree 239 Withholding 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, neither the Issuer or any other person will be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders.

In the event that any Notes of any Class are redeemed in whole or in part prior to the expiring of the eighteen month period from the Series Issue Date, the Issuer will be obliged to pay 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 section headed "Taxation".

## **EU Savings Directive**

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

The Directive No. 48 provides that Austria, Belgium or Luxembourg shall apply a withholding tax for a transitional period, as defined therein, unless during such period they would elect otherwise. The withholding tax shall be levied at the rate of 15% during the first three years of the transitional period, 20% for the subsequent three years and 35% thereafter. Directive No. 48 provides for the exemption from the withholding tax to the extent that the beneficial owner provides the paying agent with minimum data requirements. The mechanism of application of such withholding tax would, however, be governed by the implementing legislation of the relevant country to which the investors of the Notes shall refer to.

The Italian Government has implemented the Directive No. 48 with the Legislative Decree No. 84 of 18 April 2005 (the "Decree No. 84"). Decree No. 84 will apply to payments of interest made by paying agents established in Italy to beneficial owners who are individuals resident in a different EU Member State as well as in other jurisdictions that have adopted

similar legislations (Jersey, Guernsey, Isle of Man, Dutch Antilles, British Virgin Islands, Turks and Caicos, Cayman, Montserrat, Anguilla and Aruba). According to Article 1(1) of the Decree No. 84, the definition of paying agents includes, *inter alia*, banks, SGRs, fiduciary companies, financial intermediaries, and any economic operator that may be involved, commercially or professionally, in a payment of interest.

More specifically, according to Article 5 of the Decree No. 84, paying agents acting shall provide the Italian tax authorities with the following data: identity and residence of the beneficial owner; name and address of the paying agent; account number of the beneficial owner or, otherwise, information of the debt claim giving rise to the interest payment and amount of interest paid. Such information is then transmitted to the Italian tax authorities. Residence of the beneficial owner is ascertained on the basis of the address indicated in the passport (if any), in the official identity card or, if necessary, on the basis of any other evidence. The beneficial owner that having a EU passport or identity card is resident for income tax purposes in a third country, shall file a tax certificate issued by the State of residence. Any individual receiving an interest payment is presumed to be the beneficial owner with the burden to give evidence and prove the contrary in his hands.

Companies, similar entities subject to taxation on business profits, UCITs passported under the Directive No. 85/611/EEC and non passported UCITs that have elected to be treated like passported, are excluded from the application of Decree No. 84.

Mistakes, omissions and any other contravention may be fined under the Decree No. 84 with sanctions from Euro 25,000.00 to Euro 250,000.00.

Either payments of interest on the Notes or the realization of the capitalized interest through a sale of the Notes would constitute “payments of interest” under Article 6 of the Directive No. 48 and, as far as Italy is concerned, Article 2 of the Decree 84. Accordingly, such payment of interest arising out of the Notes would fall within the scope of the Directive No. 48 being the Notes issued after March 1<sup>st</sup>, 2001 (see articles 15 of the Directive No. 48 and article 2(5) of the Decree 84).

### **Change of law**

The structure of the transaction and, *inter alia*, the issue of the Notes and the rating assigned to the Senior Notes are based on Italian and English law, tax and administrative practice in effect at the date hereof, having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to any possible change to Italian or English law, tax or administrative practice after the First Issue Date.

### **Fixed and floating security**

Security given under the English law governed transaction documents, howsoever expressed, may take effect as a floating charge and thus on enforcement certain preferential creditors may rank ahead of the Issuer Secured Creditors.

### **Projections, Forecasts and Estimates**

Forward looking statements, including estimates, forecasts and any other projections, in this Base Prospectus (including those contained in the relevant Pricing Supplement) are, necessarily, speculative in nature. Some or all of the assumptions underlying the forward looking statements (including those contained in the relevant Pricing Supplement) may not materialise or may vary significantly from actual results.

## **RISK FACTORS RELATING TO THE ISSUER**

### **Liquidity and Credit Risk**

The Issuer will be subject to the risk that any payments due by the Debtors under the Consumer Loans are paid after the scheduled payment dates.

The Issuer will be subject to the further risk of failure by the Servicer to collect or recover sufficient funds in respect of the Portfolio in order to discharge all amounts payable under the Notes when they fall due, as well as to the risk of default in payment by the Debtors and failure to realise or recover sufficient funds in respect of the Defaulted Receivables in order to discharge all amounts due by the Debtors under the relevant Consumer Loans. This risk is mitigated: with respect to the Class A Notes, by the credit support provided by the Class B Notes, the Class C Notes and the Class J Notes and by the Cash Reserve, and if any, the Product Cash Reserve and the Additional Cash Reserve; with respect to the Class B Notes, by the credit support provided by the Class C Notes and the Class J Notes and by the Cash Reserve, and if any, the Product Cash Reserve and the Additional Cash Reserve; and with respect to the Class C Notes, by the credit support provided by the Class J Notes and by the Cash Reserve, and if any, the the Product Cash Reserve and the Additional Cash Reserve.

However, in each case, there can be no assurance that the levels of collections and recoveries received from the Portfolio together with such credit and liquidity support will be adequate to ensure timely and full receipt of amounts due under the



Notes.

On each Payment Date, if some of the Receivables become Defaulted Receivables, the Interest Available Funds (after deduction of the amounts due for taxes, Expenses, remuneration of the Other Issuer Creditors and for interest of the Senior Notes (see Condition 5.1.2 (*Interest Priority of Payments prior to the delivery of a Trigger Notice*))) will be credited on the Defaulted Account up to the Principal Amount Outstanding of such Defaulted Receivables. On such Payment Date, the balance of the Defaulted Account, if any, will be used by the Issuer for the purchase of Subsequent Portfolios or for the redemption of the Notes of the Series entered in Amortisation Period.

### **Commingling Risk**

The Issuer is subject to the risk that, in the event of insolvency of Agos, acting as Servicer, the Collections held by the Servicer are lost or frozen. Such risk is mitigated through the prompt payment to the Issuer of any Collections held by the Servicer into the Collection Account.

In order to further mitigate such risk, in the case the rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations of Agos falls below the Servicer Minimum Rating, Agos shall:

(i) procure to the Issuer, also for the benefit of the Noteholders, a guarantee from a bank having at least the Minimum Rating (the “**Commingling Guarantee**”); or

(ii) credit the Commingling Account

in order to secure the payment obligations of Agos as Servicer under Clauses 4.2 and 4.4 of the Servicing Agreement, for an amount equal to Commingling Reserve Required Amount as calculated on the Calculation Date immediately preceding the Payment Date immediately preceding the date on which the downgrading has occurred.

### **Interest Rate Risk**

To the extent that the Issuer is, as a result of issuing one or more Series of Notes, exposed to the risks of adverse interest rate movements or timing differences, in each case between the interest on the Portfolio received by the Issuer and the payment obligations of the Issuer with respect to such Series of Notes, the Issuer will enter into one or more confirmation(s) each, a “**Confirmation**”) with one or more Hedging Counterparty(ies), whose obligations may be guaranteed, in order to hedge itself against such risk. Each Confirmation will be entered into with a Hedging Counterparty having the minimum debt ratings specified by the Rating Agencies, pursuant to a 1992 ISDA Master Agreement (Multicurrency – Cross Border) as amended and supplemented by a Schedule, each as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) (the “**ISDA Master Agreement**” and together with the Confirmation, the “**Hedging Agreement**”). Prospective Noteholders should note that hedging agreements generally expose participants to certain risks depending on the nature and terms of such agreements and should accordingly review the applicable Final Terms and the terms of the relevant Hedging Agreement carefully to evaluate how the terms of any such hedging transaction might affect the Notes of a particular Series.

The ability of the Issuer to meet its obligations under the Notes will be dependent on the receipt by it of payments due from the Hedging Counterparty(ies) under the Hedging Agreement(s).

To seek to reduce this risk, provisions dealing with the actions to be carried out in case of a downgrading of the rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations of the Hedging Counterparty by S&P and Moody's have been and will be included in each Hedging Agreement. See “*Description of the Hedging Agreement*”, below.

Should an early termination of any of the Hedging Agreements occur, the Issuer may be exposed to an interest rate risk in relation to the floating rates of interests it is required to pay in respect of the Notes. Furthermore, in the event of insolvency of any Hedging Counterparty, the Issuer will be treated by the relevant receiver as a general creditor of such Hedging Counterparty.

### **Further Securitisations**

The Issuer may, by way of a separate transaction, purchase and securitise further portfolios of monetary claims in addition to the Receivables (each, a “**Further Securitisation**”). Before entering into any Further Securitisation, the Issuer is required to obtain the consent of the Representative of the Noteholders and to obtain confirmation from the Rating Agencies that the then current ratings of the Senior Notes will not be adversely affected by such Further Securitisation.

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction carried out by a company are stated to be segregated from all other assets of the company and from those related to each other securitisation transaction, and, therefore, 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. Accordingly, the right, title and interest of the Issuer in and to the Receivables should be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to any Further Securitisation) and amounts deriving therefrom should be available on a winding-up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and the payment of any amounts due and payable to the Other Issuer Creditors.

Although the Securitisation Law provides for the assets relating to a securitisation transaction carried out by the Issuer to be segregated and separated from those of the Issuer or of other securitisation transactions carried out by the Issuer, such as any Further Securitisation, this segregation principle will not extend to the tax treatment of the Issuer and should not affect the applicable methods of calculation of the net taxable income of the Issuer.

**The Issuer believes that the risks described above are the principal risks inherent in the transaction for holders of the Notes but the inability of the Issuer to pay interest or repay principal on the Notes of any Class may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding the Notes are exhaustive. While the various structural elements described in this document 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 holders of the Notes of such classes of interest or principal on such Notes on a timely basis or at all.**

## THE PORTFOLIO

The Portfolio shall comprise debt obligations governed by Italian law arising out of Consumer Loans classified as performing by Agos, and granted by Agos to customers who are individuals. Specific information on the relevant Receivables to be added to the Portfolio in connection with the issue of each Series of Notes, the Consumer Loans underlying such Receivables and the Debtors thereof will be contained in the Final Terms relating to such Series.

There will be no segregation as between the Receivables transferred to the Issuer from time to time in connection with the issue of each Series and those transferred in respect of the Programme as a whole and accordingly, all Receivables from time to time comprised in the Portfolio and all amounts derived therefrom will be available to satisfy the obligations of the Issuer under the Notes outstanding under the Programme from time to time pursuant to the Conditions.

### Pools and Eligibility Criteria

The Receivables are divided into the Pools and have been selected on the basis of the Eligibility Criteria set out in the Master Transfer Agreement. See the section headed “*Transaction Documents – Description of the Master Transfer Agreement*”.

The Initial Receivables met, as at the First Valuation Date, and the Subsequent Receivables will meet, as at the Valuation Date immediately preceding the relevant Purchase Date, the following General Criteria:

- (i) the Receivables are denominated in Euro;
- (ii) the relevant Consumer Loan Agreements are governed by Italian law;
- (iii) the relevant Consumer Loan Agreements provide for a prearranged Amortising Plan;
- (iv) the Debtors have timely and entirely paid the first and the second Instalment of the relevant Amortising Plan;
- (v) the payments made by the Debtors under each Consumer Loan Agreement are effected either by post transfer; or by directly debiting the Debtor’s bank accounts by RID;
- (vi) with reference to the Consumer Loan Agreements under which the Debtors may have the right to modify the prearranged Amortising Plan, the relevant Debtors shall pay by directly debiting the Debtor’s bank accounts by RID;
- (vii) the relevant Consumer Loan Agreements provide for an annual effective global rate (T.A.E.G.) higher than:
  - a. 5% with reference to the Receivables included in the Pool of the Personal Loans, excluding the Calyon Initial Receivables;
  - b. 3% with reference to the Receivables included in the Pool of the New Vehicles Loans and in the Pool of the Used Vehicles Loans, excluding the Calyon Initial Receivables;
- (viii) if the relevant Consumer Loan Agreement refers to registered assets, each registered asset has been delivered by the relevant supplier;
- (ix) the relevant Consumer Loan Agreements have not been entered into by persons who were employees, agents or representatives of Agos or of any of its affiliated company at the date of execution of the relevant Consumer Loan Agreement;
- (x) the relevant Consumer Loan Agreements have not been entered into by corporate entities (*persone giuridiche*) or individuals who were not Italian residents at the date of execution of the relevant Consumer Loan Agreement;
- (xi) with reference to the Pool of the Special Purpose Loans, the relevant Consumer Loan Agreements have not been executed by way of a *porta a porta* offering nor the goods in relation to which such Consumer Loan Agreement have been executed, have been purchased through an agreement entered into at distance (*a distanza*) pursuant to the provisions of the Italian Legislative Decree number 206 of 6 September 2005 (“*Italian Consumer Code*”);
- (xii) with reference to the Pool of the Personal Loans, the relevant Consumer Loan Agreements have not been executed by way of a *porta a porta* offering pursuant to the provisions of the Italian Legislative Decree number 206 of 6 September 2005 (“*Italian Consumer Code*”);
- (xiii) with reference to the Calculation Date immediately preceding the relevant Purchase Date, the Receivables are

- not Receivables in Arrears;
- (xiv) with reference to the Calyon Initial Receivables:
    - a. the number of the dossier indicated in each Consumer Loan Agreement entered into by each Debtor appears on Agos' web site on page [http://www.mondoagos.it/html/profilo\\_finanziario.asp](http://www.mondoagos.it/html/profilo_finanziario.asp).
    - b. such Receivables are included in the Pool of the Furniture Loans, the Pool of the New Vehicles Loans, the Pool of the Used Vehicles Loans and the Pool of the Personal Loans;
  - (xv) the Agos Initial Receivables and, with reference to the Subsequent Portfolios, the Receivables, are included in the Pool of the New Vehicles Loans, the Pool of the Used Vehicles Loans and the Pool of the Personal Loans;
  - (xvi) the Receivables are paid monthly;
  - (xvii) the Receivables have a fixed interest rate;
  - (xviii) the relevant Consumer Loan Agreements do not require the consent of the relevant Debtors to the transfer of the Receivables;
  - (xix) the Receivables derive from Consumer Loan Agreements directly entered into by Agos;
  - (xx) the duration of the Consumer Loan Agreements (excluding the pre-amortising period –if any-) is equal to a maximum of 120 months with reference to the Receivables deriving from Consumer Loan Agreements dedicated to the purchase of new cars, used cars, new motorcycles, used motorcycles, new watercrafts, used watercrafts, new caravans, used caravans and with reference to the Receivables included in the Pool of Personal Loans;
  - (xxi) the maximum amount of the loan granted pursuant to the relevant Consumer Loan Agreements was equal to 31,000.00 Euro;
  - (xxii) with regard to the Consumer Loan Agreements which provide, as from the date of subscription thereof, an increase or reduction of the applicable interest rate in relation to one or more reference periods in which the applicable amortising plan is split up:
    - a. such Consumer Loan Agreements provide, as from the date of subscription thereof, that the interest rate applicable as of the date of subscription is less than the interest rate applicable at the termination date of such Consumer Loan Agreements, provided that the interest rate may increase but not be reduced in relation to one or more reference periods during the validity of such Consumer Loan Agreements; and
    - b. the T.A.E.G. deriving from the application of the interest rate applicable as at the date of subscription of the relevant Consumer Loan Agreement is higher than:
      - (i) 5% with regard to the Receivables included in the Pool of Personal Loans;
      - (ii) 3% with regard to the Receivables included in the Pool of the New Vehicles Loans and the Pool of the Used Vehicles Loans;
  - (xxiii) no Debtor has been in arrears in respect of its payment obligations *vis a vis* Agos for a period longer or equal to 9 months;
  - (xxiv) with reference to each Consumer Loan Agreement, the relevant Debtor is not in default with regard to the payments of the fees (different from the fees for the opening of the file) for an amount higher than 25 Euro;
  - (xxv) with reference to each Receivable, the last Instalment falls before (and including) 31 May 2026.

The Initial Receivables met also the following Specific Criteria as at the First Valuation Date:

- (i) the relevant Consumer Loan Agreements provide an annual effective global rate (T.A.E.G.) higher than:
  - a. 7,393% with reference to the Receivables included in the Pool of the New Vehicles Loans;
  - b. 9,531% with reference to the Receivables included in the Pool of the Used Vehicles Loans;
  - c. 14,609% with reference to the Receivables included in the Pool of Personal Loans.

## Initial Portfolio

The following tables set forth certain information as of 30 May 2006 of the Initial Portfolio that has been derived from information provided by the Originator in connection with the Master Transfer Agreement, and reflect the estimated position of the relevant Agos Receivables as at 30 April 2006. Accordingly there is no assurance that the information in relation to the provisional pool set out below reflects the composition of the Initial Portfolio at the First Issue Date.

In the Initial Portfolio are comprised 279,057 Receivables for a total amount in principal of € 995,511,675.60 (without considering the Accrual Interests).

## Summary

|   | <b>Initial Portfolio</b> |
|---|--------------------------|
| Number of Contracts (No)                          | 279,057                  |
| Outstanding Principal (Euro)                      | 995,511,675.60           |
| Accrual Interests (Euro)                          | 4,308,970.72             |
| Top dealer Concentration                          | 0.83%                    |
| 10 top dealer concentration                       | 5.4%                     |
| Weighted average nominal interest rate (T.A.E.G.) | 10.75                    |
| Weighted average original maturity (months)       | 52.45                    |
| Weighted average remaining maturity (months)      | 30.46                    |
| Weighted average seasoning (months)               | 21.99                    |
| Loan size range (Euro)                            | 174 – 30,987             |
| Average Outstanding Principal (Euro)              | 3,567                    |

Table 1: Breakdown by Original Principal

| <b>Original Principal - Initial Portfolio</b> | <b>Number of Contracts</b> | <b>Original Financed Amount</b> | <b>Weight in the Initial Portfolio</b> |
|---|----------------------------|---------------------------------|--|
| <i>(Euro/000)</i>                             | <i>(No)</i>                | <i>(Euro)</i>                   |  |
| < 2   | 43,971                     | 46,080,572                      | 2.35%                                  |
| 2 - 4   | 47,113                     | 138,783,413                     | 7.09%                                  |
| 4 - 8   | 83,276                     | 483,680,585                     | 24.70%                                 |
| 8 - 12  | 61,608                     | 605,399,529                     | 30.92%                                 |
| 12 – 16                                       | 27,718                     | 381,531,229                     | 19.48%                                 |
| 16 - 20                                       | 8,678                      | 151,231,031                     | 7.72%                                  |
| 20 – 31                                       | 6,693                      | 151,455,060                     | 7.73%                                  |
| <b>Total</b>                                  | 279,057                    | 1,958,161,419                   | 100%                                   |

Table 2: Breakdown by current Outstanding Principal

| <b>Outstanding Principal - Initial Portfolio</b> | <b>Number of Contracts</b> | <b>Outstanding Principal</b> | <b>Weight in the Initial Portfolio</b> |
|--|----------------------------|------------------------------|--|
| <i>(Euro/000)</i>                                | <i>(No)</i>                | <i>(Euro)</i>                |  |
| < 2  | 120,618                    | 98,227,994                   | 9.87%                                  |
| 2 - 4  | 61,049                     | 179,115,669                  | 17.99%                                 |
| 4 - 8  | 65,852                     | 373,991,884                  | 37.57%                                 |
| 8 - 12   | 23,597                     | 226,085,368                  | 22.71%                                 |
| 12 - 16  | 5,905                      | 79,887,006                   | 8.02%                                  |
| 16 - 20  | 1,530                      | 26,929,905                   | 2.71%                                  |
| 20 - 31  | 506                        | 11,273,849                   | 1.13%                                  |
| <b>Total</b>                                     | <b>279,057</b>             | <b>995,511,676</b>           | <b>100%</b>                            |

Table 3: Breakdown by Original Term

| <b>Original Term</b> | <b>Number of Contracts</b> | <b>Outstanding Principal</b> | <b>Weight in the Initial Portfolio</b> |
|----------------------|----------------------------|------------------------------|--|
| <i>Months</i>        | <i>(No)</i>                | <i>(Euro)</i>                |  |
| <6                   | 406                        | 42,211                       | 0.00%                                  |
| 7 - 12               | 17,391                     | 6,834,908                    | 0.69%                                  |
| 13 - 24              | 59,513                     | 80,258,944                   | 8.06%                                  |
| 25 - 41              | 69,607                     | 197,169,273                  | 19.81%                                 |
| 42 - 59              | 60,619                     | 259,422,020                  | 26.06%                                 |
| 60 - 66              | 46,668                     | 259,822,227                  | 26.10%                                 |
| 67 -77               | 20,575                     | 144,626,085                  | 14.53%                                 |
| >78                  | 4,278                      | 47,336,008                   | 4.75%                                  |
| <b>Total</b>         | <b>279,057</b>             | <b>995,511,676</b>           | <b>100%</b>                            |

Table 4: Breakdown by Remaining Term

| <b>Remaining Term</b>          | <b>Number of Contracts</b> | <b>Outstanding Principal</b> | <b>Weight in the Initial Portfolio</b> |
|--------------------------------|----------------------------|------------------------------|--|
| <i>Months</i>                  | <i>(No)</i>                | <i>(Euro)</i>                |  |
| <5                             | 56,865                     | 27,018,952                   | 2.71%                                  |
| 6 - 14                         | 75,260                     | 132,782,093                  | 13.34%                                 |
| 15 - 23                        | 50,409                     | 180,492,305                  | 18.13%                                 |
| 24 - 32                        | 40,455                     | 218,816,773                  | 21.98%                                 |
| 33 - 38                        | 23,026                     | 156,081,591                  | 15.68%                                 |
| 39 - 44                        | 14,829                     | 112,070,443                  | 11.26%                                 |
| 45 - 59                        | 12,912                     | 110,311,819                  | 11.08%                                 |
| 60 - 71                        | 3,786                      | 38,893,579                   | 3.91%                                  |
| 72 - 80                        | 1,215                      | 15,150,825                   | 1.52%                                  |
| >80                            | 300                        | 3,893,295                    | 0.39%                                  |
| <b>Total Initial Portfolio</b> | <b>279,057</b>             | <b>995,511,676</b>           | <b>100%</b>                            |

Table 5: Breakdown by Seasoning

| <b>Seasoning</b> | <b>Number of Contracts</b> | <b>Outstanding Principal</b> | <b>Weight in the Initial Portfolio</b> |
|------------------|----------------------------|------------------------------|--|
| <i>Months</i>    | <i>(No)</i>                | <i>(Euro)</i>                |  |
| 0 -6             | 39,642                     | 167,644,528                  | 16.84%                                 |
| 7 - 12           | 59,413                     | 210,198,914                  | 21.11%                                 |
| 13 - 23          | 72,935                     | 253,686,799                  | 25.48%                                 |
| 24 - 44          | 88,875                     | 324,071,172                  | 32.55%                                 |
| 45 - 59          | 17,890                     | 39,418,699                   | 3.96%                                  |
| 60 - 65          | 302                        | 491,564                      | 0.05%                                  |

|                                |         |             |      |
|--------------------------------|---------|-------------|------|
| <b>Total Initial Portfolio</b> | 279,057 | 995,511,676 | 100% |
|--------------------------------|---------|-------------|------|

Table 6: Breakdown by IRR (internal rate of return)

| <b>T.A.E.G.</b>                | <b>Number of Contracts</b> | <b>Outstanding Principal</b> | <b>Weight in the Initial Portfolio</b> |
|--------------------------------|----------------------------|------------------------------|--|
| <i>%</i>                       | <i>(No)</i>                | <i>(Euro)</i>                |  |
| <4                             | 1,330                      | 3,298,721                    | 0.33%                                  |
| 4–5                            | 1,224                      | 3,264,714                    | 0.33%                                  |
| 5–6                            | 2,986                      | 15,979,068                   | 1.61%                                  |
| 6–7                            | 6,558                      | 28,117,675                   | 2.82%                                  |
| 7–8                            | 18,704                     | 105,752,901                  | 10.62%                                 |
| 8–9                            | 30,164                     | 161,888,823                  | 16.26%                                 |
| 9–10                           | 35,681                     | 153,359,336                  | 15.41%                                 |
| 10–11                          | 35,191                     | 134,300,499                  | 13.49%                                 |
| 11–12                          | 28,538                     | 102,604,367                  | 10.31%                                 |
| 12–13                          | 25,207                     | 72,193,478                   | 7.25%                                  |
| 13–14                          | 14,896                     | 38,566,757                   | 3.87%                                  |
| 14–15                          | 32,448                     | 68,086,843                   | 6.84%                                  |
| 15–16                          | 18,394                     | 69,972,032                   | 7.03%                                  |
| Greater than 16                | 27,736                     | 38,126,463                   | 3.83%                                  |
| <b>Total Initial Portfolio</b> | 279,057                    | 995,511,676                  | 100%                                   |

Table 7: Breakdown by Product Type

| <b>Product Type</b> | <b>Number of Contracts</b> | <b>Outstanding Principal</b> | <b>Average Amount by Pool</b> | <b>Weight in the Initial Portfolio</b> |
|---------------------|----------------------------|------------------------------|-------------------------------|--|
|                     | <i>(No)</i>                | <i>(Euro)</i>                | <i>(Euro)</i>                 |  |
| New Vehicles        | 96,788                     | 463,095,777                  | 4,785                         | 46.52%                                 |
| Personal Loans      | 56,752                     | 246,370,942                  | 4,341                         | 24.75%                                 |
| Used Vehicles       | 52,253                     | 201,736,843                  | 3,861                         | 20.26%                                 |
| Furniture           | 43,068                     | 68,888,504                   | 1,600                         | 6.92%                                  |
| Special Purpose     | 30,196                     | 15,419,610                   | 511                           | 1.55%                                  |
| <b>Total</b>        | 279,057                    | 995,511,676                  | 3,567                         | 100%                                   |

## THE ORIGINATOR

### General

Agos S.p.A. (hereinafter “**Agos**”) is a joint-stock company incorporated under the laws of Italy, with registered office at via Bernina 7 20158 Milano, Italy and registered with the companies' register in Milan under registration number 08570720154, in the general register held by Ufficio Italiano dei Cambi pursuant to Article 106 of the Consolidated Banking Act under the number 193094 and in the special register held by the Bank of Italy pursuant to Article 107 of the Consolidated Banking Act under number 5373.

In 1986 the group Montedison undertook to develop the consumer loans and credit card activity and decided to found Agos Service Spa.

In 1989 they sold 49% of the company to Banque Sofinco. Then Banque Sofinco has increased its quota up to 100%. In April 1997 Agos Service Spa merged with Itafinco S.p.A., a company active in the consumer loan market since 1992, owned by Banca Intesa ( 75%) and Crédit Agricole (25%).

In 2005 Agos Itafinco Spa changed his name in Agos Spa. Today Agos ( A+/Stable/ A-1 by S&P) is 51%-owned by Sofinco, (AA-/Positive/A-1+ by S&P and AA/Stable/F1+ by Fitch), one of the major specialized consumer finance banks in Europe.. The French consumer finance bank is seeking to broaden its European reach, and, in this context, Agos—the sole representative of Sofinco in Italy—is its most successful achievement. The remaining 49% of Agos is owned by Italy's biggest bank, Banca Intesa SpA (A+/Stable/A-1 by S&P, A1/Positive/P1by Moody's and A+/F1 by Fitch), whose largest minority shareholder is Crédit Agricole (AA-/Positive/A-1+ by S&P, Aa2/P1 by Moody's and AA/Stable/ F1+ by Fitch). Banca Intesa's stake in Agos was raised from 30% to 49% in 2003.

Agos is a key asset for Crédit Agricole in its strategy of establishing links with foreign partners, both through direct stakes and joint ventures in specialized financial services. As at 31/12/2005 Agos has 1322 employees.

As a finance company, Agos is subject to monitoring by Italy's bank regulator. Agos' business activities are also overseen on a consolidated basis within Sofinco by the French banking authorities.

Agos has boosted earnings and improved efficiency while maintaining a good risk profile. The company has significantly improved its earnings generation over the past few years, in the context of strong momentum for consumer credit in Italy. It has gradually developed higher margin direct lending and has increased efficiency through economies of scale. Agos keeps good levels of profitability, due to its strong position in the Italian consumer finance market, even if increasing competition continues to pressure unitary margins.

Agos enjoys a favorable business position. With an 7.9% market share at end 2005, the company is the second largest in consumer finance in Italy.

Sound asset quality and effective credit risk management underpin the company's financial profile. As a result, cost of risk has been favorable over the past few years, and is expected to remain so.

Agos' sophisticated management systems and know-how in data mining have helped it grow rapidly in the past few years.

### Lending Activities

The main products distributed by Agos can be divided into the following categories:

- Vehicles loans, representing 36% of new loan production in the 2005; Loans for consumer goods (such as furniture, computers and entertainment systems, and travel), totaling 19%;
- Revolving credit cards (17%);
- Personal loans (28%), marketed to clients, which—together with part of the revolving business—represents Agos' most profitable segment.

In addition to its own business, Agos recently developed i) a leasing activity and ii) a servicing activity as consumer loans full service provider, regarding this last point partnerships were established with large hypermarket chains and with banks .

The outstanding figures per product are outlined below

| Product      | Total outstanding of the Agos portfolio Euro/00 (As at Dec 2005) | Percentage |
|--------------|--|------------|
| Credit cards | 760,597  | 13.0%      |



|                              |           |        |
|------------------------------|-----------|--------|
| Other Specific Purpose Loans | 773,196   | 14.0%  |
| New Car                      | 1,734,241 | 31.0%  |
| Used Car                     | 475,653   | 8.40%  |
| New Moto                     | 200,311   | 3.5%   |
| Personal Loans               | 1,665,573 | 29.0%  |
| Used Moto                    | 38,424    | 68.0%  |
| Leasing                      | 2,588     | 0.50%  |
| Total                        | 5,650,583 | 100.0% |

### Distribution Channel

Agos distributes its products by 3 main channels:

- The indirect “Long” Channel in contact with the main stores and dealer floor plans for the distribution;
- The direct “Short” Channel contacting directly the target of potential clients for personal loans and revolving products through local branches;
- Italian banks distributing consumer credit products;
- 

### Summary of the Financial Results of Agos S.p.a.

The main financial figures of Agos are outlined below:

**Table 1 - ASSETS / LIABILITIES (Euro)**

| Asset                      | Dec 05               | Dec 04               | Dec 03               |
|----------------------------|----------------------|----------------------|----------------------|
| Cash                       | 8,726,516            | 3,599,718            | 3,625,887            |
| Financial Receivables      | 26,703,211           | 26,574,359           | 22,092,816           |
| Receivables from customers | 4,615,552,094        | 3,463,520,986        | 2,415,592,885        |
| Securities                 | 25,800,000           | 25,800,000           | 25,800,000           |
| Investments                | 11,547,746           | 2,610,001            | 775,001              |
| Intangibles                | 39,642,104           | 30,005,518           | 20,869,019           |
| Tangibles                  | 21,764,389           | 13,718,093           | 9,160,410            |
| Other Assets               | 225,649,553          | 172,638,565          | 144,940,752          |
| <b>Total Assets</b>        | <b>4,975,385,613</b> | <b>3,738,467,240</b> | <b>2,642,856,770</b> |

| Liabilities              | Dec 05               | Dec 04               | Dec 03               |
|--------------------------|----------------------|----------------------|----------------------|
| Financial Assets         | 4,394,879,617        | 3,334,799,819        | 2,301,809,121        |
| Debt to customers        | 9,816,465            | 4,763,372            | 5,110,632            |
| Financial Assets         | 0                    | 25,000,000           | 20,000,000           |
| Other Liabilities        | 190,190,267          | 147,927,193          | 119,222,134          |
| Funds                    | 33,096,521           | 11,051,093           | 25,589,411           |
| Subordinated Debt        | 70,000,000           | 0                    | 0                    |
| Equity                   | 277,402,743          | 214,925,763          | 171,125,472          |
| <b>Total Liabilities</b> | <b>4,975,385,613</b> | <b>3,738,467,240</b> | <b>2,642,856,770</b> |

The following table shows the profit & loss and the comparison between the year 2005 with the 2004 and 2003.

**Table 2 - PROFIT / LOSS (Euro)**

| <b>Expenses</b>         | <b>Dec 05</b>      | <b>Dec 04</b>      | <b>Dec 03</b>      |
|-------------------------|--------------------|--------------------|--------------------|
| Interest Expenses       | 114,299,986        | 88,069,765         | 66,978,434         |
| Commissions             | 84,790,992         | 72,650,755         | 59,760,109         |
| Administrative Expenses | 160,487,812        | 136,190,531        | 105,999,293        |
| Depreciations           | 21,024,772         | 14,783,569         | 11,037,174         |
| Others Operating Costs  | 10,136,053         | 8,665,859          | 6,772,019          |
| Risk Adjustment         | 54,950,587         | 40,028,050         | 32,090,959         |
| Extraordinary Expenses  | 349,171            | 240,005            | 199,642            |
| Taxes                   | 24,896,700         | 8,233,914          | 22,837,655         |
| Net Income              | 62,018,549         | 43,675,655         | 32,783,042         |
| <b>Total Expenses</b>   | <b>532,954,622</b> | <b>412,538,103</b> | <b>338,458,327</b> |

| <b>Profit</b>                 | <b>Dec 05</b>      | <b>Dec 04</b>      | <b>Dec 03</b>      |
|-------------------------------|--------------------|--------------------|--------------------|
| Interest Income               | 381,556,673        | 303,758,761        | 257,153,284        |
| Dividends                     | 0                  | 62,400             | 0                  |
| Commissions                   | 33,745,752         | 30,952,082         | 28,317,563         |
| Other Operating Revenues      | 249                | 331                | 583                |
| Recoveris on Receivables      | 8,054,997          | 8,085,538          | 4,354,676          |
| Recoveris on Financial Assets | 3,550,927          | 0                  | 0                  |
| Other Operating Revenues      | 105,641,569        | 69,080,618         | 45,798,862         |
| Extra ordinary Income         | 404,455            | 598,373            | 2,833,359          |
| <b>Total Revenues</b>         | <b>532,954,622</b> | <b>412,538,103</b> | <b>338,458,327</b> |

### **The Strategy**

Agos' efficient strategy has resulted in regular gains in market share and profitability. The company's expertise has allowed it to grow its business very rapidly, while maintaining sound asset quality.

The Italian consumer finance market has grown very rapidly over the past eight years, at a 23% compound annual growth rate. Despite some slowdown since 2000, the market continues to be dynamic and boast a double-digit growth rate. Competition is increasing, however, as a large number of domestic banks and European consumer finance specialists have ambitions to compete in this field.

The company's business model is based on the acquisition of clients through its automotive and consumer goods business. Car and consumer goods (loans, which are generally characterized by limited profit margins), bring Agos not only the names and addresses of potential clients, but also an experience of their credit quality. The company can then directly market its higher margin revolving and personal loans. Agos' new loan production is more diversified than that of most competitors, with an ever-increasing proportion of direct products. Meanwhile, Agos' expertise in marketing techniques and in setting up partnerships with retailers has allowed it to grow faster than the market and to steadily increase its market share every year. In addition to revolving and personal loans, Agos markets other products, including insurance contracts, for credit protection or related to the goods financed which allows to diversify the source of revenues.

## PROCEDURES

### Approval of the file

The request may arrive at the centralised acceptance department of Agos by fax (sent by the dealers) or by an Internet form. For personal loans most of the requests are recorded in the IT systems and are treated directly by the branches. The information required for the assessment of the deals (by centralised acceptance department or by branches) can be divided into four areas:

- personal information about the debtor (name, address, age, job, etc.);
- information about the asset to be financed (in case of specific purpose financing);
- data about the financing contract;
- information about the economic situation of the debtor.

The main checks carried out by Agos concern:

- the possible insolvency of the potential client;
- the last unpaid instalments (four months) and the total indebtedness with the Italian financial system resulting from private credit bureau;
- the internal database providing the list of the people whom, for any reason, Agos does not want as customers;
- the information supplied by the potential client.

The above verifications are carried out by automated means and, at the end of the process, a score is applied to each file. At this point the operator, with the score applied to the possible transaction and with the information gathered, can decide whether the file shall be approved or rejected. The analysis and the approval process are always carried out by Agos directly and not by the dealers.

### Collection

The payment means accepted by Agos are:

- R.I.D. (direct debit to customer bank account)
- Postal payment

#### R.I.D.:

The correct payment of each installment is checked within each day following the payment; if the payment is not duly made, the position is re-opened in the booking system of Agos. Within 10 days from the date of issue of RID, Agos is usually to acquaintance of the unsolved installment and can act consequently.

#### Postal Payments:

Every day Agos receives from Poste Italiane a file via FTP of the bulletins paid two days before; the file is processed automatically in order to match the payment with the relevant credit. In addition Agos may display and check through an Internet link provided by Poste Italiane the bulletins not matched with the relevant credit, consequently, the Originator proceeds to match manually the payment with the relevant credit. This process takes 3-4 days for bulletins printed by Agos or in any case filled out correctly and 7-10 days for blank bulletins or bulletins in any case not correctly filled out.

### Prepayments

The customer contacts Agos informing that he/she is willing to repay the whole contractual amount. The client is subject to pay to Agos a penalty of 1% on the outstanding amount of the loan, except for the flexible products as "Duttilio".

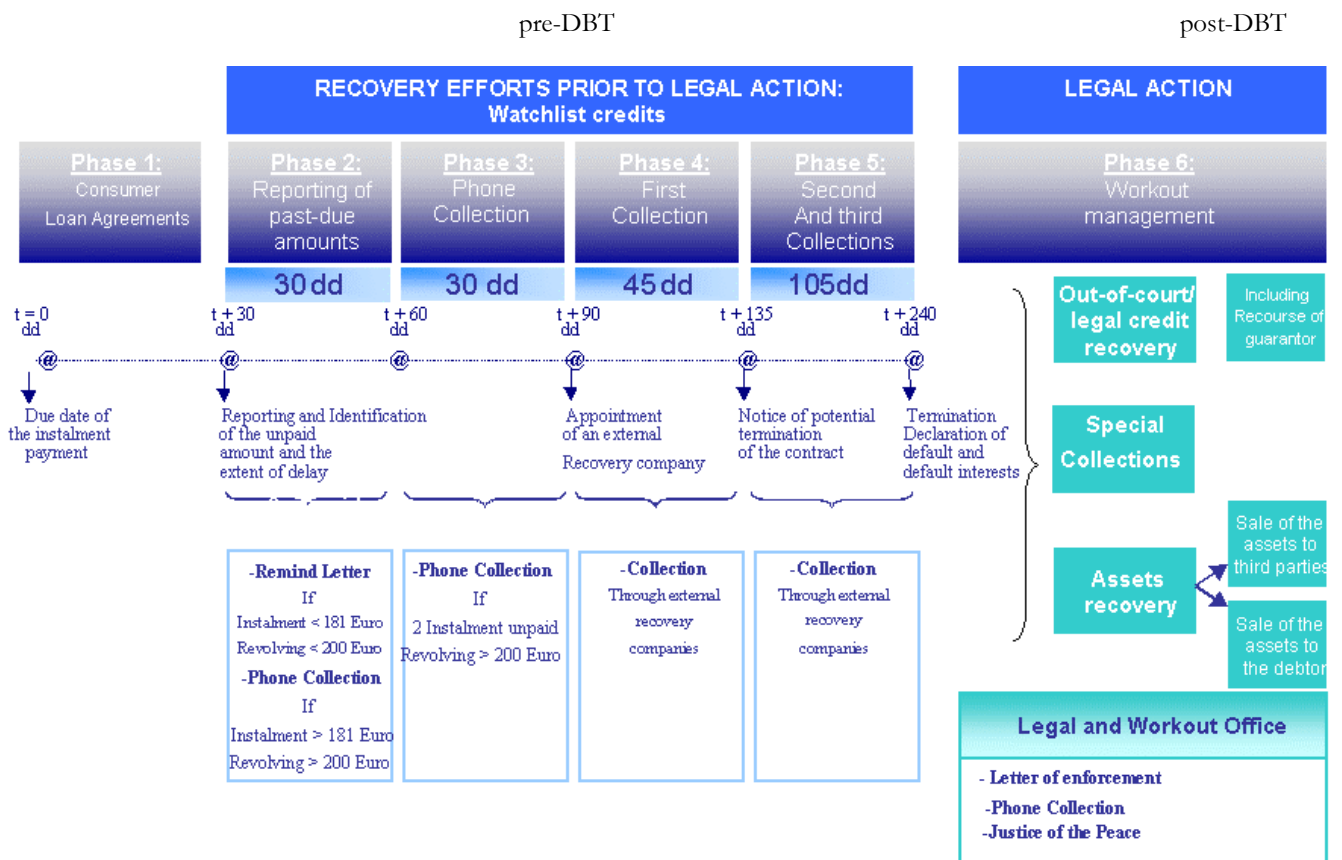
### *Credit recovery*

The recovery department is composed by people organized in team in charge of performing the following tasks:

- solving technical problems concerning the payment of the first installments;
- phone solicitations to debtors in arrears;
- relationship with the external recovery companies;
- administration and back-office activity, reporting and monitoring;

Agos is in partnership with 43 external society for the recovery of the defaulted receivables. Here below is illustrated all the process valid at the present date.

Historically, Agos recovers about 20%/30% on the receivables with more of 9 installments unpaid.



## **Credit Insurance**

Agos maintains insurance policies with Union Vita AIG Group, Finaref and Cardif to cover the risks of death and permanent invalidity of debtors. For personal loans the risk of temporary invalidity is also covered. Agos is in partnership with various dealer for the distribution of insurance policies to cover the theft and fire risks.

## **Audit Compliance**

Different levels of compliance are applied in respect of the guidelines issued by the Bank of Italy:

- the first level checks the compliance of business units with ordinary procedures;
- the second level checks the compliance of risk management with ordinary procedures,
- the third level consists in the implementation of the audit programme and in the monitoring of the activity carried out at the first two levels.

## **IT System**

The IT network is centralised at the Milan head office.

All 125 branches are connected through a Virtual Private Network supplied by Telecom Italia (in the event of any problems, a back-up ISDN line ensures the connection of the head office with the branches). The connection to the web site allows dealers to have access to file data entry.

During these years Agos has developed a data warehouse, supported by IBM machine “zero”, which permits to :

- Centralize the data flows in one database;
- Allow for a quick access to information.

For back-up purposes, Agos has 3 different safety systems:

- first level: the data are stocked every day, every week and every month in safe placed in the head office and every week an additional backup of the data related to receivables stored outside the head office buildings;
- second level: in addition to the equipment normally used, Agos has specific back-up equipment. When information arrives at the main equipment, the other equipment is updated automatically;
- third level: in the event of any problems of access to the offices, IBM has agreed to make frameworks and workstations available to Agos.

The level of automation currently allows Agos to

- check the information provided by the customer;
- process the scores of deals;
- manage part of daily activities (i.e. the automatic print of the RID, the automatic phone call for unpaid instalments and the matching of the payment with the relevant instalment for the post bulletin).

## THE ORIGINATOR'S HISTORICAL PERFORMANCE DATA

Agos has extracted data on the historical performance, by pool, of the originated receivables which respect the Criteria. The following presentation shows the defaults historical rate. The following tables indicates historical data by quarter of origination from January 2000.

The default data are given by pool. Results are given on the following pools: New Vehicles Loans, Used Vehicles Loans, Personal Loans, Furniture Loans and Special Purpose Loans.

As the Initial Portfolio represents only a portion of the total Originator's consumer loan portfolio, actual defaults experience with respect of the consumer loans comprised therein may be different from that set below for the total Originator's consumer loan portfolio. There can be no assurance that the experience for the Initial Portfolio and any Subsequent Portfolio will be, in the future, similar to the historical experience of the total Originator's consumer loans portfolio set forth below.

### Cumulative Net Defaults by Product and by Quarter of Origination

The default data presented below indicate, for a given quarter of origination, the sum of the outstanding principal component plus the interest component of the receivables defaulted, quarters after quarters (values cumulated), divided by the total outstanding principal amount of the quarter of origination. The data are net of the recoveries.

As default, Agos considered any Receivables which became for the first time Defaulted Receivables during a quarter.

|  |             | Default on New Vehicles Loans |                                    |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|--|-------------|-------------------------------|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|  |             | Outstanding Principal         | Quarter after the origination date |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  |             |                               | Q+0                                | Q+1   | Q+2   | Q+3   | Q+4   | Q+5   | Q+6   | Q+7   | Q+8   | Q+9   | Q+10  | Q+11  | Q+12  | Q+13  | Q+14  | Q+15  | Q+16  | Q+17  | Q+18  | Q+19  | Q+20  | Q+21  | Q+22  |
| O<br>u<br>t<br>s<br>t<br>a<br>n<br>d<br>i<br>n<br>g<br>P<br>r<br>i<br>n<br>c<br>i<br>p<br>a<br>l | 01/00       | 164.322.216                   | 0,00%                              | 0,00% | 0,00% | 0,13% | 0,31% | 0,39% | 0,49% | 0,50% | 0,56% | 0,66% | 0,70% | 0,73% | 0,76% | 0,79% | 0,81% | 0,82% | 0,82% | 0,82% | 0,81% | 0,80% | 0,79% | 0,79% | 0,79% |
|  | 02/00       | 166.691.484                   | 0,00%                              | 0,00% | 0,01% | 0,11% | 0,31% | 0,41% | 0,48% | 0,57% | 0,63% | 0,67% | 0,69% | 0,73% | 0,74% | 0,79% | 0,84% | 0,86% | 0,85% | 0,85% | 0,84% | 0,83% | 0,83% | 0,83% | 0,83% |
|  | 03/00       | 120.958.869                   | 0,00%                              | 0,00% | 0,01% | 0,15% | 0,34% | 0,46% | 0,56% | 0,71% | 0,76% | 0,83% | 0,92% | 0,97% | 1,00% | 1,01% | 1,06% | 1,07% | 1,09% | 1,07% | 1,07% | 1,06% | 1,06% | 1,06% | 1,06% |
|  | 04/00       | 109.903.393                   | 0,00%                              | 0,00% | 0,02% | 0,22% | 0,49% | 0,66% | 0,79% | 0,92% | 1,00% | 1,04% | 1,14% | 1,19% | 1,26% | 1,29% | 1,33% | 1,32% | 1,34% | 1,36% | 1,36% | 1,36% | 1,36% | 1,36% | 1,36% |
|  | 01/01       | 133.814.961                   | 0,00%                              | 0,00% | 0,01% | 0,13% | 0,52% | 0,64% | 0,80% | 0,96% | 1,04% | 1,11% | 1,20% | 1,30% | 1,37% | 1,41% | 1,44% | 1,46% | 1,48% | 1,50% | 1,50% |       |       |       |       |
|  | 02/01       | 172.597.124                   | 0,00%                              | 0,00% | 0,01% | 0,14% | 0,59% | 0,82% | 1,01% | 1,13% | 1,24% | 1,35% | 1,45% | 1,57% | 1,62% | 1,66% | 1,69% | 1,74% | 1,74% |       |       |       |       |       |       |
|  | 03/01       | 129.561.091                   | 0,00%                              | 0,00% | 0,02% | 0,31% | 0,59% | 0,73% | 0,86% | 1,08% | 1,21% | 1,32% | 1,44% | 1,57% | 1,64% | 1,68% | 1,70% | 1,70% | 1,74% |       |       |       |       |       |       |
|  | 04/01       | 117.185.661                   | 0,00%                              | 0,01% | 0,01% | 0,13% | 0,37% | 0,51% | 0,67% | 0,83% | 0,98% | 1,04% | 1,11% | 1,18% | 1,24% | 1,30% | 1,30% | 1,32% |       |       |       |       |       |       |       |
|  | 01/02       | 141.412.635                   | 0,00%                              | 0,00% | 0,02% | 0,18% | 0,44% | 0,67% | 0,84% | 0,94% | 1,01% | 1,07% | 1,19% | 1,26% | 1,32% | 1,34% | 1,42% |       |       |       |       |       |       |       |       |
|  | 02/02       | 166.797.229                   | 0,00%                              | 0,00% | 0,02% | 0,14% | 0,31% | 0,45% | 0,55% | 0,65% | 0,72% | 0,77% | 0,79% | 0,89% | 0,92% | 0,98% |       |       |       |       |       |       |       |       |       |
|  | 03/02       | 140.531.139                   | 0,00%                              | 0,00% | 0,01% | 0,13% | 0,38% | 0,53% | 0,69% | 0,81% | 0,87% | 1,00% | 1,09% | 1,20% | 1,29% |       |       |       |       |       |       |       |       |       |       |
|  | 04/02       | 157.181.728                   | 0,00%                              | 0,00% | 0,01% | 0,12% | 0,23% | 0,36% | 0,50% | 0,61% | 0,67% | 0,80% | 0,87% | 0,93% |       |       |       |       |       |       |       |       |       |       |       |
|  | 01/03       | 173.444.402                   | 0,00%                              | 0,00% | 0,00% | 0,07% | 0,28% | 0,33% | 0,39% | 0,45% | 0,51% | 0,58% | 0,65% |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 02/03       | 201.616.908                   | 0,00%                              | 0,00% | 0,02% | 0,08% | 0,25% | 0,36% | 0,42% | 0,49% | 0,57% | 0,63% |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 03/03       | 208.236.754                   | 0,00%                              | 0,00% | 0,00% | 0,06% | 0,16% | 0,23% | 0,30% | 0,41% | 0,46% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 04/03       | 195.495.926                   | 0,00%                              | 0,00% | 0,02% | 0,06% | 0,11% | 0,15% | 0,21% | 0,32% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 01/04       | 219.120.046                   | 0,00%                              | 0,00% | 0,00% | 0,04% | 0,12% | 0,21% | 0,29% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 02/04       | 267.178.818                   | 0,00%                              | 0,00% | 0,00% | 0,05% | 0,15% | 0,28% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 03/04       | 234.936.500                   | 0,00%                              | 0,00% | 0,01% | 0,03% | 0,14% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 04/04       | 231.552.620                   | 0,00%                              | 0,00% | 0,01% | 0,08% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
| 01/05  | 207.230.222 | 0,00%                         | 0,00%                              | 0,00% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
| 02/05  | 269.666.508 | 0,00%                         | 0,00%                              |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
| 03/05  | 269.390.703 | 0,00%                         |                                    |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |



| Default on Furniture Loans   |             |             |                                    |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|--|-------------|-------------|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|  |             |             | Quarter after the origination date |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  |             |             | Q+0                                | Q+1   | Q+2   | Q+3   | Q+4   | Q+5   | Q+6   | Q+7   | Q+8   | Q+9   | Q+10  | Q+11  | Q+12  | Q+13  | Q+14  | Q+15  | Q+16  | Q+17  | Q+18  | Q+19  | Q+20  | Q+21  | Q+22  |
| O<br>u<br>t<br>s<br>t<br>a<br>n<br>d<br>i<br>n<br>g<br>P<br>r<br>i<br>n<br>c<br>i<br>p<br>a<br>l | 01/00       | 43.234.437  | 0,00%                              | 0,00% | 0,00% | 0,12% | 0,34% | 0,56% | 0,57% | 0,62% | 0,68% | 0,70% | 0,72% | 0,71% | 0,74% | 0,74% | 0,75% | 0,77% | 0,77% | 0,76% | 0,75% | 0,75% | 0,75% | 0,74% | 0,74% |
|  | 02/00       | 45.178.926  | 0,00%                              | 0,00% | 0,02% | 0,26% | 0,54% | 0,60% | 0,69% | 0,74% | 0,84% | 0,88% | 0,89% | 0,90% | 0,90% | 0,90% | 0,96% | 0,97% | 0,97% | 0,97% | 0,97% | 0,96% | 0,97% | 0,96% | 0,96% |
|  | 03/00       | 44.962.833  | 0,00%                              | 0,00% | 0,02% | 0,17% | 0,40% | 0,44% | 0,58% | 0,64% | 0,69% | 0,72% | 0,74% | 0,75% | 0,76% | 0,82% | 0,83% | 0,85% | 0,85% | 0,83% | 0,82% | 0,81% | 0,82% |       |       |
|  | 04/00       | 49.936.178  | 0,00%                              | 0,00% | 0,05% | 0,24% | 0,37% | 0,45% | 0,57% | 0,66% | 0,70% | 0,76% | 0,85% | 0,90% | 0,91% | 0,93% | 0,95% | 0,96% | 0,93% | 0,92% | 0,91% | 0,91% |       |       |       |
|  | 01/01       | 51.059.039  | 0,00%                              | 0,00% | 0,02% | 0,12% | 0,38% | 0,50% | 0,61% | 0,75% | 0,85% | 0,89% | 0,93% | 0,91% | 0,95% | 0,95% | 0,98% | 0,96% | 0,95% | 0,95% |       |       |       |       |       |
|  | 02/01       | 60.051.171  | 0,00%                              | 0,00% | 0,00% | 0,13% | 0,33% | 0,43% | 0,52% | 0,58% | 0,62% | 0,68% | 0,75% | 0,79% | 0,80% | 0,79% | 0,81% | 0,81% | 0,79% | 0,78% |       |       |       |       |       |
|  | 03/01       | 51.375.009  | 0,00%                              | 0,00% | 0,01% | 0,15% | 0,40% | 0,55% | 0,70% | 0,76% | 0,86% | 0,86% | 0,91% | 0,94% | 0,96% | 0,97% | 0,97% | 0,97% | 0,97% |       |       |       |       |       |       |
|  | 04/01       | 65.833.922  | 0,00%                              | 0,00% | 0,04% | 0,17% | 0,37% | 0,51% | 0,56% | 0,62% | 0,74% | 0,80% | 0,80% | 0,81% | 0,82% | 0,83% | 0,81% | 0,80% |       |       |       |       |       |       |       |
|  | 01/02       | 58.150.437  | 0,00%                              | 0,00% | 0,00% | 0,10% | 0,38% | 0,50% | 0,58% | 0,76% | 0,85% | 0,85% | 0,88% | 0,91% | 0,90% | 0,89% | 0,89% |       |       |       |       |       |       |       |       |
|  | 02/02       | 65.729.537  | 0,00%                              | 0,00% | 0,00% | 0,12% | 0,31% | 0,39% | 0,51% | 0,64% | 0,77% | 0,82% | 0,87% | 0,93% | 0,92% | 0,94% |       |       |       |       |       |       |       |       |       |
|  | 03/02       | 65.000.008  | 0,00%                              | 0,00% | 0,00% | 0,03% | 0,15% | 0,24% | 0,48% | 0,61% | 0,77% | 0,83% | 0,88% | 0,88% | 0,92% |       |       |       |       |       |       |       |       |       |       |
|  | 04/02       | 90.476.528  | 0,00%                              | 0,00% | 0,00% | 0,09% | 0,19% | 0,28% | 0,46% | 0,60% | 0,66% | 0,72% | 0,75% | 0,78% |       |       |       |       |       |       |       |       |       |       |       |
|  | 01/03       | 80.135.084  | 0,00%                              | 0,00% | 0,00% | 0,09% | 0,32% | 0,41% | 0,52% | 0,59% | 0,62% | 0,66% | 0,68% |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 02/03       | 102.482.000 | 0,00%                              | 0,00% | 0,00% | 0,05% | 0,17% | 0,25% | 0,36% | 0,43% | 0,51% | 0,56% |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 03/03       | 83.837.252  | 0,00%                              | 0,00% | 0,01% | 0,05% | 0,19% | 0,32% | 0,48% | 0,51% | 0,55% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 04/03       | 112.369.587 | 0,00%                              | 0,00% | 0,00% | 0,05% | 0,18% | 0,28% | 0,34% | 0,41% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 01/04       | 93.179.072  | 0,00%                              | 0,00% | 0,00% | 0,01% | 0,14% | 0,29% | 0,42% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 02/04       | 109.084.372 | 0,00%                              | 0,00% | 0,00% | 0,03% | 0,20% | 0,38% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 03/04       | 93.674.971  | 0,00%                              | 0,00% | 0,01% | 0,08% | 0,18% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 04/04       | 120.722.204 | 0,00%                              | 0,00% | 0,01% | 0,09% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 01/05       | 100.960.031 | 0,00%                              | 0,00% | 0,01% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|  | 02/05       | 116.900.344 | 0,00%                              | 0,00% |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
| 03/05  | 102.420.897 | 0,00%       |                                    |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |



## USE OF PROCEEDS

The Purchase Price for the Initial Portfolio, the Expenses Reserve Account and the Cash Reserve Account will be funded from the proceeds of the issue of the first Series of Notes under this Programme. Any positive balance of such proceeds (after payment of any fees and expenses due by the Issuer in relation to the issuance of the first Series of Notes) will be credited by the Issuer to the Purchase Account on the First Issue Date.

The Purchase Price for each Subsequent Portfolio will be funded from the net proceeds (after payment of any fees and expenses due by the Issuer in relation to the issuance of such Series of Notes) of the issue of subsequent Series of Notes (if any) as well as from the principal collections made under the Receivables. If at any issue of subsequent Series of Notes, the Cash Reserve Required Amount is higher than the balance of the Cash Reserve Account (without considering any interest accrued thereon as well as any net proceed derived from the Eligible Investments), the Cash Reserve Account will be credited (up to an amount equal to the Cash Reserve Required Amount as of the Calculation Date immediately preceding the relevant Series Issue Date) using the proceeds of the issue of such Series of Notes.

## THE ISSUER

### Introduction

The Issuer, Sunrise S.r.l., was incorporated on 3 February 2005 in the Republic of Italy pursuant to the Securitisation Law as a limited liability company with registered office at via Melchiorre Gioia 32, 20124 Milan, telephone number 011.5176220 and was established as a special purpose vehicle or entity for the purpose of issuing asset backed securities. It is registered under number 36461 in the general list of financial intermediaries held by *Ufficio Italiano Cambi* pursuant to Article 106 of the Consolidated Banking Act, in the special section of the register held by the Bank of Italy pursuant to Article 107 of the Consolidated Banking Act and under number 04731380962 with the Register of Enterprises of Milan. The Issuer's registered office is at Via Melchiorre Gioia, Milan, Italy. The Issuer's duration, according to its by-laws, is until 31 December 2050.

Since the date of its incorporation, the Issuer has not engaged in any business other than the purchase of the Initial Portfolio, no dividends have been declared or paid and no indebtedness, other than the Issuer's costs and expenses of incorporation and the Purchase Price of the Initial Portfolio and interest thereon have been incurred by the Issuer. The Issuer has no subsidiaries, premises or employees. Since the date of its incorporation, the Issuer has not been involved in any legal or arbitration proceedings.

The Issuer is a limited liability company (*società a responsabilità limitata*) and its equity capital is represented by quotas. The authorised, issued and fully paid in equity capital of the Issuer is Euro 10,000 and it is entirely held by Stichting Trustmate 4 (the "Quotaholder").

On or before the Series Issue Date, the Quotaholder will enter into the Quotaholders' Agreement which contains provisions in relation to the management of the Issuer. In addition, the Quotaholders' Agreement shall provide for (a) call options to be granted in favour of Agos to purchase from Stichting Trustmate 4 the entire quota capital of the Issuer held by it at any time after the redemption in full or cancellation of the Notes of all Series.

Agos will furthermore undertake to indemnify the Issuer against, or make available to the Issuer funds required to pay, any claims, losses, liabilities, penalties, tax surcharges, interest or other amounts in relation to corporate income tax (IRES, *imposta sul reddito delle società*) or regional tax on productive activities (IRAP, *imposta regionale sulle attività produttive*) (or any other tax which may substitute or supplement the foregoing taxes).

### Issuer Principal Activities

Corporate purpose pursuant to By-Laws

The Issuer's sole corporate purpose, as set forth in Article 2 of its By-Laws (*statuto*), is as follows: "... to carry out one or more securitisation transactions pursuant to the Securitisation Law, through the purchase of existing or future monetary receivables, by the Issuer or by a different company incorporated pursuant to the Securitisation Law, to be financed through the issuance (by the Issuer or by a different company incorporated pursuant to the Securitisation Law) of notes referred to in article 1, paragraph 1, letter b) of the Securitisation Law with the modalities necessary in order to avoid any risk of the company. The Issuer may furthermore effect securitisation of receivables pursuant to Article 7 of the Securitisation Law.

*In accordance with the Securitisation Law, the receivables of each securitisation transaction are segregated from all other assets of the Issuer and from those of any other securitisation transactions. With the exception of the holders of the notes issued for the purpose of funding the purchase of the relevant receivables, other creditors may not make any claim on or against such segregated assets.*

*Within the limits permitted by the provisions of the Securitisation Law, the Issuer may only enter into ancillary transactions for the purpose of the securitisation transactions carried out by it, or which are instrumental for the purpose of its corporate purpose, and may invest funds deriving from the administration of the purchased receivables where such funds are not immediately utilised towards satisfaction of liabilities under such notes and transactions involving the sale of the purchased Receivables, as well as any other activity allowed by the Securitisation Law and may appoint third persons for the purpose of collecting the amounts arising from the Receivables and providing cash management and payment services."*

### Covenants

The Issuer will covenant to observe, *inter alia*, those restrictions, which are detailed in Condition 4 (*Covenants*). In particular, so long as any of the Notes remain outstanding, the Issuer shall not, without the prior consent of the Representative of the Noteholders, incur any other indebtedness for borrowed monies or engage in any activity whatsoever or enter into any document which is not necessary or incidental in connection with the Transaction Documents, the implementation of the

Programme or any further securitisation carried out in accordance with Condition 4.10 (*Further issues under the Programme*) or Condition 4.11 (*Further Securitisations*), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person or convey or transfer its property or assets to any person (except as contemplated in the Transaction Documents) or issue any *quota*.

### Directors of the Issuer

At the date of this Base Prospectus, the sole director of the Issuer, appointed at the quotaholders' meeting of the Issuer on 17 February 2006, is Mr. Andrea Bonafè, with office at Foro Bonaparte 71 Milano . Mr. Andrea Bonafè is licensed public accountant enrolled in the order of the *Dottori Commercialisti* of Milan since 1981; auditor enrolled in the *Registro dei Revisori Contabili* with DM 12/04/1995, sole director of the company Immobiliare Bonaparte Srl since 2000, president of the Board of Statutory Auditors of the companies Quadriga Italia Spa since 2001 and Contacts Spa since 2003, member of the Board of Statutory Auditors of DWI Spa since 2000 and of Getronics Solutions Italia since 2004, member of the Board of Statutory Auditors of Carrefour Servizi Finanziari Spa since 2004 and member of the Board of Statutory Auditors of Twice SIM Spa since 2003.

### Statutory Auditors of the Issuer

No Board of Statutory Auditors is provided to be appointed.

### Capitalisation and Indebtedness Statement

The capitalisation of the Issuer as of the date of this Base Prospectus, adjusted for the issue of the Series to be issued on the First Issue Date, is as follows:

#### *Quota Capital*

Issued and paid up ..... Euro 10,000

#### *Indebtedness*

€ 911,000,000 Class A Limited Recourse Consumer Loans Backed Floating Rate Notes due August 2030  
Euro 911,000,000

€ 60,200,000 Class B Limited Recourse Consumer Loans Backed Floating Rate Notes due August 2030  
Euro 60,200,000

€ 28,700,000 Class C Limited Recourse Consumer Loans Backed Floating Rate Notes due August 2030  
Euro 28,700,000

€ 14,550,000 Class J Limited Recourse Consumer Loans Backed Floating Rate Notes due August 2030  
Euro 14,550,000

**Total capitalisation and indebtedness** .....Euro 1,014,460,000

Save for the foregoing, at the date of this document, the Issuer has 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 (other than the obligation to pay the Purchase Price in respect of the Receivables comprised in the Initial Portfolio and interest thereon).

### Financial Statements of the Issuer and the Independent Auditors' Report

Since the date of its last published audited financial statements, there has been no material adverse change in the financial position or prospects of the Issuer.

The following is an English language translation of the text of a report received by the quotaholders of the Issuer from Deloitte & Touche S.p.A. external qualified accountant auditor to the Issuer. The following report has been translated into English language solely for the convenience of international readers. The Issuer accepts responsibility for the correct translation of the information set out in such report.

*Beginning of the translation:*

### AUDITORS' REPORT

**To the Sole Director of Sunrise S.r.l.**

We have audited the balance sheet, income statement and related explanatory notes (the “interim financial statements”) of Sunrise S.r.l. as of and for the four months period ended April 30, 2006, prepared solely for inclusion in the Base Prospectus Consumer Loans Backed Floating Rate Note Programme. These interim financial statements are the responsibility of the Sole Director of Sunrise S.r.l. Our responsibility is to express an opinion on these interim financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in Italy. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the interim financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the interim financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Sole Director. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of the prior year, which are presented for comparative purposes as required by law, have been examined by us only to the extent necessary to enable us to express our opinion on the interim financial statements. Consequently, our opinion does not extend to the comparative data.

In our opinion, the interim financial statements of Sunrise S.r.l. present fairly the financial position of the Company as of April 30, 2006, and the results of its operations for the four months then ended in accordance with the Italian regulations governing financial statements.

DELOITTE & TOUCHE S.p.A.

Signed by

Ezio Bonatto

Partner

Milan, Italy

16 May 2006

*This report has been translated into the English language solely for the convenience of international readers*

**Independent Auditors**

The Issuer's independent auditors are Deloitte & Touche S.p.A., acting through their office at via Tortona 25, Milan, Italy, which have been appointed to audit the financial statements of the Issuer, as at and for the period ending 30 April 2006. The Issuer's accounting reference date is 31 December and its first accounting year ended 31 December 2005.

## THE ISSUER ACCOUNTS

The Issuer has established with the Account Bank the following bank accounts (the “**Issuer Accounts**”):

1. The Collection Account, *into which* (i) all the Collections collected or recovered by the Servicer from time to time in respect of the Receivables shall be credited in accordance with the provisions of the Servicing Agreement; (ii) any interest accrued and any net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of such account shall be credited; *and out of which* (iii) on each Purchase Date, all the Collections of Principal received during the Reference Period immediately preceding such Purchase Date shall be transferred to the General Account; (iv) on each Payment Date which is not a Exceptional Date, (1) all the Collections of Principal received during the Reference Period immediately preceding such Payment Date, (2) all the Collections of Interest received during the Quarter Reference Period immediately preceding such Payment Date, (3) all the Collections of Fees received during the Quarter Reference Period immediately preceding such Payment Date, (4) all the Recoveries received during the Quarter Reference Period immediately preceding such Payment Date, and (5) all the interest accrued and any net proceeds deriving from the Eligible Investments (constituting clear funds on such Payment Date) credited to the Collection Account during the Quarter Reference Period immediately preceding such Payment Date shall be credited to the General Account; and (v) on each Exceptional Date, any amount standing to the credit of the Collection Account on such date shall be transferred to the General Account.
2. The Purchase Account, *into which* (i) the balance of the net proceeds of the Series 1-2006 Notes (after payment of any fees and expenses due by the Issuer as at the First Issue Date), after the payment of such Purchase Price, credit of the Expenses Account and credit of the Cash Reserve Required Amount, shall be credited, (ii) on the First Issue Date and on each relevant Purchase Date following the First Issue Date the amounts due to the Issuer respectively under Clause 3.5 and Clause 7.4 of the Master Transfer Agreement shall be credited; (iii) any Principal Available Funds remaining after application of the Priority of Payments under Conditions 5.1.1 and 5.1.3.1 will be credited on each Purchase Date or Payment Date, as applicable; (iv) any interest accrued and any net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of such account shall be credited; (v) the amounts repaid to the Issuer pursuant to Clause 3.5. and 7.4 of the Master Transfer Agreement shall be credited; *and out of which* (vi) on each Purchase Date or Payment Date which are not a Exceptional Date, any amount standing to the credit of the Purchase Account on the Business Day preceding such Purchase Date or Payment Date (without considering the interest accrued and any net proceeds deriving from the Eligible Investments) shall be transferred to the General Account; (vii) on each Payment Date which is not a Exceptional Date, all the interest accrued and any net proceeds deriving from the Eligible Investments (constituting clear funds on such Payment Date) credited to the Purchase Account during the Quarter Reference Period immediately preceding such Payment Date shall be credited to the General Account; and (viii) on each Exceptional Date, any amount standing to the credit of the Purchase Account on such date shall be transferred to the General Account.
3. The Principal Reserve Account, *into which* (i) the Series Principal Reimbursement Reserve in relation to all Series of Notes for which the Series Amortising Period has commenced shall be credited on any Purchase Date which is not a Payment Date; (ii) any interest accrued and any net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of such account shall be credited; *and out of which* (iii) on each Payment Date which is not a Exceptional Date, any amount standing to the credit of the Principal Reserve Account on the Business Day preceding such Payment Date (without considering the interest accrued from (but excluding) the Cut-Off Date immediately preceding such Payment Date and any net proceeds deriving from the Eligible Investments credited to the Principal Reserve Account from (but excluding) the Cut-Off Date immediately preceding such Payment Date to (and including) such Payment Date) shall be transferred to the General Account; and (iv) on each Exceptional Date, any amount standing to the credit of the Principal Reserve Account on such date shall be transferred to the General Account.
4. The Early Principal Reserve Account, *into which* (i) upon delivery of an Early Termination Event Notice and prior to the Series Initial Amortising Date of any Series, all Principal Payments to be made in respect of such Series shall be credited; (ii) any interest accrued and any net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of such account shall be credited; *and out of which* (iii) on each Payment Date all the interest accrued and any net proceeds from the Eligible Investments (constituting clear funds on such Payment Date) credited to the Early Principal Reserve Account during the Quarter Reference Period immediately preceding such Payment Date shall be transferred to the General Account; (iv) on the Payment Date immediately following the Series Initial Amortising Date of each relevant Series (or, in case of delivery of a Trigger Notice which is due to the occurrence of an Insolvency Event, on the first Business Days after the delivery of such Trigger Notice), the Principal Payments credited to the Early Principal Reserve Account in respect of such Series shall be transferred to the Noteholders of such Series by applying the following order of priority:
  - (a) *pari passu*, to the redemption of the Class A Notes of such Series,
  - (b) upon redemption in full of the Class A Notes of such Series, *pari passu*, to the redemption of the Class B Notes of such

Series,

- (c) upon redemption in full of the Class A Notes and the Class B Notes of such Series, *pari passu*, to the redemption of the Class C Notes of such Series,
  - (d) upon redemption in full of the Class A Notes, the Class B Notes and the Class C Notes of such Series, *pari passu*, to the redemption of the Class J Notes of such Series.
5. The General Account, *into which* (i) on each Series Issue Date, the net proceeds of the issue of the relevant Series of Notes shall be credited; (ii) on each Purchase Date and Payment Date (or if a Trigger Notice which is due to the occurrence of an Insolvency Event is delivered, on each Business Day), as applicable, certain amounts shall be credited from the other Issuer Accounts; (iii) on each Payment Date, the amounts paid by each Hedging Counterparty shall be credited; (iv) any Positive Price Adjustment paid by the Originator and any purchase price paid by the Originator pursuant to Clause 16 of the Master Transfer Agreement shall be credited; (v) any amount paid by Agos under the Warranty and Indemnity Agreement shall be credited; (vi) any amount paid by any Commingling Guarantee Provider (if any) pursuant the Commingling Guarantee to indemnify the Issuer of any breach by Agos of its obligations under the clauses 4.2 and 4.4 of the Servicing Agreement shall be credited, (vii) on each Payment Date, any amount paid by the Servicer pursuant to Clause 5.2 of the Servicing Agreement shall be credited and (viii) any interest accrued and any net proceeds deriving from the Eligible Investments (constituting clear funds on such Payment Date) made out of the funds standing to the credit of such account shall be credited; *and out of which* (ix) on the First Issue Date, the Purchase Price of the Initial Portfolio shall be paid, the Expenses Account shall be credited of the Expenses Required Amount, the Cash Reserve Account shall be credited of the Cash Reserve Required Amount as calculated as at the Calculation Date immediately preceding the First Issue Date and any positive balance of the proceeds of the Series 1-2006 Notes (after payment of any fees and expenses due by the Issuer as at the First Issue Date), after the payment of such Purchase Price, credit of the Expenses Account and credit of the Cash Reserve Required Amount, shall be transferred to the Purchase Account; (x) on each Purchase Date and on each Payment Date, as applicable, (or if a Trigger Notice which is due to the occurrence of an Insolvency Event is delivered, on each Business Day on which the payments are made under the Post Enforcement Priority of Payments) all the payments to be made by the Issuer pursuant to the relevant Priority of Payments shall be made.
6. The Commingling Account, *into which* (i) any amount paid by Agos pursuant to the terms of the Servicing Agreement, in order to cover a portion or the entire amount of the commingling risk associated thereto shall be credited; (ii) any interest accrued and any net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of such account shall be credited; *and out of which* (iii) on each Payment Date all the interest accrued and any net proceeds deriving from the Eligible Investments (constituting clear funds on such Payment Date) credited to the Commingling Account during the Quarter Reference Period immediately preceding such Payment Date shall be transferred to General Account; and (iv) an amount which is necessary, *pari passu* with any existing Commingling Guarantee and with the amounts standing to the credit of the Guarantee Account, to cover the breach by Agos of its obligations under the clause 4.2, 4.3 and 4.5 of the Servicing Agreement shall be transferred to the General Account on any relevant date (v) after full redemption of the Senior Notes of all the Series, the balance of the Commingling Account (without considering the interest accrued and any net proceeds deriving from the Eligible Investments) shall be repaid to Agos without application of any Priority of Payments and (vi) at any Issue Date, the balance of the Commingling Account (without considering the interest accrued and any net proceeds deriving from the Eligible Investments) in excess of the Commingling Reserve Required Amount as determined as at the Calculation Date immediately preceding such Issue Date shall be repaid to Agos without application of any Priority of Payments.
7. The Defaulted Account, *into which* (i) on each Payment Date the Interest Available Funds shall be credited in accordance with Condition 5.1.2; *and out of which* (ii) on each Payment Date any amount standing to the credit of the Defaulted Account shall be credited to the General Account.
8. The Guarantee Account, *into which* (i) any amount paid by any Commingling Guarantee Provider pursuant to [Clause 5] of any Commingling Guarantee shall be credited; (ii) any interest accrued and any net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of such account shall be credited *and out of which* (iii) on each Payment Date all the interest accrued and any net proceeds deriving from the Eligible Investments (constituting clear funds on such Payment Date) credited to the Guarantee Account during the Quarter Reference Period immediately preceding such Payment Date shall be transferred to the General Account; (iv) an amount which is necessary, *pari passu* with any existing Commingling Guarantee and the amounts standing to the credit of the Commingling Account, to cover the breach by Agos of its obligations under the clause 4.2 and 4.4 of the Servicing Agreement shall be transferred to the General Account on any relevant date, (v) after full redemption of the Senior Notes of all the Series, the balance of the Guarantee Account (without considering the interest accrued and any net proceeds deriving from the Eligible Investments) shall be repaid to any relevant Commingling Guarantee Provider (who has credited such account) without application of any Priority of Payments for an amount equal to the ratio between (a) the aggregate of the amounts (less any amount already reimbursed to such Commingling Guarantee Provider) such credited by Commingling Guarantee Provider and (b) the aggregate of the amounts (less any amount already reimbursed to any Commingling Guarantee Provider) credited by all the Commingling Guarantee Providers.

9. The Capital Account, *into which* (i) the share capital of the Issuer has been credited; (ii) any interest accrued and any net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of such account shall be credited; *and out of which* (iii) on any Payment Date which is not a Exceptional Date, all the interest accrued and any net proceeds deriving from the Eligible Investments (constituting clear funds on such Payment Date) credited to the Capital Account during the Quarter Reference Period immediately preceding such Payment Date shall be transferred to the General Account and (iv) on each Exceptional Date, any amount standing to the credit of the Capital Account on such date shall be transferred to the General Account.
10. The Additional Cash Reserve Account, *into which* (i) on each Payment Date not falling during the Amortisation Period, the amount necessary to ensure that the balance of the Additional Cash Reserve Account (without considering any interest accrued or net proceeds of the Eligible Investments) is equal to the Additional Cash Reserve Required Amount as determined by reference to the Confirmation Date immediately preceding such Payment Date shall be credited; (ii) any interest accrued and any net proceeds deriving from the Eligible Investments made out of the funds standing out of the credit of such account shall be credited *and out of which* (iii) on each Payment Date which is not a Exceptional Date, all interest accrued (constituting clear funds on such Payment Date) until (but including) the Cut-Off Date immediately preceding such Payment Date and any net proceeds (constituting clear funds on such Payment Date) deriving from the Eligible Investments credited to the Additional Cash Reserve Account until (but including) the Cut-Off Date immediately preceding such Payment Date shall be transferred to the General Account; (iv) on each Payment Date falling during the Revolving Period or on any Payment Date after occurrence of an Early Termination Event any amount standing to the credit of the Additional Cash Reserve Account (without considering the interest accrued and any net proceeds deriving from the Eligible Investments) on the Calculation Date immediately preceding such Payment Date shall be transferred to the General Account and (v) on each Exceptional Date any amount standing to the credit of the Additional Cash Reserve Account on such date shall be transferred to the General Account.
11. The Cash Reserve Account, *into which* (i) on each Series Issue Date, the amount necessary to ensure that the balance of the Cash Reserve Account (without considering any interest accrued or net proceeds of the Eligible Investments) is equal to the Cash Reserve Required Amount as determined by reference to the Calculation Date immediately preceding such Series Issue Date shall be credited; (ii) any interest accrued and any net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of such account shall be credited; (iii) after the delivery of an Early Termination Event Notice, on each Payment Date the Interest Available Funds shall be credited in accordance with Condition 5.1.2; *and out of which* (iv) on each Payment Date which is not a Exceptional Date all interest accrued (constituting clear funds on such Payment Date) until (but including) the Cut-Off Date immediately preceding such Payment Date and any net proceeds (constituting clear funds on such Payment Date) deriving from the Eligible Investments credited to the Cash Reserve Account until (but including) the Cut-Off Date immediately preceding such Payment Date shall be transferred to the General Account; (v) on each Payment Date following the delivery of an Early Termination Event Notice but which is not a Exceptional Date, any amount standing to the credit (without considering the interest accrued and any net proceeds deriving from the Eligible Investments) of the Cash Reserve Account on the Calculation Date immediately preceding such Payment Date shall be transferred to the General Account; (vi) if, on any Series Issue Date, the balance of the Cash Reserve Account exceeds the Cash Reserve Required Amount as determined at at the Calculation Date immediately preceding such Series Issue Date, such exceeding amount shall be credited on the General Account and will be part of the Principal Available Funds on such Series Issue Date. and (vii) on each Exceptional Date any amount standing to the credit of the Cash Reserve Account on such date shall be transferred to the General Account.
12. The Product Cash Reserve Account, into which (i) on the Payment Date immediately following the receipt of a notice under clause 4.10 of the Transfer Agreement, the amount necessary to ensure that the balance of the Product Cash Reserve Account (without considering any interest accrued or net proceeds of the Eligible Investments) is equal to the Product Cash Reserve Required Amount as determined by reference to the Calculation Date immediately preceding such Payment Date shall be credited; and out of which (ii) on each Payment Date which is not a Exceptional Date, all interest accrued (constituting clear funds on such Payment Date) until (but including) the Cut-Off Date immediately preceding such Payment Date and any net proceeds (constituting clear funds on such Payment Date) deriving from the Eligible Investments credited to the Product Cash Reserve Account until (but including) the Cut-Off Date immediately preceding such Payment Date shall be transferred to the General Account; (iii) after occurrence of an Early Termination Event, on each Payment Date any amount standing to the credit of the Product Cash Reserve Account (without considering the interest accrued and any net proceeds deriving from the Eligible Investments) on the Calculation Date immediately preceding such Payment Date shall be transferred to the General Account and (iv) on each Exceptional Date any amount standing to the credit of the Product Cash Reserve Account on such date shall be transferred to the General Account.
13. The Expenses Account, into which (i) on the First Series Issue Date and on each Payment Date, the amount necessary to ensure that the balance of the Expenses Account (without considering any interest accrued or net proceeds of the Eligible Investments) is equal to the Expenses Reserve Required Amount shall be credited; and out of which (ii) on each



Payment Date which is not a Exceptional Date, all interest accrued (constiuing clear funds on such Payment Date) until (but including) the Cut-Off Date immediately preceding such Payment Date and any net proceeds deriving from the Eligible Investments (constiuing clear funds on such Payment Date) credited to the Expenses Account until (but including) the Cut-Off Date immediately preceding such Payment Date shall be transferred to the General Account; (iii) on any Business Day any fees and expenses due by the Issuer shall be paid out of this account without application of any Priority of Payments (iv) on each Exceptional Date any amount standing to the credit of the Expenses Account on such date shall be transferred to the General Account.

14.If required, the Securities Account, into which the Account Bank shall deposit any Eligible Investment consisting of securities and/or financial instruments. Any interest and/or net proceeds deriving from any of the above mentioned Eligible Investments shall be credited to the Issuer Account out of which such Eligible Investment was made.

The interest accrued on the Issuer Accounts, or on any other bank account opened with a bank resident in Italy for tax purposes will be subject to withholding tax on account of Italian corporate income tax. As on the date of this Base Prospectus, such withholding tax is levied at the rate of 27 per cent.

## TRANSACTION DOCUMENTS

*The description of certain of the Transaction Documents set out below is a summary of certain features of each such document and is qualified by reference to the detailed provisions of the terms and conditions of each thereof.*

*Prospective Noteholders may inspect a copy of each Transaction Document at the specified office of the Luxembourg Paying Agent. Capitalised terms not defined in this section or in the Glossary of Terms shall have the meaning ascribed to them in the relevant Transaction Document.*

### **Description of the Master Transfer Agreement**

On 9 June 2006, the Originator and the Issuer entered into an agreement, pursuant to which (i) the Originator and Calyon Milan, as seller have assigned and transferred without recourse (*pro soluto*) to the Issuer all the Originator's and Calyon Milan's rights, title and interest in and to respectively the Agos Initial Receivables and the Calyon Initial Receivables and (ii) the Originator has agreed with the Issuer that, during the Purchase Period, provided that an Early Termination Event Notice has not been delivered to the Issuer and subject to the satisfaction of certain conditions precedent set out in Clause 5 of the Master Transfer Agreement, may, at its option on any Optional Purchase Date, sell to the Issuer, and the Issuer shall be obliged to purchase, Subsequent Portfolios of Receivables which shall satisfy the General Criteria as well as the Specific Criteria specified in the relevant Purchase Notice, *provided that* the Principal Amount Outstanding of each relevant Portfolio is not greater than the Maximum Purchase Amount as determined as at the Calculation Date immediately preceding such Purchase Date.

An audit report has been prepared by Deloitte & Touche S.p.A. in relation to the Initial Portfolio. Accordingly such audit report shall be prepared pursuant to the guidelines contained in Exhibit "H" to the Master Transfer Agreement in connection with any subsequent issuance of Notes.

**"Early Termination Event"** means each of the following events:

- (a) a Trigger Notice is delivered to the Issuer;
- (b) Agos is in breach of its obligations under the Master Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement or any other Transaction Document to which Agos is a party and, in the justified opinion of the Programme Administrator, (i) such breach is materially prejudicial to the interests of the Senior Noteholders, and (ii) (except where, in the opinion of the Programme Administrator, such breach is not capable of remedy) such breach remains unremedied for 10 (ten) days (or 7 (seven) days where the breach relates to an undertaking to pay an amount of money) after the Programme Administrator has given written notice thereof to Agos, requiring the same to be remedied;
- (c) any of the representations and warranties given by Agos under the Master Transfer Agreement, the Servicing Agreement or the Warranty and Indemnity Agreement is breached, or is untrue, incomplete or inaccurate and in the justified opinion of the Programme Administrator, (i) such breach (or, as the case may be, such untruthfulness, incompleteness or inaccuracy) is materially prejudicial to the interests of the Senior Noteholders, and (ii) (except where, in the opinion of the Programme Administrator, such breach is not capable of remedy, in which case no notice will be required), such situation remains unremedied for 10 (ten) days after the Programme Administrator has given written notice thereof to Agos, requiring the same to be remedied;
- (d) Agos is declared insolvent or becomes subject to bankruptcy proceedings; a liquidator or administrative receiver is appointed or a resolution is passed for such appointment; a resolution is passed by Agos for the commencement of any of such proceedings or the whole or any substantial part of Agos's assets are subject to enforcement proceedings;
- (e) Agos carries out any action for the purpose of rescheduling its own debts, in full or with respect to a material portion thereof, or postponing the maturity dates thereof, enters into any extrajudicial arrangement with all or a material portion of its creditors (including any arrangement for the assignment of its assets in favour of its creditors), files any petition for the suspension of its payments or any court grants a moratorium for the fulfilment of its debts or the enforcement of the securities securing its debts and the Programme Administrator, in its justified opinion, deems that any of the above events have or may have a material adverse effect on Agos's financial conditions;
- (f) a resolution is passed for the winding up, liquidation or dissolution of Agos, except a winding up for the purposes of or pursuant to an amalgamation or reconstruction allowed under the terms of the Warranty and Indemnity Agreement;
- (g) the validity or effectiveness of any Transaction Document is challenged before any judicial, arbitration or

administrative authority on the basis of arguments which, in the justified opinion of the Programme Administrator based on a legal opinion issued in favour of the Program Administrator and Agos by a primary law firm, are grounded, where any such challenge is or may be materially prejudicial to the interests of the Noteholders;

- (h) the Issuer revokes Agos (in its capacity as Servicer) or any Servicer which may succeed to Agos in such role, in accordance with the provisions of the Servicing Agreement;
- (i) starting from the First Payment Date, the 3 Months Rolling Theoretical Excess Spread, (x) as calculated on each Calculation Date preceding a Purchase Date, is lower than 0,465%, or (y) as calculated on each Calculation Date preceding a Payment Date after termination of the Purchase Period is lower than 0%, or (z) in both cases is lower than such other percentage as may be agreed upon between the Issuer and Agos on each Series Issue Date, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes;
- (j) on two successive Payment Dates during the Purchase Period the Collateral Ratio (as calculated at the immediately preceding Confirmation Date or, if a Payment Date is not a Purchase Date, on the Business Day immediately following the Calculation Date immediately preceding such Payment Date), is lower than 90% or such other percentage as may be agreed upon between the Issuer and Agos on each Series Issue Date, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes;
- (k) if any, any Commingling Guarantee Provider has made any payment under Clauses 2, 5.3 and 5.4 of any Commingling Guarantee, or Agos has not fulfilled its obligations under Clause 5.4, second sentence, of any Commingling Guarantee, or Agos is in breach with its obligation to pay the Commitment Fees due to any Commingling Guarantee Provider under Clause 6.3 of any Commingling Guarantee and such default is not remedied in the 30 days following the relevant due date;
- (l) on any Payment Date the Defaulted Account is not credited for the amount due to be credited to such account out of the Interest Available Funds and in accordance with the applicable relevant Priority of Payments.

Upon the occurrence of any Early Termination Event, the Programme Administrator, as soon as it becomes aware thereof, shall deliver an Early Termination Event Notice to the Issuer, Agos, the Representative of the Noteholders and the Servicer. After receipt of such communication, Agos shall not be entitled to sell Subsequent Receivables to the Issuer. The delivery of Trigger Notice from the Representative of the Noteholders shall itself constitute an Early Termination Event, without the need of any further communication to be sent by the Programme Administrator. The delivery of an Early Termination Event Notice on (and including) any Purchase Notice Date on which the Originator has sent to the Issuer a Purchase Notice until (and including) the immediately following Purchase Date shall terminate the transfer to the Issuer of the Subsequent Portfolio which is the subject of such Purchase Notice.

Pursuant to the terms of the Master Transfer Agreement, the Originator assigned and transferred (and, in the case of Subsequent Portfolios, will assign and transfer) to the Issuer *pro soluto* as of the relevant Purchase Date, pursuant to the combined provisions of Articles 1 and 4 of the Securitisation Law, the relevant Receivables which comply with the applicable Criteria, comprising:

- (a) all Principal Components due in relation to such Receivables as from (and including) the relevant Financial Effective Date;
- (b) all Interest Components accruing in relation to such Receivables as from (and including) the relevant Financial Effective Date;
- (c) all Expenses Components accruing in relation to such Receivables as from (and including) the relevant Financial Effective Date;
- (d) all the receivables, payable on the relevant Receivables as from (and including) the relevant Financial Effective Date, for default interest, prepayment fees, costs, indemnities and damages and any other amount due to Agos in relation or connected to the relevant Consumer Loan Agreements, , excluding the right to recover legal and judicial expenses (if any) and other expenses to be incurred by Agos in relation to the recovery of such Receivables.

As a consequence of the transfer of the Receivables, any security, collateral, privileges and priority rights which secure such Receivables and other ancillary rights and claims (*accessori*) in relation thereto, as well as any other right, claim and action (including any action for damages), substantial and procedural action and defences inherent or otherwise ancillary to such Receivables and the exercise of rights in relation thereto in accordance with the provisions of the Consumer Loan

Agreements and any agreement related thereto and/or applicable law, are (or, as the case may be, will be) transferred to the Issuer as of the relevant Purchase Date, together with any amount to be paid by the supplier of financed goods and services (“*soggetti convenzionati*”) in accordance with the Consumer Loan Agreements.

### **Purchase Price**

The Purchase Price of the Initial Portfolio will be paid by the Issuer on the First Issue Date out of the proceeds from the issuance of the Notes of the first Series issued under the Programme.

The Purchase Price of each Subsequent Portfolio will be paid by the Issuer on the relevant Purchase Date, out of the Issuer Available Funds and in accordance with the applicable Priority of Payments.

### **Sale of Subsequent Portfolios**

The Originator may exercise the Sale Option to sell Subsequent Receivables to the Issuer by sending a Purchase Notice to the Issuer, the Programme Administrator and the Servicer together with a report (the “**Purchase Report**”) containing the details in relation to the relevant Receivables. The purchase by the Issuer of such Subsequent Receivables shall be subject to the satisfaction of the relevant Subsequent Portfolio Purchase Conditions and to the receipt from the Servicer of a confirmation notice on the relevant Confirmation Date.. Pursuant to the Master Transfer Agreement, the Sale Option may be exercised on a quarterly basis or, following receipt by the Issuer of a written notice thereof from the Originator and in accordance with Clause 4.9 of the Master Transfer Agreement, on a monthly basis.

### **Adjustment Purchase Price**

The Master Transfer Agreement provides that if, after the relevant Purchase Date, it transpires that any of the Receivables transferred under any Transfer Agreement do not meet, as of the relevant Valuation Date, the Criteria applicable thereto, then such Receivables will be deemed not to have been assigned and transferred to the Issuer pursuant to the relevant Purchase Notice; and if, after the relevant Purchase Date, it transpires that any Receivable which meets, as of the relevant Valuation Date, the applicable Criteria has not been included in the relevant Portfolio, then such Receivable shall be deemed to have been assigned and transferred to the Issuer by the Originator as of the relevant Purchase Date and with economic effects as from the relevant Valuation Date.

In these two cases, the Purchase Price of the relevant Portfolio shall be adjusted accordingly and a sum will be payable by the Issuer to the Originator or Calyon Milan or, as the case may be, by the Originator or Calyon Milan to the Issuer.

In particular, where a relevant Receivable that did not satisfy the applicable Criteria was erroneously transferred to the Issuer, the Originator or Calyon Milan shall pay to the Issuer an amount equal to: (a) the Individual Purchase Price of such Receivable and interest accrued thereon from the relevant Purchase Date to the date on which such amount is paid, calculated at the rate indicated in the Master Transfer Agreement; *less* (b) all amounts collected in relation to such Receivable since the relevant Purchase Date; *plus* (c) the expenses borne by the Issuer in relation to the recovery of such Receivable (the “**Positive Price Adjustment**”).

If a Receivable which satisfied the relevant Criteria was erroneously not transferred to the Issuer, the Issuer shall pay the Originator or Calyon Milan an amount equal to: (a) the Individual Purchase Price of such Receivable and interest accrued thereon from the relevant Purchase Date to the date on which such amount is paid, calculated at the rate indicated in the Master Transfer Agreement; *less* (b) all amounts collected in relation to such Receivable since the relevant Purchase Date (the “**Negative Price Adjustment**”).

### **Purchase Option**

In order to limit the costs connected with the management of the Portfolios, the Issuer has irrevocably granted to Agos an option (the “**Purchase Option**”), pursuant to Article 1331 of the Italian Civil Code, to purchase, on any date after the date on which the aggregate Principal Amount Outstanding of all the Receivables comprised in the Portfolio is equal to or less than 10% of the aggregate Initial Principal Amount of the Receivables purchased on any Series Issue Date, all the outstanding Receivables then comprised in the Portfolio, provided that (i) no Early Termination Event (as set out under items (d), (e) and (f) of the definition of Early Termination Event has occurred and (ii) the Series Amortising Period relating to all Series has commenced. Agos may exercise the Purchase Option by sending a written notice thereof to the Issuer no later than a Report Date immediately preceding a Payment Date (the “**Relevant Payment Date**”) subject to the following conditions being satisfied on the date on which Agos shall exercise the Purchase Option.

- (a) the purchase price for such Receivables being equal to the market value thereof, as determined by a third party independent arbitrator jointly appointed by the Issuer and the Originator (the “**Purchase Option Purchase Price**”);
- (b) the Purchase Option Purchase Price being higher than (a) the aggregate of (i) the Notes Principal Amount

Outstanding of all the Notes of all Series issued and outstanding, (ii) interest thereon due on the Relevant Payment Date and (iii) any other payments due to be made by the Issuer on such date under the applicable Priority of Payments, less (b) any other Issuer Available Funds available on such Relevant Payment Date ;

- (c) Agos has obtained any necessary authorisation required by applicable law or regulations for the exercise of the Receivables Call Option; and
- (d) Agos has delivered to the Issuer the following documents, bearing a date not earlier than 10 Business Days prior to the Relevant Payment Date: (a) a solvency certificate in the form contained in Exhibit F to the Master Transfer Agreement executed by a person having the signing powers and being either the Chief Financial Officer, the General Manager, the Vice-General Manager or the Managing Director of Agos, (b) a *certificato di vigenza* issued by the competent Chamber of Commerce, and (c) a *certificato fallimentare* of Agos issued by the *Sezione Fallimentare* of the competent Court stating that Agos has not been subject to any insolvency proceeding during the preceding five years.

The Issuer shall apply the Purchase Option Purchase Price in accordance with the provisions of the Conditions and of the Intercreditor Agreement.

### **General**

The Master Transfer Agreement contains, and each further Purchase Notice contains (or will contain) a number of undertakings by the Originator in respect of its activities relating to the relevant Receivables. The Originator has undertaken to promptly publish a notice of the assignment of each Subsequent Portfolio in the Official Gazette and deposit such notice in the competent Register of Companies and not to refrain from any action that could invalidate any of the Receivables. Notice of the assignment of the Initial Portfolio shall be published in the Official Gazette and registered on the Register of Enterprises of Milan.

The Originator has agreed to indemnify the Issuer against any amount which the Issuer may incur as a result of claims for claw-back (*azione revocatoria*) in connection with the Receivables brought against the Originator before the relevant Purchase Date.

The Originator furthermore has agreed (or will agree) that its claim for all sums due from the Issuer under the Master Transfer Agreement shall be limited to the lesser of the nominal amount thereof and the amount which may be applied by the Issuer in making such payment in accordance with the applicable Priority of Payments. The Originator acknowledges (or will acknowledge) that any amount that remains unpaid upon completion of all the procedures for the collection and recovery of the relevant Receivables or, in any event, on the Cancellation Date, shall be cancelled.

Each of the Master Transfer Agreement and each further Purchase Notice is (or will be) governed by Italian law and any disputes arising in respect of each of them shall be settled pursuant to the National Arbitration Rules of the Chamber of National and International Arbitration of Milan.

### **Description of the Warranty and Indemnity Agreement**

On 9 June 2006, the Issuer, Agos, in its capacity as Originator, and Calyon Milan, in its capacity as seller of the Calyon Initial Receivables, entered into the Warranty and Indemnity Agreement, pursuant to which the Originator and Calyon Milan, in its capacity as seller of the Calyon Initial Receivables have given (or will be deemed to give) certain representations and warranties in respect of the transfer of the Receivables. Pursuant to the Warranty and Indemnity Agreement the Originator has furthermore undertaken certain obligations in favour of the Issuer in relation to the Receivables and certain other matters.

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

- (a) Consumer Loans, Agos Initial Receivables, Subsequent Receivables and Collateral Securities;
- (b) Consumer Credit;
- (c) Disclosure of information;
- (d) Insurance policies;
- (e) the due implementation of the transfer of the Receivables in accordance with the Securitisation Law;
- (f) Other Representations.

The Warranty and Indemnity Agreement contains representations, warranties and undertakings by Calyon Milan, as seller of the Calyon Initial Receivables, in respect of, *inter alia*, the following categories:

- (a) Calyon Initial Receivables; and
- (b) Other Representations.

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

- (i) The Consumer Loans have been granted in accordance with the Loan Disbursement Policy.
- (ii) Each party to a Consumer Loan Agreement and any grantor of a Collateral Security had, at the date of execution thereof, full power and authority to enter into and execute each Consumer Loan Agreement and/or Collateral Security and/or any amendment or supplement thereof.
- (iii) Each of the Receivables derives from duly executed Consumer Loan Agreements. Each Consumer Loan Agreement and each other agreement, deed or document relating thereto is valid and enforceable and constitutes valid and legal obligations, binding on each party thereto.
- (iv) Each Consumer Loan Agreement has been entered into, executed and performed and the advance of each Consumer Loan has been made in compliance with the then applicable laws, rules and regulations, including, without limitation, Articles 121 and following of the Banking Act, Law No.154 of 17 February 1992, Legislative Decree no. 206 of 6 September 2005 and Law No. 142 of 19 February 1992 and all other laws, rules and regulations relating to consumer credit protection, usury, anti-money laundering, personal data protection and disclosure, as well as in accordance with the lending policies and procedures adopted by Agos from time to time.
- (v) Each authorisation, approval, consent, licence, registration, recording or any other action which was and/or is required to ensure the validity, legality, enforceability or priority of the rights and obligations of the relevant parties to each Consumer Loan Agreement and each Collateral Security and/or any amendment or supplement thereof, was duly and unconditionally obtained, made or taken by the time of the execution or perfection of each Consumer Loan Agreement or Collateral Security or upon the making of any advances thereunder or when otherwise required under the law for the above purposes.
- (vi) Each Consumer Loan has been fully advanced, disbursed and paid directly, as evidenced by disbursement receipts, to the relevant Debtor or on his account or to the Supplier. There is no obligation on the part of Agos to advance or disburse further amounts in connection with any Consumer Loan.
- (vii) Each Supplier is an Eligible Supplier.
- (viii) Each Consumer Loan Agreement has been entered into substantially in the form of Agos's standard form agreements attached under Exhibit B to the Warranty and Indemnity Agreement. No Consumer Loan Agreement has been amended after its execution in any manner that could substantially prejudice the representations and warranties given by Agos under the Warranty and Indemnity Agreement. Such standard form agreements correctly sets out the Principal Component, the Interest Component and the Expenses Component payable in respect of each Consumer Loan.
- (ix) Each Consumer Loan Agreement and each Collateral Security and/or any amendment or supplement thereof different from those dedicated to the purchase of services and goods, or, to the best of Agos knowledge, each Consumer Loan Agreement and each Collateral Security and/or any amendment or supplement thereof dedicated to the purchase of services and goods was entered into and executed without any misrepresentation (*errore*), violence (*violenza*) or wilful misconduct (*dolo*) or undue influence by or on behalf of Agos or any of its directors (*amministratori*), managers (*dirigenti*), officers (*funzionari*) and/or employees (*impiegati*) which would entitle the relevant Debtors to a grounded claim (*pretesa fondata*) against Agos for misrepresentation (*errore*) under Articles 1427 *et seq.* of the Italian Civil Code, violence (*violenza*) under Articles 1434 and following of the Italian Civil Code or wilful misconduct (*dolo*) or undue influence under Articles 1439 and following of the Italian Civil Code.
- (x) Each Collateral Security is existing and has been duly granted, created, perfected and maintained and remains valid and enforceable in accordance with the terms upon which it was granted and meets all requirements under all applicable laws and regulations.
- (xi) Agos has not (whether in whole or in part) cancelled, released, reduced or waived or consented to reduce, waive or cancel any guarantee, surety, pledge, collateral and/or other security interest constituting a Collateral Security, except as a result of the full or partial repayment of the Consumer Loan. No Consumer Loan contains any provisions entitling the relevant Debtor(s) to any cancellation, release or reduction of the relevant Collateral Security other than where and to the extent this is required under any applicable law and/or regulation.

- (xii) Each Receivable (other than the Calyon Initial Receivables) is fully and unconditionally owned by and available directly to Agos and is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (including any company belonging to Agos' group) and is freely transferable to the Company. Agos holds direct, sole and unencumbered legal title to (i) each of the Agos Initial Receivables and the Subsequent Receivables (other than the Extinguished Receivables) and (ii) any other right, title and interest (other than those provided for under (i) above) deriving from each Consumer Loan and has not assigned (also by way of security), participated, transferred or otherwise disposed of any of the (i) Agos Initial Receivables and the Subsequent Receivables (other than the Extinguished Receivables) or otherwise created or allowed the creation or constitution of any lien or charge in favour of any third party.
- (xiii) The Principal Amount Outstanding of each Initial Receivable as of the First Valuation Date is correctly set forth in Schedule D to the Master Transfer Agreement. The list of Consumer Loans attached as schedule D to the Master Transfer Agreement is an accurate list of all of the Consumer Loans from which the Initial Receivables derive, specifying any Collateral Security granted and the relevant Individual Purchase Price, and all information contained in such list is true and correct in all material respects. The Principal Amount Outstanding of each Subsequent Receivable as of the relevant Cut-Off Date will be correctly set forth in schedule A to the relevant Purchase Notice. The list of Consumer Loans that will be attached as Schedule A to each Purchase Notice will be an accurate list of all of the Consumer Loans from which the relevant Subsequent Receivables will derive and will specify any Collateral Security granted, the Individual Purchase Price for each Subsequent Receivable, and all the information contained therein will be true and correct in all material respects.
- (xiv) Agos has not, prior to the First Purchase Date, with respect to the Initial Receivables (other than the Extinguished Receivables), or the relevant Purchase Date, with respect to the Subsequent Receivables (other than the Extinguished Receivables) purchased on such date, relieved or discharged any Debtor from its obligations or subordinated its rights to the Receivables to the rights of other creditors, or waived any of its rights, except in relation to payments made in an amount sufficient to satisfy the relevant Receivables or except where and to the extent this was required in accordance with mandatory Italian laws and regulations.
- (xv) The transfer of the Receivables to the Issuer under the Master Transfer Agreement does not prejudice or vitiate the obligations of the Debtors regarding payment of the outstanding amounts of the Receivables, nor does it impair or affect the validity and enforceability of the rights and obligations arising out of the Consumer Loan Agreement and the Collateral Securities, nor is any consent required from the Debtors, under the terms of the Consumer Loan Agreements or any other agreement deed or document relating thereto, in respect of the transfer of the Receivables to the Company.
- (xvi) The Receivables are not secured by any security that is not transferred to the Issuer pursuant to the Master Transfer Agreement.
- (xvii) With the exception of the Servicing Agreement and save as provided in the Collection Policies, no servicing or pooling agreement has been entered into by Agos in relation to any of the Consumer Loans and/or any Receivables which will be binding on the Company or which may otherwise impair or affect in any manner whatsoever the exercise of any of its rights in respect of the Receivables and the Collateral Security.
- (xviii) No Consumer Loan falls within the definition of a restructured debt (*credito ristrutturato*) or is in the process of being restructured (*credito in corso di ristrutturazione*) under, and within the meaning of, Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza*).
- (xix) Agos has maintained in all material respects complete, proper and up-to-date books, records, data and documents relating to the Consumer Loans, all instalments and any other amounts to be paid or repaid thereunder, and all such books, records, data and documents are kept by Agos or by any entity duly appointed by Agos.
- (xx) All taxes, duties and fees of any kind, required to be paid by Agos under each Consumer Loan Agreement from the date of disbursement, as well as with respect to the creation and preservation of any Collateral Security and the execution of any other agreement, deed or document or the performance and fulfilment of any action or formality relating thereto, have been duly paid by Agos.
- (xxi) The Rate of Return indicated opposite each Consumer Loan in Exhibit D to the Master Transfer Agreement with reference to the Initial Receivables and in Schedule 2 to the relevant Purchase Notice with reference to each Subsequent Receivable are and will be true and correct, and the criteria on the basis of which the same have been computed are not subject to reductions or variations throughout the term of the relevant Consumer Loan, save as provided by Article 118 of the Banking Act.
- (xxii) The rates of interest relating to the Consumer Loans, as specified in Schedule D to the Master Transfer Agreement with reference to the Initial Receivables and in Schedule 2 to the relevant Purchase Notice with reference to each

Subsequent Receivable have at all times been applied and will at all times be applied in accordance with the laws applicable from time to time (including, but not limited to, the Usury Law, if applicable).

- (xxiii) The payment of the instalments due under each Consumer Loan is effected either (i) by post transfer; or (ii) by directly debiting the Debtor's bank accounts by RID.
- (xxiv) Each insurance premium due by Agos in relation to the Financed Insurance Policies has been fully, duly and timely paid by Agos to the relevant Insurance Company, with regard to the Initial Receivables, as at the First Valuation Date, and, with regard to the Subsequent Receivable, as at the Cut-Off Date immediately preceding the Purchase Date of the relevant Receivable.
- (xxv) No Debtor is entitled to exercise any right of withdrawal (except where contractually provided for or as otherwise provided under Italian Civil Code, the Banking Act and Legislative decree n. 206 of 6 September 2005), rescission, termination, counterclaim, set-off, or grounded defence to or in respect of the operation of any of the terms of any of the Consumer Loans or of the Collateral Security and/or any amendment or supplement thereof., or in respect of any amount payable or repayable thereunder, it being understood that, to the best of Agos's knowledge, no such right or claim has been asserted against Agos. To the best of Agos's knowledge, there are no current, pending or threatened arbitrations or judicial proceedings in respect of or in relation to the Consumer Loan Agreements and the Receivables.
- (xxvi) Agos has no knowledge of any fact or matter which might cause a non-reimbursement or a delayed reimbursement of any of the Consumer Loans.
- (xxvii) The transfer by any Debtor of any Collateral Security or any claims as a security in respect of the Consumer Loans in favor of Agos is valid and enforceable among the parties.
- (xxviii) The Initial Receivables meet, as at the First Valuation Date, and the Subsequent Receivables will meet, as at the Cut-Off Date immediately preceding the relevant Purchase Date, the Criteria .
- (xxix) The Consumer Loans do not violate any provision under articles 1283, 1345 and 1346 of the Italian Civil Code.
- (xxx) To the best of Agos's knowledge, no Debtor is subject to any Insolvency Proceeding.
- (xxxi) Article 125, paragraph 4 and 5, of the Banking Act is not applicable to the Initial Receivables and will not be applicable to the Subsequent Receivables.
- (xxxii) Agos has complied with all the required disclosure requirements provided for by articles 123 and 116 of the Banking Act.
- (xxxiii) The T.A.E.G. specified by Agos under the Consumer Loans has been calculated by it in compliance with article 122 of the Banking Act.
- (xxxiv) The Consumer Loan Agreements have been drafted and entered into in compliance with the provisions of articles 117, paragraphs 1 and 3, and 124 of the Banking Act.
- (xxxv) The Consumer Loans Agreements provide for prepayment penalty fees which comply with applicable laws and regulations and with the measures adopted by the Italian interministerial committee for credit and savings (**CICR**) and are legally binding on the Debtors.
- (xxxvi) The Consumer Loan Agreements do not contain unfair terms, as defined under 1469 *bis*, of the Italian civil code.
- (xxxvii) The Receivables (other than the Extinguished Receivables) have specific objective common elements so as to constitute homogenous monetary receivables identifiable as a *pool (crediti pecuniari individuabili in blocco)* and, as such, the transfer of the Receivables (other than the Extinguished Receivables) to the Company is compliant with the Securitisation Law.
- (xxxviii) Agos has selected the Initial Receivables on the basis of, and in accordance with, the Specific Criteria and the General Criteria. Without prejudice to the provisions of Article 11.3 of the Master Transfer Agreement, there are: (i) no Initial Receivables to which Agos holds legal title which meet the Specific Criteria and the General Criteria and should, accordingly, have been listed in Exhibit D to the Master Transfer Agreement and have not been included therein and (ii) no Initial Receivables listed in Exhibit D to the Master Transfer Agreement which do not meet the General Criteria or the relevant Specific Criteria.
- (xxxix) Agos shall select, from time to time, the Subsequent Receivables on the basis of, and in accordance with, the General Criteria and the relevant Specific Criteria. Without prejudice to the provisions of Article 11.4 of the



Master Transfer Agreement, there will be: (i) no Subsequent Receivables to which Agos holds legal title which meet the Criteria and should, accordingly, be listed in Exhibit 1 to the applicable Purchase Notice and will not be included therein and (ii) no Subsequent Receivables listed in Exhibit 1 of the applicable Purchase Notice which will not meet the Criteria.

Calyon Milan has represented and warranted, *inter alia*, as follows:

- (a) with reference to the Initial Calyon Receivables, Calyon Milan has not (whether in whole or in part) cancelled, released, reduced or waived or consented to reduce, waive or cancel any guarantee, surety, pledge, collateral and/or other security interest constituting a Collateral Security, except as a result of the full or partial repayment of the relevant Consumer Loan;
- (b) each Calyon Initial Receivable is fully and unconditionally owned by and available directly to Calyon Milan and is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (including any company belonging to the Calyon's group) and is freely transferable to the Company. Calyon Milan holds direct, sole and unencumbered legal title to each of the Calyon Initial Receivables and has not assigned (also by way of security), participated, transferred or otherwise disposed of any of the Calyon Initial Receivables or otherwise created or allowed the creation or constitution of any lien or charge in favour of any third party;
- (c) with reference to the Calyon Initial Receivables, Calyon Milan has not, prior to the First Purchase Date, relieved or discharged any Debtor from its obligations or subordinated its rights to the Calyon Initial Receivables to the rights of other creditors, or waived any of its rights, except in relation to payments made in an amount sufficient to satisfy the relevant Calyon Initial Receivables or except where and to the extent this was required in accordance with mandatory Italian laws and regulations.

Under the terms of the Warranty and Indemnity Agreement, the representations and warranties shall be given (a) by the Originator with reference to (i) the First Purchase Date and the First Issue Date, in relation to the Initial Receivables and (ii) the relevant Purchase date, and, where applicable, the relevant Series Issue Date, in relation to the relevant Subsequent Receivables (b) by Calyon Milan, with reference to the First Purchase Date and the First Issue Date, in relation to the Calyon Initial Receivables. The representations and warranties thereunder, together with the relevant indemnity obligations, shall remain valid and effective until the Cancellation Date. Any claim for indemnity submitted prior to the expiry of such period shall remain valid until such claim is settled and paid in full. The Warranty and Indemnity Agreement expressly excludes any obligation of the Issuer to make any claim thereunder within a different limitation period.

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its directors, officers, agents or employees or any of its permitted assignees from and against any and all damages, losses, costs and expenses (including, but not limited to, legal expenses and applicable VAT) incurred by any of them as a result of the following events:

- (a) a material breach by Agos of any of its undertakings and obligations under the Warranty and Indemnity Agreement or any other Transaction Document, unless otherwise indemnified pursuant to indemnity provisions of other Transaction Documents to which it is a Party;
- (b) any representation or warranty given by Agos under the Warranty and Indemnity Agreement being false, incomplete or incorrect, in a manner which could negatively affect the collection or recovery of the relevant Receivables;
- (c) waiver by Agos of any of its rights under the Consumer Loans Agreements;
- (d) any claim or defense raised by a Debtor against the Company in connection with, or as a consequence of, any failure or default by the Supplier of the goods or services which are financed under any Consumer Loan Agreement.

Pursuant to the Warranty and Indemnity Agreement Calyon Milan has agreed to indemnify and hold harmless the Issuer, its directors, officers, agents or employees or any of its permitted assignees from and against any and all damages, losses, costs and expenses (included, but not limited to, legal fees and disbursements, including any value added tax thereon) incurred by any of them as a result of any representation or warranty given by Agos under the Warranty and Indemnity Agreement being false, incomplete or incorrect.

The Issuer shall submit to the Originator or to Calyon Milan any claim for indemnity in writing, stating the grounds for such claim and the Originator may, within thirty business days from the receipt of such claim, submit any objection thereto and, in the absence of any objection, the amount claimed by the Issuer shall be deemed accepted by the Originator. If an objection by the Originator is raised and not resolved within thirty business days, the parties may: (a) appoint an internationally recognised accounting firm which shall determine the amount of damages, losses, claims, liabilities, costs and

expenses due to the Issuer under Clause 4.1 of the Warranty and Indemnity Agreement, if the objection relates to a question of fact mere valuation matters; or (b) submit the matter to arbitration, if the objection regards a question of law or if the parties fail to agree on the nature of the objection.

The Issuer has given certain representations and warranties to the Originator in relation to its due incorporation, solvency and due authorisation, execution and delivery of the Warranty and Indemnity Agreement and the Master Transfer Agreement. Clause 8 of the Warranty and Indemnity Agreement contains an undertaking by the Issuer to indemnify the Originator or any of its permitted assigns from and against any and all damages, losses, claims, liabilities, costs and expenses incurred by any such party arising from any representations and/or warranties made by the Issuer thereunder being false, incomplete or incorrect. The Issuer is entitled to contest any indemnity claim requested by the Originator and any dispute in relation thereto shall be settled in accordance with the Rules of the National and International Chamber of Commerce.

The Warranty and Indemnity Agreement provides that the obligations of the Issuer to make any payments thereunder shall be limited to the lesser of the nominal amount thereof and the amount which may be applied by the Issuer in making such payment in accordance with the applicable Priority of Payments. The Originator acknowledges that any amount that remains unpaid upon completion of all the procedures for the collection and recovery of the relevant Receivables or, in any event, on the Cancellation Date, shall be cancelled.

### **Description of the Servicing Agreement**

On 9 June 2006, the Issuer and the Servicer entered into the Servicing Agreement, pursuant to which the Servicer has agreed to administer and service the Receivables, including the collection of, and the management of judicial proceedings in relation to, the Receivables on behalf of the Issuer.

The receipt of cash collections in respect of the Receivables is the responsibility of the Servicer who will act pursuant to article 2.6 of the Securitisation Law and accordingly, is also responsible for ensuring that such operations comply with the provisions of the law and of this Base Prospectus. The Servicer acknowledges that the Receivables are the subject of the Securitisation and undertakes to perform its obligations under the Servicing Agreement in the interests of the Noteholders and of the Representative of the Noteholders (in its capacity as “*soggetto incaricato della tutela degli interessi dei Portatori dei Titoli*”).

Pursuant to the terms of the Servicing Agreement, the Servicer shall be responsible for, *inter alia*, the following activities:

- (a) management, administration and collection of the Receivables and issuance of the relating receipts;
- (b) with regards any Defaulted Receivable, any activity related thereto, including the enforcement of the relevant securities, the negotiation of any settlement agreement, the bringing of legal proceedings or the appearing in pending legal proceedings or, as the case may be, the commencement of insolvency proceedings, exercising the utmost diligence in administering and recovering the Defaulted Receivables, in compliance with the provisions of the Servicing Agreement; and
- (c) taking all necessary action to safeguard the Issuer's claims, including all actions to maintain the security and for the continuation of the Insurance Policies.

Any act taken by the Servicer in connection with the administration and collection of the Receivables and any Defaulted Receivables must be in compliance with the Collection Policy, prudent banking practice and all applicable laws and regulations. In particular, the Servicer undertakes not to enter into any agreement or settlement and not to grant any moratoria or payment deferral in relation to the Receivables, and not to waive in whole or in part any Receivable (including claim for interest and penalties) except in compliance with the provisions of the Collection Policy.

The Servicer may delegate to one or more entities specific activities related to the management and the collection of the Receivables, it being understood that the Servicer will maintain in any case full liability for its undertakings under the Servicing Agreement. The activities which are deemed to be already delegated pursuant to the Collection Policy will not need the consent of the Issuer and the Representative of the Noteholders.

According to Clause 4.2 of the Servicing Agreement, all amounts collected in respect of the relevant Receivables shall be credited by the Servicer to the Collection Account (i) with reference to the Collections paid to the Servicer through the RID method, no later than the Local Business Day following the day in which such Collections have been credited on Agos's accounts; (ii) with reference to the Collections paid to the Servicer through “*Bollettino Postale Prestampato*” (as defined in the Servicing Agreement) no later than the earlier of (a) the Local Business Day following the day in which the relevant Collection has been allocated by the Servicer to the Receivables pursuant to the Collection Policy, and (b) the fourth Local Business Day following the collection of the “*Bollettino Postale Prestampato*”; and (iii) with reference to any other Collections or amounts received or recovered in relation to the Receivables, different from the collections described in the preceding points (i) and (ii), no later than the Local Business Day following the day in which the relevant Collection has been allocated

by the Servicer to the Receivables pursuant to the Collection Policy.

Pursuant to the Servicing Agreement, the Servicer may re-negotiate the terms of individual Consumer Loan Agreements, including the relevant prepayment modalities with a view to maintaining on-going client relationship between the Debtors and the Originator and to avoid discriminations between the Debtors and the other clients of the Originator and as long as the number of Receivables being renegotiated does not exceed 1% of all the Receivables transferred to the Issuer under the Programme.

According to Clause 4.4 of the Servicing Agreement, Agos has undertaken to indemnify the Issuer in the event that any bank to which Agos has opened an account (“**Agos’s Banks**”) and the Debtors pay the amounts due under the Receivables (i) becomes subject to bankruptcy or insolvency proceedings or a resolution is passed for its winding-up or liquidation, (ii) carries out any action for the purpose of rescheduling its own debts in full or in respect of a material portion thereof, or postponing the maturity dates thereof, enters into any extrajudicial arrangement with all or a material portion of its creditors, files any petition for the suspension of its payments or any court grants a moratorium for the fulfilment of its debts or the enforcement of the securities securing its debts. Upon the occurrence of the circumstance set out under item (i) or (ii), Agos has undertaken to promptly give a written notice to the Issuer and the Representative of the Noteholders and to credit all amounts standing to the credit of the relevant Agos’s Bank as of the occurrence of such circumstances (and which are not transferred in accordance with the above mentioned Clause 4.2 of the Servicing Agreement) to the General Account. Agos has also undertaken to instruct the relevant Debtor to pay any amounts under the Receivables to any other Agos’s Banks.

According to Clause 4.5 of the Servicing Agreement in the case the rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations of Agos falls below the Servicer Minimum Rating, Agos shall:

(i) procure to the Issuer, also for the benefit of the Noteholders, a guarantee from a bank having at least the Minimum Rating (the “**Commingling Guarantee**”); or

(ii) credit the Commingling Account

in order to secure the payment obligations of Agos as Servicer under Clauses 4.2 and 4.4 of the Servicing Agreement, for an amount equal to Commingling Reserve Required Amount as calculated on the Calculation Date immediately preceding the Payment Date immediately preceding the date on which the downgrading has occurred. Upon the occurrence of a Servicer Event, the Issuer shall have the right to demand payment under the Commingling Guarantee or to draw any amounts out of the Commingling Account for an amount equal to the Commingling Loss Amount.

In consideration for the services provided by the Servicer under the Servicing Agreement, the Issuer will pay in arrear to the Servicer, on each Payment Date: (a) a management and collection fee calculated pursuant to the following formula:  $0,5\% \text{ per cent.} * (\text{number of calendar days of the Interest Period preceding such Payment Date}/360) * (\text{the Receivables Eligible Outstanding Amount as of the Calculation Date preceding the Payment Date immediately preceding such Payment Date, it being understood that, with reference to the first Payment Date, the Receivables Eligible Outstanding Amount will be calculated as of the First Issue Date});$  and (b) a recovery fee equal to 6% per cent. of the Collections made in respect of any Defaulted Receivables during the Quarter Reference Period preceding such Payment Date.

Under the terms of the Servicing Agreement, the Servicer shall prepare and deliver, before each Report Date, a report (the “**Servicer’s Report**”), drafted in accordance with form of Servicer’s Monthly Report determined in the Servicing Agreement, to the Issuer, the Representative of the Noteholders, the Programme Administrator, the Calculation Agent, the Paying Agents and the Corporate Services Provider, provided that, during the Purchase Period the Originator has notified to the Servicer that it intends to exercise the Sale Option on the Purchase Notice Date immediately succeeding such Report Date. The Servicer shall furthermore supply to the Issuer and/or the Calculation Agent and/or the Programme Administrator and/or the Representative of the Noteholders such additional information reasonably requested by each of them in relation to the Receivables and legal proceedings relating thereto, subject to compliance with confidentiality obligations and more in generally, other applicable provisions.

A firm of internationally recognised auditors acceptable to the Representative of the Noteholders shall prepare on any Audit Date a report (the “**Audit Report**”), in relation to the information and data contained in a Servicer’s Monthly Report previously selected by the Calculation Agent. The Audit Report shall indicate, *inter alia*, the verification procedures adopted and shall be sent to the Issuer, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Programme Administrator and the Rating Agencies.

The Issuer and the Representative of the Noteholders are entitled to examine and inspect documentation and records relating to the Receivables and to take copies thereof in order to monitor the activities performed by the Servicer pursuant to the Servicing Agreement, provided a 5 Local Business Days prior notice is given to the Servicer (unless in the event of material breach by the Servicer in which case no notice will be required).

Under the terms of the Servicing Agreement, the Issuer may, at its absolute discretion, without prejudice to any other rights which it may have under the Servicing Agreement and the prior written approval of the Representative of the Noteholders) (or shall, in case the Representative of the Noteholders requests the Issuer to do so), terminate the Servicer's appointment, upon the occurrence of any of the following events:

- (i) an administrator, administrative receiver or liquidator of the Servicer is appointed or the Servicer becomes subject to any bankruptcy proceeding or application by the Servicer is made for the commencement of any such proceeding;
- (ii) breach by Servicer of any obligation under the Servicing Agreement in a manner such as to seriously prejudice the administration, collection and/or recovery of the Receivables and not remedied within 10 days from the receipt of the relevant notice from the Issuer or the Representative of the Noteholders;
- (iii) failure to receive the Audit Report within 30 Business Days from the due date, being such failure attributable to the Servicer, or receipt of an Audit Report on which the Representative of the Noteholders gives its negative evaluation to be motivated and delivered in writing within 1 Business Day from the relevant request;
- (iv) failure to receive the Servicer's Monthly Report and/or the Summary Report within 7 Business Days from the due date, for a cause which may be attributed to the Servicer;
- (v) breach of any representation or warranty given by Agos under Clause 13 of the Servicing Agreement which is able to materially prejudice the carrying out of any of the activities provided under the Servicing Agreement;
- (vi) breach by the Servicer, attributable to it, of its obligation to transfer sums received in connection with the Receivables to the Collection Account and such breach continues for five Business Days;
- (vii) failure by Agos to indemnify the Issuer in accordance with Clause 4.4 of the Servicing Agreement; or
- (viii) breach by the Servicer, of its obligations to procure the Commingling Guarantee or to Credit the Commingling Account pursuant to Clause 4.5 of the Servicing Agreement.

The Issuer must notify its intention to terminate the Servicer's appointment to the Representative of the Noteholders and the Rating Agencies, indicating the party which shall substitute the outgoing Servicer. The appointment of the substitute Servicer shall be subject to the prior written approval of the Representative of the Noteholders and confirmation by the Rating Agencies that the appointment of such substitute shall not adversely affect the rating of the Notes.

Any substitute Servicer must satisfy certain conditions set forth in the Servicing Agreement. The agreement to be entered into between the Issuer and the substitute Servicer shall contain the same terms and conditions of the Servicing Agreement, together with any other provisions which the parties deem necessary or which are requested by the Representative of the Noteholders or the Rating Agencies. The substitute Servicer's remuneration shall be determined on the basis of market terms and conditions. Under the terms of the Servicing Agreement, the Servicer has undertaken to, in the event of its resignation or termination of its appointment and at the expense of the Issuer, take all action reasonably necessary to enable its successor to perform its activities in an efficient manner and shall provide all necessary assistance and collaboration.

Under the terms of the Servicing Agreement, the Servicer shall indemnify the Issuer against any damages, loss, civil liability, cost, expense or claim (including fees and legal expenses) which the Issuer may incur as a consequence of: (a) the breach by the Servicer of one or more provisions of the Servicing Agreement; (b) the termination of the Servicer's appointment pursuant to the terms of the Servicing Agreement; and (c) the exercise or safeguard of any right of the Issuer as a result of any breach by the Servicer from time to time, except where such damage, loss, liability, cost, expense or claim is exclusively attributable to the gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Issuer.

The Servicer has agreed that any claim for payment of sums due from the Issuer under the Servicing Agreement will be limited to the lesser between the amount of such claim and the funds available to satisfy such claim, in accordance with the applicable Priority of Payments set forth in the Intercreditor Agreement. Any amount that remains unpaid upon completion of all the procedures for the collection and recovery of the Receivables or, in any event, on the Cancellation Date, shall be cancelled.

The Servicing Agreement is governed by Italian law and any disputes arising in respect of the Servicing Agreement shall be settled pursuant to the rules of the Chamber of National and International Arbitration.

### **Description of the Cash Allocation, Management and Payments Agreement**

On or before the First Issue Date, the Issuer will enter into the Cash Allocation, Management and Payments Agreement with the Representative of the Noteholders, the Programme Administrator, the Account Bank, the Paying Agents, the Calculation Agent, the Listing Agent and the Cash Manager.

Pursuant to the Cash Allocation, Management and Payments Agreement:

- the Account Bank will agree to provide the Issuer with certain account handling and reporting services in relation to the monies from time to time standing to the credit of the Issuer Accounts as well as to effect on behalf of the Issuer certain payments out of the funds credited to such Issuer Accounts;
- the Programme Administrator will agree to provide the Issuer with certain supervisory and reporting services in relation to the purchase of any Subsequent Portfolios by the Issuer and the occurrence of any Early Termination Event;
- the Calculation Agent will agree to provide the Issuer with certain calculation and reporting services;
- the Principal Paying Agent will agree to instruct the Account Bank to effect on behalf of the Issuer payments of interest and/or principal on the Notes out of the funds credited to the General Account;
- the Luxembourg Paying Agent will agree to make available for inspections at its specified office such documents as may from time to time be required by the Luxembourg Stock Exchange;
- the Cash Manager will agree to effect Eligible Investments out of the moneys from time to time standing to the credit of Issuer Accounts ; and
- the Listing Agent will agree to make available to the Principal Paying Agent certain information for the maintenance of the records of this latter.

On or prior to each Calculation Date, and, after the delivery of a Trigger Notice, also upon request by the Representative of the Noteholders, the Calculation Agent shall deliver to the Issuer, the Representative of the Noteholders, the Paying Agents, the Cash Manager, the Calculation Agent, the Rating Agencies, Monte Titoli, the Luxembourg Stock Exchange, the Account Bank, each Guarantee Provider, each Hedging Counterparty, the Corporate Servicer and the Servicer a copy of the Payments Report or of the Post Enforcement Report as applicable.

The Cash Allocation, Management and Payments Agreement contains representations and warranties of the Issuer the Programme Administrator, the Account Bank, the Calculation Agent, the Paying Agents, the Listing Agent and the Cash Manager in respect of, *inter alia*, their corporate status, powers and authorisations and the due execution and delivery of the Cash Allocation, Management and Payments Agreement.

None of the Programme Administrator, the Account Bank, the Calculation Agent, the Paying Agents, the Listing Agent and the Cash Manager shall be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by any other party as a result of the performance of their respective obligations under the Cash Allocation, Management and Payments Agreement save where such loss, liability, claim, expense or damage is suffered or incurred as a result of any fraud, gross negligence or wilful misconduct of the Programme Administrator, the Account Bank, the Calculation Agent, the Paying Agents, the Listing Agent or, as the case may be, the Cash Manager (or any of their respective agents, delegates or representatives), or of any breach by them (or such agents, delegates or representatives) of the provisions of the Cash Allocation, Management and Payments Agreement.

The Programme Administrator, the Account Bank, the Calculation Agent, the Paying Agents, the Listing Agent and the Cash Manager will be entitled to resign at any time from their appointment under the Cash Allocation, Management and Payments Agreement upon giving not less than three months' prior notice of termination to the Issuer (with a copy to the Representative of the Noteholders), provided that no such resignation shall take effect until a successor has been duly appointed.

Pursuant to the terms of the Cash Allocation, Management and Payments Agreement the Issuer may: (1) upon the occurrence of certain events terminate the appointment of the Programme Administrator, the Account Bank, the Calculation Agent, either Paying Agent, the Listing Agent and/or the Cash Manager, as the case may be; and (2) in any circumstances and subject to the prior written approval of the Representative of the Noteholders, terminate the appointment of any of the Programme Administrator, the Account Bank, the Calculation Agent, either Paying Agent, the Listing Agent and/or the Cash Manager by giving not less than 30 days' notice to such party, provided that a substitute therefor has been appointed and notice of such appointment has been given to the Noteholders.

The Cash Allocation, Management, Payment and Agency Agreement will be governed by Italian law and all disputes arising thereunder shall be settled by arbitration pursuant to the International Arbitration Rules of the Chamber of National and International Arbitration of Milan.

## Description of the Intercreditor Agreement

On or before the First Issue Date, the Issuer will enter into the Intercreditor Agreement with the Issuer Creditors, pursuant to which the parties thereto shall agree to the order of priority of payments to be made out of the Issuer Available Funds.

Each new or additional party to a Transaction Document entered into in connection with each subsequent Series of Notes shall, prior to the relevant Series Issue Date of such Series of Notes, accede to the Intercreditor Agreement and shall be deemed to make certain acknowledgements provided for thereunder. In particular, each such new or additional party shall execute a deed of accession and upon such execution, shall become a party to the Intercreditor Agreement.

The obligations owed by the Issuer to each Noteholder and to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors will have a claim against the Issuer only to the extent of the Issuer Available Funds, subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Under the terms of the Intercreditor Agreement the Issuer will undertake, upon the occurrence of a Trigger Event, to comply with all directions of the Representative of the Noteholders in relation to the management and administration of the Receivables. The Noteholders, represented by the Representative of the Noteholders, and the Other Issuer Creditors will irrevocably appoint the Representative of the Noteholders to act as their agent in relation to the Security Documents and will authorise the Representative of the Noteholders to apply all cash deriving from time to time from the subject matter of the Security Documents as well as all proceeds upon the enforcement thereof to satisfy amounts payable to each of them in accordance with the Conditions.

The Intercreditor Agreement furthermore will provide that following the service of a Trigger Notice, the Representative of the Noteholders shall be entitled to instruct the Issuer to dispose, in whole or in part, one or more relevant Portfolio(s), provided that at least two reputable financial institutions chosen by the Representative of the Noteholders have given a written confirmation that the proposed sale price is fair.

The Intercreditor Agreement is governed by Italian law and all disputes arising thereunder shall be settled by arbitration pursuant to the International Arbitration Rules of the Chamber of National and International Arbitration of Milan.

## Description of the Security Documents

On or before the First Issue Date, the Issuer shall execute an Italian Deed of Pledge pursuant to which the Issuer shall grant in favour of the Noteholders and the Other Issuer Creditors (in each case, existing as of the First Issue Date), a first priority pledge over: (a) all monetary claims and rights in, to and under, and all the amounts to which the Issuer is or will be entitled pursuant to the Italian Law Transaction Documents to which the Issuer will be a party as of such date; (b) any existing or future monetary claim and right in, to and under Issuer Accounts and over any sum credited from time to time to the Issuer Accounts, and (c) any existing or future monetary claim and right in, to and under and in respect of each Eligible Investment governed by Italian law.

The Issuer shall, prior to the relevant Series Issue Date of each subsequent Series of Notes, execute a deed of pledge governed by Italian law pursuant to which the Issuer shall grant in favour of (a) the holders from time to time of the Notes of all existing Series previously issued and the Other Issuer Creditors, a first priority pledge over all monetary claims and rights and all the amounts to which the Issuer is or will be entitled pursuant to the Italian Law Transaction Document entered into by the Issuer in connection with the issue of the relevant new Series of Notes, as well as over any existing or future monetary claim and right in, to and under any new Issuer Accounts and over any sum credited from time to time to such new Issuer Accounts and any existing or future monetary claim and right in, to and under and in respect of each new Eligible Investment governed by Italian law; and (b) the Noteholders of such subsequent Series and the new Other Issuer Creditors, a pledge over (aa) all monetary claims and rights in, to and under and all the amounts to which the Issuer is or will be entitled pursuant to the existing Italian Law Transaction Documents to which the Issuer will be a party; (bb) any existing or future monetary claim and right in, to and under the Issuer Accounts and any sum credited from time to the Issuer Accounts; and (cc) any existing or future monetary claim and right, in, to, under and in respect of each Eligible Investment governed by Italian law.

The Noteholders and the Other Issuer Creditors shall exercise their rights under the Italian Deeds of Pledge through the Representative of the Noteholders.

On or before the Series Issue Date of the first Series of Notes the Issuer shall enter into an English law governed deed of charge and assignment with the Representative of the Noteholders (the "**English Deed of Charge**" and together with the Italian Deeds of Pledge, the "**Security Documents**") pursuant to which the Issuer will assign and will agree to assign to the Representative of the Noteholders absolutely, by way of first fixed security all its rights, title, interest and benefit from time to time, present and future, in, to, under and in respect of (a) each Hedging Agreement and all documents executed pursuant thereto, and (b) the Eligible Investments to the extent that they are subject to English Law, and to the extent they

are not the object of the Italian Deed of Pledge, and all documents executed pursuant thereto.

The Italian Deed of Pledge will be governed by Italian law and all disputes arising thereunder shall be settled by arbitration pursuant to the International Arbitration Rules of the Chamber of National and International Arbitration of Milan. The English Deed of Charge will be governed by English law and the courts of England shall have exclusive jurisdiction in relation to any disputes in respect thereof, save that the Representative of the Noteholders will have the right to bring proceedings in any other court which has jurisdiction (including the courts of the Republic of Italy).

#### **Description Hedging Agreement**

Pursuant to the terms of one or more hedging agreements (the “**Hedging Agreements**”) entered into from time to time during the Programme with one or more Hedging Counterparties, the Issuer will protect itself against certain risks (fixed, floating, indexed, currency exchange or otherwise) arising in respect of its obligations under any Senior Notes.]

## TERMS AND CONDITIONS OF THE NOTES

*The following is the entire text of the terms and conditions of the Class A Notes, the Class B Notes, the Class C Notes and the Class J Notes. References herein to the “holder” of a Class A Note, Class B Note, Class C Note or Class J Note, or to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders or the Class J Noteholders, are to the ultimate owners of the Class A Notes, the Class B Notes, the Class C Notes or Class J Notes, as the case may be, issued in bearer form and dematerialised and evidenced as book entries with Monte Titoli S.p.A. (“**Monte Titoli**”) in accordance with the provisions of (i) Article 28 of Legislative Decree No. 213 of 24 June 1998 and (ii) Resolution No. 11768 of 23 December 1998 of the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”), each as amended and supplemented 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 the Noteholders (as defined below).*

SUNRISE S.r.l. (the “**Issuer**”) has established a Consumer Loans Backed Floating Rate Note Programme (the “**Programme**”) for the issuance of one more series of Notes (each, a “**Series**”). Each Series of Notes may be divided into more Classes (respectively, the “**Class A Notes**”, the “**Class B Notes**”, and, where provided in the relevant Final Terms, the “**Class C Notes**” (the Class A Notes, the Class B Notes and the Class C Notes are together referred to as the “**Senior Notes**”) and the “**Class J Notes**” (together with the Senior Notes, the “**Notes**”), each of which shall have (except for the Series Issue Date, the Issue Price, the Margin, the Series Final Maturity Date and the relevant Initial Interest Period relating to such further Notes) the same characteristics of Notes of the same Class issued by the Issuer from time to time under the Programme.

Each Series of Notes will be the subject of certain final terms (the “**Final Terms**”) prepared in relation to the issue of such Series of Notes which, for the purposes of that Series (and of the Class(es) of Notes comprised therein) only, supplements these terms and conditions (the “**Conditions**”). In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant provisions contained in such relevant Final Terms shall prevail. The aggregate outstanding principal amount of Notes issued at any time under the Programme shall not exceed Euro [5,000,000,000] (the “**Programme Limit**”).

Any reference to a “**Class**” of Notes or Noteholders shall be a reference to any, or all of, the respective Class A Notes, Class B Notes, Class C Notes or Class J Notes, or any or all of their respective holders, as the case may be, and all subsequent references in these Conditions to the “**Notes**” are to the Notes which are the subject of the relevant Final Terms or, where the context requires, the Notes of all Series issued and outstanding under the Programme as a whole.

The net proceeds from the issuance of the Notes will be used by the Issuer to finance the purchase from Agos S.p.A. (“**Agos**” or the “**Originator**”) and Calyon Milan, as seller of the Calyon Initial Receivables, of receivables and connected rights (the “**Receivables**”), due under consumer loans (the “**Consumer Loans**”) granted to the debtors thereunder by the Originator, pursuant to the terms of a master transfer agreement executed on 9 June 2006, (the “**Master Transfer Agreement**”). Pursuant to the Master Transfer Agreement (i) the Originator has transferred to the Issuer certain Receivables (the “**Agos Initial Receivables**”), (ii) Calyon Milan has transferred to the Issuer certain Receivables assigned by Agos to Calyon Milan in the context of a programme of periodical assignments of receivables pursuant to Italian law 52 of 1991 (the “**Law 52 Transaction**”) (the Agos Initial Receivables and the Calyon Initial Receivables, collectively, the “**Initial Portfolio**”) to be financed out of the net proceeds from the issuance of the first Series of Notes, and (iii) on each Purchase Date, the Originator may, by means of a purchase notice (each a “**Purchase Notice**” and, together with the Master Transfer Agreement the “**Transfer Agreements**”), sell to the Issuer, which shall accept subject to the satisfaction of the relevant Subsequent Portfolios Purchase Conditions (as defined in Condition 1 (*Definitions*) below) subsequent portfolios of Receivables (each a “**Subsequent Portfolio**”) to be financed out of the amounts in principal collected in respect of the Receivables and, where applicable, out of the net proceeds of the Notes of any new Series issued under the Programme. In these Conditions, the term “**Portfolio**” refers to all the Receivables transferred to the Issuer pursuant to the Programme; the term “**Initial Receivables**” means, collectively, the Agos Initial Receivables and the Calyon Initial Receivables included in the Initial Portfolio and the term “**Subsequent Receivables**” means, collectively, the Receivables included in each Subsequent Portfolio.

By a warranty and indemnity agreement entered into on 9 June 2006 (the “**Warranty and Indemnity Agreement**”) between the Issuer, Calyon Milan, as seller of the Calyon Initial Receivables, and the Originator, the Originator and Calyon Milan, as seller of the Calyon Initial Receivables, have given certain representations and warranties in favour of the Issuer in relation to the Receivables and certain other matters, and the Originator will be deemed to give, as of each relevant Execution Date, Purchase Date and where applicable Series Issue Date (each as defined in Condition 1 (*Definitions*) below) certain representations and warranties in favour of the Issuer in relation to the Receivables and certain other matters.

By a servicing agreement entered into on 9 June 2006 (the “**Servicing Agreement**”) between the Issuer and Agos (in such capacity, the “**Servicer**”), Agos, as *soggetto incaricato della riscossione dei crediti ceduti e responsabile della verifica della conformità delle operazioni alla legge e al prospetto informativo* pursuant to Article 2(6) of the Securitisation Law, has agreed to administer and service the Portfolio and to collect and recover any amounts in respect of the Portfolio on behalf of the Issuer.

By a corporate services agreement (the “**Corporate Services Agreement**”) entered into on or about the Series Issue Date



of the first Series of Notes under the Programme (the **“First Issue Date”**) between the Issuer and Accounting Partners S.r.l. (the **“Corporate Servicer”**), the Corporate Servicer has agreed to provide to the Issuer certain corporate administrative services.

By an agreement entered into on or 9 June 2006 among Calyon, Milan Branch as arranger (**“Calyon Milan”** and the **“Arranger”**), Calyon Paris as lead manager (**“Calyon Paris”** and **“Lead Manager”**), Crédit Agricole Investor Services Bank Luxembourg (**“CACEIS”**) as representative of the Noteholders, the Issuer and the Originator (the **“Senior Notes Programme Agreement”**), the parties have agreed, *inter alia*, on the subscription from time to time of the Senior Notes by the Lead Manager and/or other future managers (together with the Lead Manager, the **“Managers”**) in relation to a particular Series or Class of Senior Notes, the price at which the relevant Senior Notes will be purchased by the Managers, the commissions or other agreed deductibles (if any) payable or allowable in respect of such purchase and the form of any indemnity to the Managers against certain liabilities in connection with the offer and sale of the Senior Notes. The parties have furthermore agreed to appoint, upon the issuance of each Series of Senior Notes, CACEIS as the legal representative of the Senior Noteholders of each such Series (together in its capacity as legal representative of the Class J Noteholders, the **“Representative of the Noteholders”**). The Senior Notes of each Series shall be subscribed by the relevant Managers pursuant to a subscription agreement (each, a **“Senior Notes Subscription Agreement”**) to be entered into by the Issuer, the Originator, the relevant Managers and the Representative of the Noteholders prior to each relevant Series Issue Date.

By a further agreement entered into on 9 June 2006 (the **“Class J Notes Master Subscription Agreement”**) among the Issuer, Agos, Calyon Milan and CACEIS, the parties have agreed, *inter alia*, on the subscription from time to time of the Class J Notes by Agos and/or other Class J Notes subscribers (together with Agos, the **“Class J Notes Subscribers”**) in relation to a particular Series of Class J Notes, the price at which the relevant Class J Notes will be purchased by the Class J Notes Subscribers, the commissions or other agreed deductibles (if any) payable or allowable in respect of such purchase and the form of any indemnity to the Class J Notes Subscribers against certain liabilities in connection with the offer and sale of the Class J Notes. Agos as subscriber of the Class J Notes has furthermore agreed to appoint, upon the issuance of each Series of Class J Notes, CACEIS as the legal representative of the Class J Noteholders of each such Series. The Class J Notes of each Series shall be subscribed by the Class J Notes Subscribers pursuant to a subscription agreement (each, a **“Class J Notes Subscription Agreement”**) to be entered into by the Issuer, the relevant Class J Notes Subscribers and the Representative of the Noteholders prior to each relevant Series Issue Date.

By an agreement (*convenzione*) entered (or to be entered) into prior to each relevant Series Issue Date between Monte Titoli and the Issuer (the **“Monte Titoli Mandate Agreement”**), Monte Titoli has agreed (or will agree) to provide certain services in relation to the Notes on behalf of the Issuer.

By a cash allocation, management and payments agreement entered into on 9 June 2006 (the **“Cash Allocation, Management and Payments Agreement”**) among the Issuer, Calyon Milan as seller of the Calyon Initial Receivables, account bank, principal paying agent, calculation agent, cash manager and as programme administrator (the **“Account Bank”**, the **“Principal Paying Agent”** the **“Calculation Agent”**, the **“Cash Manager”** and the **“Programme Administrator”**), CACEIS as representative of the Noteholders and as Luxembourg paying agent and listing agent (in such capacities the **“Listing Agent”** and the **“Luxembourg Paying Agent”** and together with the Principal Paying Agent, the **“Paying Agents”**), the Representative of the Noteholders, the Calculation Agent, the Programme Administrator, the Account Bank, the Cash Manager, the Listing Agent and the Paying Agents have agreed to provide the Issuer with certain calculation, notification and reporting services together with account handling, cash management and payment services in relation to monies from time to time standing to the credit of the Issuer Accounts; the Paying Agents have agreed, *inter alia*, to make available for inspection such documents as may from time to time be required by the rules of the Stock Exchange in which one or more Series of Notes will be listed and the relevant Paying Agent has agreed to arrange for the publication of any notice to be given to the Senior Noteholders.

By an intercreditor agreement entered into on 9 June 2006 (the **“Intercreditor Agreement”**) among the Originator, Calyon Milan, as seller of the Calyon Initial Receivables, the Corporate Servicer, the Servicer, the Programme Administrator, the Account Bank, the Cash Manager, the Calculation Agent, each Paying Agent, the Listing Agent, the Commingling Guarantee Provider in respect of the first Series of Notes issued under the Programme, the Lead Manager, the Manager of the first Series of Notes issued under the Programme and the Hedging Counterparty of the first Series of Notes issued under the Programme, the Class J Notes Subscriber, the Luxembourg Paying Agent, the Quotaholder and the Representative of the Noteholders (for itself, also in its capacity as security trustee under the English Deed of Charge (as defined below), and in the name and on behalf of the Noteholders) (all such parties, together with any additional Hedging Counterparty, Commingling Guarantee Provider, Managers and subsequent Class J Notes Subscriber which will accede to the Intercreditor Agreement, the **“Issuer Creditors”**) and the Issuer, provision is made as to the application of the Issuer Available Funds and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise its rights.

By one or more hedging transaction(s) to be documented pursuant to one or more confirmation(s) (each, a **“Hedging Counterparty”**) relating to a particular Series of Notes, entered into pursuant to a 1992 ISDA Master Agreement (Multicurrency – Cross Border) as amended and supplemented by a Schedule, each as published by the International Swaps

and Derivatives Association, Inc. and dated as of the Series Issue Date of each relevant Series of Notes (together, the **“Hedging Agreements”**), the Issuer will protect itself against certain risks (fixed, floating, indexed, currency exchange or otherwise) arising in respect of its obligations under any Series of Senior Notes.

By an Italian law deed of pledge executed by the Issuer on 9 June 2006 (the **“Italian Deed of Pledge”**) the Issuer has granted to the Issuer Creditors (in each case, existing as of the First Issue Date), *inter alia*, a first priority pledge over for the benefit of: (i) the Noteholders, and (ii) the Other Issuer Creditors, over: (a) all monetary claims and rights in, to and under, and all the amounts to which the Issuer is or will be entitled pursuant to the Italian Law Transaction Documents to which the Issuer will be a party as of such date; (b) any existing or future monetary claim and right in, to and under Issuer Accounts and over any sum credited from time to time to the Issuer Accounts, and (c) any existing or future monetary claim and right in, to and under and in respect of each Eligible Investment governed by Italian law. The Issuer shall, prior to the relevant Series Issue Date of each subsequent Series of Notes, execute a further Italian Deed of Pledge governed by Italian law pursuant to which the Issuer shall grant in favour of (a) the holders from time to time of the Notes of all existing Series previously issued and the Other Issuer Creditors, a first priority pledge over all monetary claims and rights and all the amounts to which the Issuer is or will be entitled pursuant to the Italian Law Transaction Document entered into by the Issuer in connection with the issue of the relevant new Series of Notes, as well as over any existing or future monetary claim and right in, to and under any new Issuer Accounts and over any sum credited from time to time to such new Issuer Accounts and any existing or future monetary claim and right in, to and under and in respect of each new Eligible Investment governed by Italian law; and (b) the Noteholders of such subsequent Series and the new Other Issuer Creditors, a pledge over (aa) all monetary claims and rights in, to and under and all the amounts to which the Issuer is or will be entitled pursuant to the existing Italian Law Transaction Documents to which the Issuer will be a party; (bb) any existing or future monetary claim and right in, to and under the Issuer Accounts and any sum credited from time to time to the Issuer Accounts; and (cc) any existing or future monetary claim and right, in, to, under and in respect of each Eligible Investment governed by Italian law.

Pursuant to an English law deed of charge executed on 9 June 2006 between the Issuer and the Representative of Noteholders (the **“English Deed of Charge”** and together with the Italian Deeds of Pledge, the **“Security Documents”**), the Issuer will assign to the Representative of the Noteholders, by way of first fixed security all its rights, title, interest and benefit from time to time, present and future, in, to, under and in respect of (a) each Hedging Agreement and all documents executed in accordance thereto, and (b) the Eligible Investments to the extent that they are subject to English Law, and to the extent they are not the object of the Italian Deed of Pledge, and all documents executed pursuant thereto. The claims of the Representative of the Noteholders for itself, any receiver appointed by Representative of the Noteholders, the Issuer Creditors rank in accordance with the Priority of Payments set out in the Intercreditor Agreement.

By a quotaholders’ agreement entered into on 9 June 2006 (the **“Quotaholders’ Agreement”**) between Agos, the Issuer, Stichting Trustmate 4, and the Representative of the Noteholders call options have been granted by Stichting Trustmate 4 to Agos and Agos has undertaken certain indemnification obligations in favour of the Issuer.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the **“Collection Account”**) into which all the Collection (as defined in Condition 1 (*Definitions*)) collected or recovered by the Servicer from time to time in respect of the Receivables shall be credited, among others, in accordance with the provisions of the Servicing Agreement.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the **“Purchase Account”**) into which all the remaining Principal Available Funds after application of the relevant Priority of Payments under Conditions 5.1.1 (*Priority of Payments prior to the delivery of an Early Termination Event Notice on a Purchase Date which is not a Payment Date*) and 5.1.3.1 (*Principal Priority of Payments prior to the delivery of an Early Termination Event Notice*) will be credited, among others, from the General Account on the relevant Purchase Date or on the relevant Payment Date.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the **“Principal Reserve Account”**) into which the Series Principal Reimbursement Reserve in relation to all Series of Notes for which the Series Amortising Period has commenced, among others, shall be credited on any Purchase Date which is not a Payment Date.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the **“Early Principal Reserve Account”**) into which upon delivery of an Early Termination Event Notice and prior to the Series Initial Amortising Date of any Series, all Principal Payments, among others, to be made in respect of such Series shall be credited.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the **“General Account”**) into which the Account Bank shall, on each Purchase Date or Payment Date, credit, among others (i) any amount debited from the other Issuer Accounts on such date and (ii) the following amounts:

- (i) the amounts paid by each of the Hedging Counterparties;

- (ii) the Positive Price Adjustment (if any) paid by the Originator and any purchase price paid by the Originator under clause 16 of the Master Transfer Agreement;
- (iii) any amount paid by Agos under the Warranty and Indemnity Agreement;
- (iv) any amount paid by any Commingling Guarantee Provider pursuant the Commingling Guarantee to indemnify the Issuer of any breach by Agos of its obligations under the clauses 4.2, 4.3 and 4.5 of the Servicing Agreement; and
- (v) any amount paid by the Servicer pursuant to Clause 5.2 of the Servicing Agreement.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the “**Additional Cash Reserve Account**”) into which, among others, on each Payment Date not falling during the Amortisation Period, the amount necessary to ensure that the balance of the Additional Cash Reserve Account (without considering any interest accrued or net proceeds of the Eligible Investments) is equal to the Additional Cash Reserve Required Amount as determined by reference to the Calculation Date immediately preceding such Payment Date.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the “**Cash Reserve Account**”) into which, among others, (a) on each Series Issue Date, the amount necessary to ensure that the balance of the Cash Reserve Account (without considering any interest accrued or net proceeds of the Eligible Investments) is equal to the Cash Reserve Required Amount as determined by reference to the Calculation Date immediately preceding such Series Issue Date and (b) after the delivery of an Early Termination Event Notice, on each Payment Date the Interest Available Funds shall be credited in accordance with Condition 5.1.2 (*Interest Priority of Payments prior to the delivery of a Trigger Notice*).

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the “**Product Cash Reserve Account**”) into which, among others, on the Payment Date immediately following the receipt by the Issuer of the notice sent by the Originator under clause 4.10 of the Master Transfer Agreement, the amount necessary to ensure that the balance of the Product Cash Reserve Account (without considering any interest accrued or net proceeds of the Eligible Investments) is equal to the Product Reserve Required Amount as determined by reference to the Calculation Date immediately preceding such Payment Date.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the “**Guarantee Account**”) into which any amount paid by any Commingling Guarantee Provider pursuant to Clause 5 of any Commingling Guarantee shall be credited.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the “**Commingling Account**”) into which any amount paid by Agos pursuant to Clause 4.6 of the Servicing Agreement or pursuant to the terms of the Commingling Guarantees in order to cover a portion or the entire amount of the commingling risk associated thereto shall be credited.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the “**Expenses Account**”) into which among others, on the First Series Issue Date and on each Payment Date, the amount necessary to ensure that the balance of the Expenses Account (without considering any interest accrued or net proceeds of the Eligible Investments) is equal to the Expenses Reserve Required Amount.

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the “**Defaulted Account**”) into which on each Payment Date the Interest Available Funds shall be credited in accordance with Condition 5.1.2 (*Interest Priority of Payments prior to the delivery of a Trigger Notice*).

A Euro denominated account has been established in the name of the Issuer with the Account Bank (the “**Capital Account**”) into which among others the share capital of the Issuer has been credited.

[If required, a deposit account may be established in the name of the Issuer with the Cash Manager (the “**Securities Account**”) into which any Eligible Investment consisting of securities and/or financial instruments shall be deposited.]

Detailed provisions on the operation of the Issuer Accounts (as defined in Condition 1 (*Definitions*)) are set out in the Cash Allocation, Management and Payments Agreement.

The provisions of these terms and conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents (as defined below) and must be read in conjunction with the applicable Final Terms. Copies of the Transaction Documents will be available for inspection at the principal office for the time being of the Luxembourg Paying Agent.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of (and definitions contained in) and definitions contained in the Master Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Security Documents, the Cash Allocation, Management and Payments Agreement,

each Commingling Guarantee, the Corporate Services Agreement, the Intercreditor Agreement, the Quotaholders' Agreement, the Senior Notes Programme Agreement, each Senior Notes Subscription Agreement, the Class J Notes Master Subscription Agreement, each Class J Notes Subscription Agreement, the Monte Titoli Mandate Agreement, each Hedging Agreement and each applicable Final Terms (together with these Conditions and any other agreement entered into in connection with the Programme, the **"Transaction Documents"**).

## 1. Definitions

**"3 Months Rolling Theoretical Excess Spread"** means, on each Calculation Date,

1. if such Calculation Date falls before or on the Calculation Date immediately preceding the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement or after the first Payment Date of the Amortisation Period, the Theoretical Excess Spreads calculated on such Calculation Date;
2. if such Calculation Date falls after or on the Calculation Date immediately preceding the second Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement, but before the first Payment Date of the Amortisation Period, the aggregate of the Theoretical Excess Spreads calculated on such Calculation Date and on the two immediately preceding Calculation Dates;
1. if such Calculation Date falls before a Optional Purchase Date falling during the period starting (but excluding) on the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement and ending (but excluding) on the second Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement, the Theoretical Excess Spreads calculated on the Calculation Date immediately preceding the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement.

**"Accrual of Interests"** means, with reference to each Receivable, the Interest Component of the First Instalment accrued pursuant to the relevant Consumer Loan Agreement until (but excluding) the Financial Effective Date with reference to the Initial Receivables and until (but excluding) the relevant Valuation Date with reference to the Subsequent Receivables

**"Additional Cash Reserve Required Amount"** means during the Purchase Period, on any Confirmation Date immediately preceding any Payment Date the product of (i) the Additional Cash Reserve Rate on such Confirmation Date and (ii) the Notes Principal Amount Outstanding of the Senior Notes on such Confirmation Date (which shall include also any Notes Principal Amount Outstanding of the Notes to be issued on such Payment Date and shall be reduced by any principal reimbursement of the Notes to be made to be redeemed on such Payment Date)

**"Additional Cash Reserve Rate"** means, on any Confirmation Date, the aggregate, if positive, of

(A) the result, if positive, of the product of (i) the difference, if positive, between (a) the Personal Loans Concentration on such Confirmation Date (which shall also take into account any Subsequent Receivable to be transferred on the immediately following Purchase Date), and (b) the Maximum Personal Loans Concentration, and (ii) 6% and

(B) the product of

(i) 65% and

(ii) the difference between:

(a) the Minimum Rate and

(b) the Excess Spread Rate of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date),

(iii) and (1) if the Average Life of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date) is higher than 14, the ratio between (i) such Average Life of the Portfolio and (ii) 12, or (2) 117% in the other cases.

**"Aggregate Amortising Plan"** means, with reference to a number of Receivables, the aggregate of the amortising plans of such Receivables.

**"Agos Initial Receivables"** means the Receivables assigned by the Originator to the Issuer on the First Purchase Date and which are included in the Initial Portfolio.

“**Agos Insurance Policies**” means any insurance policy entered into by Agos as party and beneficiary with reference to each Consumer Loan Agreement to cover the risk of decease, temporary or total inability to work, total and permanent disability of the Debtor, or to cover the risk of damages, losses, destructions, theft or fire of the registered assets object of the relevant Consumer Loan Agreement, under which Agos fully pays to the relevant Insurance Company the premium with reference to the relevant Consumer Loan Agreement, by the end of the calendar month immediately following the month of the subscription of the policy by the relevant Debtor..

“**Available Principal Collections**” means, on each Calculation Date the difference, if positive, between:

(a) the aggregate of:

(i) if such Calculation Date is a Calculation Date immediately preceding a Purchase Date which is not a Payment Date, the Principal Available Funds under item (a) and (c) of such definition or (ii) if such Calculation Date is a Calculation Date immediately preceding a Payment Date, the Principal Available Funds under item (a), (c), (e), (g) (but in relation of the Defaulted Receivables, only) of such definition and

(b) if such Calculation Date is a Calculation Date immediately preceding a Payment Date, any principal component of the Negative Purchase Price Adjustment (including any Negative Purchase Price Adjustment which remained unpaid as at the Payment Date immediately preceding such Payment Date) to be paid by the Issuer on the immediately following Payment Date pursuant to Clause 11.4 and 11.5 of the Master Transfer Agreement;

provided that after the end of the Purchase Period any positive balance of the Purchase Account (without considering any interest accrued thereon or any net proceeds out of the relevant Eligible Investment) as of such Calculation Date shall be taken into account and added for the calculation of the Available Principal Collections.

“**Average Life of the Portfolio**” means, on any date, the weighted average life (in months) of all the Receivables (other than the Defaulted Receivables as at such date) determined as of the Cut-Off Date immediately preceding such date.

“**Banking Act**” means Italian Legislative Decree no. 385 of 1 September 1993 (*Testo Unico delle leggi in materia bancaria e creditizia*) as amended and supplemented from time to time.

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

“**Base Prospectus**” means the Base Prospectus dated 9 June 2006 prepared in connection with the Programme, as amended, updated and supplemented from time to time.

“**Business Day**” shall mean a day (other than a Saturday or Sunday) on which banks are generally open for business in Milan, Paris, London and Luxembourg and on which the Trans-European Automated Real Time Gross-Settlement Express Transfer System (or any successor thereto) is open.

“**Calculation Date**” means, during the Purchase Period, 11.00 a.m. of the date which falls 11 Business Days prior to any Optional Purchase Date and, once the Purchase Period is expired, 11.00 a.m. of the date which falls 6 Business Days prior to each Payment Date.

“**Calyon Initial Receivables**” means the Receivables assigned by Calyon Milan to the Issuer on the First Purchase Date and which are included in the Initial Portfolio.

“**Cancellation Date**” means the earlier of:

- (i) the date falling 1 year after the Programme Final Maturity Date; and
- (ii) the date on which the Notes have been redeemed in full.

“**Cash Reserve Required Amount**” means,

- (a) on any Calculation Date immediately preceding a Series Issue Date or on any Series Issue Date, 1.45 % (or such other percentage as may be established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes) of the Notes Principal Amount Outstanding of the Senior Notes outstanding as of the Calculation Date preceding such Series Issue Date (also considering the Notes, if any, to be issued on the immediately following Series Issue Date and any principal reimbursement of the Notes to be made on such Series Issue Date);
- (b) if an Early Termination Event Notice has been delivered, on any Payment Date, the minimum of (i) the Cash Reserve Required Amount as determined at the Series Issue Date immediately preceding such Payment Date and (ii) the

aggregate amount to be paid in respect of interest on the Class A Notes, the Class B Notes and the Class C Notes on the immediately following Payment Date (without considering for the purpose of the determination of the Notes Principal Amount Outstanding any payments to be made out of the Interest Available Funds on such Payment under any item following the item (xiii) of the Priority of Payment of the Interest Available Funds).

The Cash Reserve Required Amount as of the First Series Issue Date will be Euro 14,500,000.00.

“**Class**” means each class of the Notes issued by the Issuer and “**Classes**” means all of them.

“**Class A Noteholder**” means each holder from time to time of a Class A Note and “**Class A Noteholders**” means all of them.

“**Class A Rating**” means a rating equal to "Aaa" by Moody's and "AAA" by S&P or such other rating level communicated by each of the Rating Agencies for the Class A Notes at any time during the Programme.

“**Class B Noteholder**” means each holder from time to time of a Class B Note and “**Class B Noteholders**” means all of them.

“**Class B Rating**” means a rating equal to "Aa3" by Moody's and "A" by S&P or such other rating level communicated by each of the Rating Agencies for the Class B Notes at any time during the Programme.

“**Class C Noteholder**” means each holder from time to time of a Class C Note and “**Class C Noteholders**” means all of them.

“**Class C Rating**” means a rating equal to "Baa2" by Moody's and "BBB" by S&P or such other rating level notified by each of the Rating Agencies for the Class C Notes at any time during the Programme.

“**Class J Additional Interest**” has the meaning ascribed to such term in Condition 6.2.2 (*Rate of Interest*).

“**Class J Base Interest**” has the meaning ascribed to such term in Condition 6.2.2 (*Rate of Interest*).

“**Class J Coupon**” means, collectively, the Class J Base Interest and the Class J Additional Interest.

“**Class J Noteholder**” means each holder from time to time of a Class J Note and “**Class J Noteholders**” means all of them.

“**Collateral Ratio**” means:

- (i) on the Confirmation Date immediately preceding each Payment Date, or on any Business Day immediately following the Calculation Date immediately preceding a Payment Date, the ratio between (a) the Receivables Eligible Outstanding Amount as of the Calculation Date immediately preceding such Confirmation Date (taking into account the Receivables to be purchased on such Payment Date, if any) and (b) the Notes Principal Amount Outstanding of the Senior Notes on such Confirmation Date (taking into account any principal reimbursement of the Notes to be made on such Payment Date and the Notes to be issued on such Payment Date, if any); and
- (ii) on each Calculation Date, the ratio between (a) Receivables Eligible Outstanding Amount as of such Calculation Date and (b) the difference between the Notes Principal Amount Outstanding of the Senior Notes on such Calculation Date and the balance of the Principal Reserve Account on such Calculation Date (without taking into account any interest accrued and any net proceeds deriving from the Eligible Investments credited on such Principal Reserve Account).

“**Collections**” means any amounts received and/or recovered in connection with the Receivables including, but not limited to, any amount received whether as principal, interests and/or costs in relation to the Receivables.

“**Collections of Fees**” means the aggregate of the Expenses Component and any other fee (including those related to the prepayment of the Receivables, and the commissions for direct debit payments and commissions for postal giro payments, if any) effectively collected by the Issuer (net of the Expenses Component of any Unpaid Amount).

“**Collections of Interest**” means the aggregate of the Interest Component effectively collected by the Issuer (net of the Interest Component of any Unpaid Amount and net of any Collection received in connection with the Accrual of Interests).

“**Collections of Principal**” means, with reference to each Receivable and to a Reference Period, the Collections (other than a Recovery), effectively collected (net of the Principal Component of any Unpaid Amount determined during such Reference Period) by the Issuer during such Reference Period, which cause a reduction of the Principal Amount

Outstanding of such Receivable as of the end of such Reference Period (including the Collections received as prepayment of the Receivable, the insurance indemnities due under the Registered Assets Insurance Policies, any amount received as principal from the persons having a particular arrangement such as the suppliers of services and goods, with reference to such Receivable and any other amount received as principal in relation to such Receivable, including the insurance indemnities due under the Agos Insurance Policies and the Collections related to the Accrual of Interests).

“**Commingling Guarantee**” means any guarantee, if demanded by the Issuer further to the occurrence of the events described under clause 4.5 of the Servicing Agreement, granted in favour of the Issuer in order to secure Agos’ payment obligations as Servicer under clauses 4.2 and 4.4 of the Servicing Agreement.

“**Confirmation Date**” means, during the Purchase Period, 3.00 p.m. of the date which falls 10 Business Days prior to each Purchase Date.

“**Consumer Loan Agreements**” means the consumer loan agreements executed between Agos and the Debtors in compliance with the general conditions determined by Agos and contained in Exhibit B of the Warranty and Indemnity Agreement (as subsequently amended pursuant the provisions of the Master Transfer Agreement), from which the Receivables arises, together with any related deed, agreement, arrangement or integrative document and/or amendment, including the Agos Insurance Policies and excluding the Financed Insurance Policies).

“**Criteria**” means the General Criteria and the Specific Criteria.

“**Cut-Off Date**” means

- (i) 11:59 p.m. of the last day of the months of January, April, July and October; and
- (ii) following the Payment Date (excluded) immediately following receipt by the Issuer of the notice provided for under Clause 4.9 of the Master Transfer Agreement, 11:59 p.m. of the last day of each calendar month.

The first Cut-Off Date is the First Valuation Date.

“**Debtor**” means any individual or entity, public or private, or any other obligor or co-obligor which is under the obligation to pay a Receivable comprised in the Portfolio (including any third party guarantor).

“**Decree No. 239**” means Legislative Decree no. 239 of 1 April 1996 as amended by Italian Law No. 409 and No. 410 of 23 November 2001 as subsequently amended and supplemented.

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

“**Defaulted Interest Amount**” means, on each Payment Date, any amount due and payable on such Payment Date out of the Interest Available Funds under items (i), (iii), (iv), (v), (vi), (vii), (viii), (x) and (xii) of the Priority of Payment of the Interest Available Funds on such Payment Date but not paid.

“**Defaulted Receivables**” means, with reference to a date, the Receivables which on the Cut-Off Date preceding such date (i) have at least 9 Late Instalments or (ii) have one Instalment which is due but unpaid in whole or paid less than the 50% of the total amount of such Instalment as from 270 Business Days (iii) in relation to which judicial proceedings have been commenced for the purpose of recovering the relevant amounts due or (iv) in relation to which Agos has exercised its right to terminate the relevant Consumer Loan Agreement or has declared that the Debtor has lost the benefit of the term (“*decaduto dal beneficio del termine*”) or has sent to the Debtor a notice communicating to him that in case of failure by the Debtor to pay the amounts due within the time limit specified therein, Agos may declare that the Debtor has lost the benefit of the term (“*decaduto dal beneficio del termine*”). A Receivable will be considered a Defaulted Receivable as of the occurrence of the first of the events described in the above points (i), (ii), (iii) and (iv). The Receivables classified as Defaulted Receivables at any date shall be considered as Defaulted Receivables at any following date.

“**Downgrade Termination Event**”, when used in the context of the Hedging Agreements, has the meaning given to it in the relevant Hedging Agreements.

“**Early Termination Event**” has the meaning ascribed to such term in Condition 11 (*Trigger Events and Early Termination Events*).

“**Early Termination Event Notice**” has the meaning ascribed to such term in Condition 11.

“**Eligible Institution**” means a depository institution organised under the laws of any state which is a member of the European Union, the short-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least “A1/P1” by Moody's and “A-1+” by S&P or which is guaranteed by an entity whose short-term unsecured, unsubordinated

and unguaranteed debt obligations are rated at least "A-1+" by S&P, or "A-1" by S&P if the aggregate amount deposited with such institutions (including amounts invested in Eligible Investments with such institutions) is lower than or equal to 20% of the Notes Principal Amount Outstanding of the Senior Notes at all times, and, if rating agencies other than S&P have given a rating to the Senior Notes, such depository institution being also in compliance with the rating criteria of such additional rating agencies.

**"Eligible Investments"** means any bank account, repurchase agreement (*pronti contro termine*), deposit or other Euro denominated, unsubordinated debt instrument that (i) guarantees the restitution of the invested capital, (ii) is issued, or fully or unconditionally guaranteed, on unsubordinated basis by an institution rated at least A1/P1 by Moody's, and A-1+ by S&P or A-1 by S&P if the aggregate amount deposited with such institutions (including amounts invested in Eligible Investments with such institutions) is lower than or equal to 20% of the Notes Principal Amount Outstanding of the Senior Notes at all times, and with a maturity date not exceeding the immediately following Payment Date or, in the case of investments rated A-1 by S&P the earlier of such date and the date falling 30 days after the date on which the relevant investment is made, provided that, if other rating agencies than S&P have given a rating to the Senior Notes, any eligible investment shall also comply with the rating criteria of such additional rating agencies.

**"EONIA"** means the Euro Overnight Index Average as daily calculated by the European Central Bank.

**"Euribor"** means the Euro-zone inter-bank offered rate.

**"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).

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

**"Event of Default"**, when used in the context of the Hedging Agreements, has the meaning given to it in the relevant Hedging Agreements.

**"Excess Spread Rate"** means on any Confirmation Date (and taking into account also the Subsequent Receivables which are the subject of the Purchase Notice notified by Agos on the Purchase Notice Date immediately preceding such Confirmation Date) the difference between (i) the Rate of Return on such date and (ii) the weighted average (on the basis of the notional amount of each Hedging Agreement calculated with reference to the immediately following Purchase Date) of the fixed rates due to the Hedging Counterparties pursuant to the Hedging Agreements (executed or to be executed on the immediately following Payment Date).

**"Expenses"** means:

- (a) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations to third parties (other than the Other Issuer Creditors) incurred in the course of the Issuer's business in relation to the Programme; and
- (b) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to any Transaction Document.

**"Expenses Component"** means, with reference to a Receivable the management fees and any other fees or expenses (different from the fees and expenses included in the Principal Component and the Interest Component) due as part of the relevant Instalment as from (and including) the Financial Effective Date with reference to the Initial Receivables and from (and including) the relevant Valuation Date with reference to the Subsequent receivables. **"Financed Insurance Policies"** means (i) the Agos Insurance Policies and (ii) any other insurance policy entered into by Agos with reference to each Consumer Loan Agreement, subscribed by the relevant Debtor together with the Consumer Loan Agreement and under which Agos fully pays to the relevant Insurance Company the premium with reference to the relevant Consumer Loan Agreement, by the end of the calendar month immediately following the month of the subscription of the policy by the relevant Debtor.

**"Financial Effective Date"** means the 1 June 2006. (included)

**"First Issue Date"** means the issue date of the first Series of Notes under the Programme.

**"First Purchase Date"** means the purchase date of the Initial Portfolio, being 9 June 2006.

**"First Valuation Date"** means 30 April 2006 at 23:59.



“**General Criteria**” means the general criteria applicable to each Portfolio, as set forth in Exhibit “A” to the Master Transfer Agreement.

“**Individual Purchase Price**” means the purchase price of each Receivable, which is equal to the Principal Amount Outstanding of such Receivable as of the relevant Purchase Date.

“**Initial Outstanding Principal Amount of the Portfolio**” means the aggregate Principal Amount Outstanding of all Consumer Loans comprised in each relevant Portfolio as of the respective relevant Purchase Date for the transfer of the relevant Receivables.

“**Initial Principal Amount**” means, with reference to any Receivable, the aggregate of all the Principal Components due by the relevant Debtor from (and including) the Financial Effective Date with reference to the Initial Receivables and from (and including) the relevant Valuation Date with reference to the Subsequent Receivables, added with the relevant Accrual of Interests.

“**Initial Receivables**” means the Agos Initial Receivables and the Calyon Initial Receivables.

“**Insolvency Event**” means any of the events described in Condition 11.1(iii) (*Trigger Events*).

“**Insolvency Proceedings**” means any bankruptcy and other insolvency proceedings under Italian law, including *concordato preventivo*, *concordato fallimentare*, *amministrazione controllata*, *liquidazione coatta amministrativa*, *amministrazione straordinaria* and *amministrazione straordinaria delle grandi imprese in stato di insolvenza*.

“**Interest Amount**” has the meaning ascribed to such term in Condition 6.3 (*Determination of Rates of Interest and Calculation of Interest Amount*).

“**Interest Available Funds**” means, in respect of each Payment Date, the aggregate of:

- a) the interest accrued on the Issuer Accounts as well as any net proceed derived from the Eligible Investments realised during the Quarter Reference Period immediately preceding such Payment Date, and constituting clear funds on such Payment Date;
- b) the Collections of Interest and the Collections of Fees received during the Quarter Reference Period immediately preceding such Payment Date;
- c) any amount due and payable by all the Hedging Counterparties on such Payment Date;
- d) the aggregate of (i) the Recoveries received during the Quarter Reference Period immediately preceding such Payment Date; and (ii) the purchase price paid by the Originator for the repurchase of the Defaulted Receivables on the Business Day immediately preceding such Payment Date in the cases specified under clause 16 of the Master Transfer Agreement;
- e) the positive difference, if any, between (i) the purchase price to be paid by the Originator for the repurchase of the Receivables (excluding the price of any Defaulted Receivables) on the Business Day immediately preceding such Payment Date pursuant to Clause 16 of the Master Transfer Agreement and (ii) the Notes Principal Amount Outstanding of all the Notes on the Calculation Date immediately preceding such Payment Date;
- f) the positive difference, only in relation to Receivables which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable, if any, between (i) the Positive Price Adjustment paid by the Originator or by Calyon Milan as seller of the Calyon Initial Receivables to the Issuer during the Quarter Reference Period immediately preceding such Payment Date and (ii) the Principal Amount Outstanding of the relevant Receivables as determined on the date on which the Positive Price Adjustment has become due and payable;
- g) the Positive Price Adjustment paid by the Originator or by Calyon Milan as seller of the Calyon Initial Receivables for the repurchase of such Receivables which are Defaulted Receivables at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable;
- h) any amount paid and to be paid by Agos to the Issuer pursuant to Clause 4 and by Calyon Milan to the Issuer pursuant to Clause 6 of the Warranty and Indemnity Agreement from (and excluding) the preceding Payment Date to (and including) such Payment Date, (i) in respect of any cost or losses in interest borne or to be borne by the Issuer if the relevant Receivables is not a Defaulted Receivables as at the Payment Date immediately preceding the date on which such amount is due and payable or (ii) in respect of any Receivables which is a Defaulted Receivables as at the Payment Date immediately preceding the date on which such amount is due and payable;

- i) if such Payment Date is not falling during the Amortising Period, the positive balance on the Calculation Date immediately preceding such Payment Date, of the Additional Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments);
- j) if an Early Termination Event Notice is delivered, the positive balance on the Calculation Date immediately preceding such Payment Date of the Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments);
- k) if an Early Termination Event is delivered or if the Notes Principal Amount Outstanding of the Senior Notes has been totally redeemed (also taking into account the amounts in principal paid under the Principal Available Funds on such Payment Date), the positive balance on the Calculation Date immediately preceding such Payment Date of the Additional Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments) and of the Product Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments);
- l) if a Servicer's Event has occurred, (i) any amount received and to be received by the Issuer from (but excluding) the preceding Payment Date to (and including) such Payment Date pursuant to Clause 2 of any Commingling Guarantee (if any) or (ii) any amount drawn or to be drawn by the Issuer out of the Commingling Account from (but excluding) the preceding Payment Date to (and including) such Payment Date in accordance with the Cash Allocation, Management and Payments Agreement;
- m) any other amount received during the Quarter Reference Period immediately preceding such Calculation Date, not ascribable as amounts received under any of the above items as well as under any of the items of the definition of Principal Available Funds.

**“Interest Component”** means, with reference to each Receivable, the interest component of each Instalment which is due pursuant to the relevant Consumer Loan Agreement from (and including) the Financial Effective Date with reference to the Initial Receivables and from (and including) the relevant Valuation Date with reference to the Subsequent Receivables.

**“Interest Determination Date”** means the second Business Day before each Payment Date. In relation to the Initial Interest Period, the Interest Determination Date is the second Business Day before the relevant Series Issue Date.

**“Interest Period”** means (except for each relevant Initial Interest Period) each period from (and including) a Payment Date to (but excluding) the next succeeding Payment Date.

**“Issuance Period”** means the period starting on the First Issue Date and ending, but excluding, on the earlier of:

- (i) the Payment Date falling on May 2011; and
- (ii) the date on which the Purchase Period will end.

**“Issuer Accounts”** means the Collection Account, the Purchase Account, the Principal Reserve Account, the Early Principal Reserve Account, the General Account, the Commingling Account, the Defaulted Account, the Guarantee Account, the Capital Account, the Cash Reserve Account, the Additional Cash Reserve Account, the Product Cash Reserve Account and the Securities Account and **“Issuer Account”** means any of them.

**“Issuer Available Funds”** means, in respect of each Payment Date:

- (i) in respect of each Payment Date prior to the delivery of a Trigger Notice, the aggregate of the Interest Available Funds and the Principal Available Funds as of such date; or
- (ii) (a) in respect of each Payment Date upon the exercise of the Optional Redemption or (b) in respect of each Payment Date after the Senior Notes have been redeemed in full (also taking into account the amounts in principal paid under the Issuer Available Funds on such Payment Date) or (c) in respect of each Payment Date after the delivery of an Trigger Notice (which is not due to the occurrence of an Insolvency Event) or (d) in respect of any Business Day after the delivery of a Trigger Notice which is due to the occurrence of an Insolvency Event, all amounts standing on the Issuer Accounts (except on the Guarantee Account and on the Commingling Account) at such date and all amounts received or recovered on such Payment Date or Business Day as applicable by or on behalf the Issuer or the Representative of the Noteholders in respect of the Receivables and any Transaction Documents (any date under item (a), (b), (c) and (d), an **“Exceptional Date”**).

It is specified that any amount received by the Issuer in accordance with Clause 4.4 of the Servicing Agreement shall form part of the Interest Available Funds or the Principal Available Funds as applicable.

**“Issuer's Rights”** mean the Issuer's rights under the Transaction Documents.

**“Issuer Security”** means the Security Interests created under the Security Documents and any other agreement entered into by the Issuer from time to time and granted as security to the Issuer Creditors (or some of them) or to the Representative of the Noteholders for all or some of the Issuer Creditors.

**“Italian Law Transaction Documents”** means all those Transaction Documents entered into by the Issuer in the context of the Programme from time to time that are governed by Italian law.

**“Late Instalment”** means, with reference to a Cut-Off Date, any Instalment which is due during any calendar month immediately preceding such Cut-Off Date and which is not paid in whole or paid less than the 50% of the total amount of such Instalment as of the last day of the calendar month immediately following the month on which such Instalment was due..

**“Limit Interest Class B Event”** means on any Calculation Date preceding a Payment Date, the ratio of (a) the aggregate of the Principal Amount Outstanding (net of any Recoveries received until the Cut-Off Date immediately preceding such Calculation Date) of the Receivables which have become Defaulted Receivables for the first time from (but excluding) the Cut-Off Date immediately preceding the end of the Purchase Period to (and including) the Cut-Off Date immediately preceding such Calculation Date and (b) the Receivables Eligible Outstanding Amount as of the Calculation Date falling during the month on which the last Purchase Date is falling is higher than 7.66% or such other percentage as may be established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes).

**“Limit Interest Class C Event”** means on any Calculation Date preceding a Payment Date, the ratio of (a) the aggregate of the Principal Amount Outstanding (net of any Recoveries received until the Cut-Off Date immediately preceding such Calculation Date) of the Receivables which have become Defaulted Receivables for the first time from (but excluding) the Cut-Off Date immediately preceding the end of the Purchase Period to (and including) the Cut-Off Date immediately preceding such Calculation Date and (b) the Receivables Eligible Outstanding Amount as of the Calculation Date falling during the month on which the last Purchase Date is falling is higher than 4.40% or such other percentage as may be established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes).

**“Liquidation Date”** means the date by which any Eligible Investment is required to be liquidated pursuant to the terms of the Cash Allocation, Management and Payments Agreement, being the date falling (i) on the Business Day immediately preceding the next Payment Date, if the relevant Eligible Investment is made out of the Principal Reserve Account, the Early Principal Reserve Account, the Collection Account (with reference to the Collections of Interest or Collections of Fees received on the Collection Account), the Guarantee Account, the Commingling Account and the Cash Reserve Account, and (ii) on or prior to the Business Day preceding the immediately following Optional Purchase Date with regard to the other Eligible Investments.

**“Local Business Day”** means, in respect of each party to a Transaction Document, a business day of the city where such party’s relevant offices are located and in which the Trans-European Automated Real Time Gross Transfer System (TARGET) (or any substitute thereof) is open for business.

**“Maximum Purchase Amount”** means, on each Calculation Date the difference between:

- (i) the Principal Available Funds on such Calculation Date by reference to the immediately following Purchase Date and
- (ii) any amounts due on the Purchase Date immediately following such Calculation Date and to be paid, in accordance with the applicable Order of Priority, in priority to the payment of the Purchase Price of the relevant Subsequent Receivables.

**“Maximum Personal Loans Concentration”** means 25% or such other percentage as may established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating assigned to the then outstanding Senior Notes.

**“Meeting”** shall mean any meeting of one or more Classes of Noteholders of one or more Series pursuant to the Rules of Organisation of the Noteholders.

**“Minimum Rate”** means 5.2% or such other percentage as may established by the Issuer with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating assigned to the then outstanding Senior Notes.

“**Minimum Rating**” means a rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations at least equal to A1+ by S&P, and P1 by Moody’s.

“**Monte Titoli Account Holders**” means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli.

“**Monthly Reference Period**” means, with reference to each date, the calendar month immediately preceding such date

“**Moody’s**” means Moody’s Investors Service Inc.

“**Negative Price Adjustment**” means any amount to be paid by the Issuer to Agos or to Calyon Milan pursuant to Clause 11.4 (ii) of the Master Transfer Agreement.

“**New Vehicles**” means new cars, caravans or motorcycles having a displacement equal or higher than 55 cubic centimetres which have not been registered with the *Pubblico Registro Automobilistico* at the draw down date of the consumer loan

“**Notes Initial Principal Amount**” means, with reference to each Note (or, as the case may be, Class or Series of Notes), the principal amount outstanding thereof as of its (or, as the case may be, their) relevant Series Issue Date.

“**Notes Principal Amount Outstanding**” means, on any date:

- (a) in relation to each Series, the aggregate principal amount outstanding of all the Notes in such Series;
- (b) in relation to each Class of Notes of a specific Series, the aggregate principal amount outstanding of all the Notes in such Class of Notes of such Series;
- (c) in relation to each Class of Notes, the aggregate principal amount outstanding of all Notes in such Class of Notes in all Series; and
- (d) in relation to a Note, the principal amount of that Note upon issue (considering the relevant Series Issue Date) less the aggregate amount of all principal payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that date.

“**Noteholders**” means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class J Noteholders.

“**Official Gazette**” means the *Gazzetta Ufficiale della Repubblica Italiana*.

“**Optional Purchase Date**” means, during the Purchase Period, as from July 2006:

- (i) a Payment Date; or
- (ii) following receipt by the Issuer of the notice referred to under Clause 4.9 of the Master Transfer Agreement, the 27<sup>th</sup> day (or, if such day is not a Business Day, the Business Day immediately following such date) of any month immediately following the Payment Date immediately following receipt by the Issuer of the aforementioned notice.

“**Organisation of the Noteholders**” means the association of the Noteholders created on the First Issue Date.

“**Other Issuer Creditors**” means the Issuer Creditors other than the Noteholders, and “**Other Issuer Creditor**” means each of them.

“**Payment Date**” means the 27<sup>th</sup> day of February, May, August and November in each year (provided that, if any such day is not a Business Day, the interest on such Notes will be payable on the next following Business Day). The first Payment Date is 27 August 2006.

“**Period Ratio**” means

- (i) if such Calculation Date falls before or on the Calculation Date immediately preceding the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement or after the first Payment Date of the Amortisation Period, one (1); or
- (ii) on each other Calculation Date, the ratio between (i) the number of calendar days of the Monthly Reference Period immediately preceding such Calculation Date and (ii) the number of calendar days of the Quarter Reference Period immediately preceding the Payment Date which falls immediately following such Calculation Date.

“**Personal Loans Concentration**” means on any Confirmation Date the ratio between (i) the aggregate of the Principal

Amount Outstanding on such Confirmation Date of all the Receivables which are not Defaulted Receivables on such Confirmation Date and which are included in the Pool of the Personal Loans (considering the Subsequent Receivables acquired at the Purchase Date immediately following such Confirmation Date) and (ii) the Receivables Eligible Outstanding Amount as determined on such Confirmation Date (considering the Subsequent Receivables acquired at the Purchase Date immediately following such Confirmation Date).

“**Pool of the Furniture Loans**” means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing furniture (excluding domestic appliances).

“**Pool of the New Vehicles Loans**” means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing New Vehicles.

“**Pool of the Personal Loans**” means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan without a specific destination (although the purpose of the loan may be specified in the relevant loan’s request).

“**Pool of the Special Purpose Loans**” means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing an asset different from a New Vehicle, a Used Vehicle or a furniture.

“**Pool of the Used Vehicles Loans**” means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing Used Vehicles.

“**Positive Price Adjustment**” means any amount to be paid by Agos to the Issuer pursuant to Clause 11.3 (ii) of the Master Transfer Agreement.

“**Post-Enforcement Priority of Payments**” means the order of priority according to which the Issuer Available Funds shall be applied following the service of a Trigger Notice pursuant to Condition 5.2 (*Priority of Payments after the Delivery of a Trigger Notice*).

“**Pre-Enforcement Priority of Payments**” means each order of priority according to which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice pursuant to with Condition 5.1 (*Priority of Payments prior to the Delivery of a Trigger Notice*).

“**Principal Amount Outstanding**” means, with reference to any date and a Receivable, the aggregate of all the Principal Components due by the relevant Debtor from (but excluding) the Cut-Off Date immediately preceding such date or still unpaid as at such Cut-Off Date, added with the relevant Accrual of Interests still unpaid by the relevant Debtor. It’s understood that, with reference to any Subsequent Receivable, the Principal Amount Outstanding, calculated on a date immediately preceding each Purchase Date, is equal to the Initial Principal Amount of such Subsequent Receivable.

“**Principal Component**” means, with reference to each Receivable, the principal component of each Instalment (including the fees for the opening of the file due by the Debtor during the life of the Consumer Loan and the insurance premiums) which is due pursuant to the relevant Consumer Loan Agreement from (and including) the Financial Effective Date with reference to the Initial Receivables and from the relevant Valuation Date with reference to the Subsequent Receivables..

“**Principal Payment**” means the principal amount redeemable in respect of each Note, as defined and calculated pursuant to Condition 7.2 (*Mandatory pro rata Redemption*).

“**Principal Available Funds**” means:

in respect of each Purchase Date which is not a Payment Date, the aggregate of:

- (a) the Collections of Principal received during the immediately preceding Reference Period in relation to such Payment Date;
- (b) the positive balance of the Purchase Account on such Calculation Date (without considering any interest accrued thereon); and
- (c) the portion of any Positive Price Adjustment corresponding to the Principal Amount Outstanding of the relevant Receivables (which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable), paid by the Originator to the Issuer during the immediately preceding Reference Period in relation to such Payment Date; and

in respect of each Payment Date, the aggregate of:

- (a) the Collections of Principal received during the immediately preceding Reference Period in relation to such Payment Date;
- (b) the positive balance of the Purchase Account on the Calculation Date immediately preceding such Payment Date (without considering any interest accrued on such account);
- (c) the portion of any Positive Price Adjustment corresponding to the Principal Amount Outstanding of the relevant Receivables, paid by the Originator to the Issuer during the immediately preceding Reference Period in relation to such Payment Date (which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable);
- (d) the positive balance of the Principal Reserve Account on the Calculation Date immediately preceding such Payment Date (without considering any interest accrued and any net proceeds deriving from the Eligible Investments credited on such Principal Reserve Account);
- (e) the amount, if any, paid and to be paid by Agos to the Issuer under the Warranty and Indemnity Agreement from (but excluding) the preceding Payment Date to (and including) such Payment Date, as indemnity of any losses in principal borne or to be borne by the Issuer as a consequence of the occurrence of any event under clause 4 of such agreement (only in relation to Receivables which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the such indemnity is due and payable);;
- (f) the portion of the purchase price corresponding to the Notes Principal Amount Outstanding, paid by the Originator on the Business Day immediately preceding such Payment Date for the repurchase of the Receivables (excluding the price of any Defaulted Receivables) in the cases specified under Clause 16 of the Master Transfer Agreement;
- (g) any amount credited to the Defaulted Account out of the Interest Available Fund on such Payment Date; and
- (h) if such Payment Date is also a Series Issue Date, the balance (without considering the interest accrued thereon) of the Cash Reserve Required Amount in excess of the Cash Reserve Required Amount as at the Calculation Date immediately preceding such Payment Date; and
- (i) if the Notes Principal Amount Outstanding of the Senior Notes has been totally redeemed (also taking into account the principal payments made out of the Issuer Available Funds on such Payment Date) and if no Early Termination Event has occurred, the balance (without considering the interest accrued thereon) of the Cash Reserve Required Amount as at the Calculation Date immediately preceding such Payment Date; and
- (j) if such Payment Date is a Series Issue Date, the proceeds deriving from the issuance of such Notes (net of the issuance expenses, if any) of the Notes issued on such Series Issue Date.

“**Priorities of Payments**” means the order of priority according to which the Issuer Available Funds shall be applied pursuant to Condition 5 (*Priority of Payments*).

“**Priority of Payment of the Interest Available Funds**” means each order of priority according to which the Interest Available Funds shall be applied pursuant to Condition 5.1.2 (*Interest Priority of Payments prior to the delivery of a Trigger Notice*).

“**Privacy Law**” means the legislative decree no. 196 dated 30 June 2003 as amended and supplemented from time to time.

“**Product Cash Reserve Required Amount**” means at the Calculation Date immediately preceding the Payment Date immediately following the notice received under clause 4.10 of the Transfer Agreement, the product of (i) 0.05% and (ii) the Notes Principal Amount Outstanding of the Senior Notes on such Calculation Date (which shall include also any the Notes Principal Amount Outstanding of the Notes to be issued on such Payment Date and shall be reduced by the any principal reimbursement of the Notes to be made to be redeemed on such Payment Date).

“**Programme Final Maturity Date**” means the Payment Date falling on 27 August 2030.

“**Purchase Date**” means

- (i) the First Purchase Date; and
- (ii) during the Purchase Period and from the month of July 2006, each Optional Purchase Date on which Agos sells Receivables to the Issuer and “**relevant Purchase Date**” means with respect to each Receivable or Portfolio, the Purchase Date as of which such Receivable or Portfolio is transferred to the Issuer.

“**Purchase Notice Date**” means, during the Purchase Period, 11.00 a.m. of the date which falls 1 Business Days prior to each Report Date.

“**Purchase Option**” means the call option granted by the Issuer to the Originator pursuant to Clause 16 of the Master Transfer Agreement.

“**Purchase Option Purchase Price**” means the price to be paid by the Originator to the Issuer for the relevant Portfolio further to the exercise of the Purchase Option.

“**Purchase Period**” means the period starting on (and including) the First Purchase Date and ending on the earlier of:

- (i) the earlier of (a) the Optional Purchase Date falling in May 2016 (included) and (b) the Optional Purchase Date immediately preceding the date on which the latest Series Amortising Period (as defined below) of all the outstanding Series commences (included); and
- (ii) the date on which an Early Termination Event Notice (as defined below) is delivered (excluded).

“**Purchase Price**” means, with respect to each Portfolio, the aggregate of the Individual Purchase Prices of all the Receivables comprised in such Portfolio; and “**relevant Purchase Price**” or “**Purchase Price of the relevant Portfolio**” means, with reference to each relevant Portfolio, the purchase price therefor as established in the relevant Purchase Notice..

“**Quarter Reference Period**” means, with reference to each Calculation Date, the three Monthly Reference Periods immediately preceding such Calculation Date.

“**Registered Assets Insurance Policies**” means the insurance policies entered into by a Debtor with reference to a Consumer Loan Agreement against the risk of fire or theft of the registered asset financed pursuant to the relevant Consumer Loan Agreement, as security in favour of Agos.

“**Rate of Return**” means, on any date and with reference to the Receivables which are not Defaulted Receivables on such date and on the basis of the Aggregate Amortising Plan of such Receivables calculated as of the Cut-Off Date immediately preceding such date, the internal annual rate of return resulting from such Aggregate Amortising Plan.

“**Rating**” means each of the Class A Rating, the Class B Rating and the Class C Rating.

“**Rating Agency**” means (i) any of Moody’s and S&P; and/or (ii) any other rating agency which may from time to time give a credit rating to one or more Classes of Notes, and “**Rating Agencies**” means all of them.

“**Ratio Series**” means on each Calculation Date and with reference to each Series, the ratio between:

- (i) the ratio of (a) the Notes Principal Amount Outstanding of such Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date and (b) the Redeem Corrector of such Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date; and
- (ii) the aggregate, for all the Series outstanding, of the ratios of (a) the Notes Principal Amount Outstanding of the Notes of each Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date and (b) the relevant Redeem Corrector of the relevant Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date;

it being specified that if a Series is the last Series outstanding, the Ratio Series of such Series shall be equal to 100%.

“**Receivables**” means any and all monetary receivables and other rights arising from the Consumer Loan Agreements and transferred to the Issuer under the Transfer Agreements.

“**Relevant Margin**” means, in respect to each Class of Notes of each Series the margin specified in respect of such Class of Notes in the relevant Final Terms.

“**Receivables Eligible Outstanding Amount**” means, on each date and in relation to all the Receivables which are not Defaulted Receivables as of such date, the aggregate of all the Principal Components of such Receivables plus any unpaid Accrual of Interests due by the relevant Debtor from (but excluding) the Cut-Off Date immediately preceding such date.

“**Recoveries**” means any Collection received or recovered in relation to a Defaulted Receivable (including the purchase price received by the Issuer in respect of a Defaulted Receivable pursuant to clause 5.2 of the Servicing Agreement).

“**Redeem Corrector**” means, with reference to each Series and for each Calculation Date preceding a Payment Date, the value indicated in the relevant Final Terms and calculated on the relevant Series Issue Date, as the ratio between the

expected Notes Principal Amount Outstanding of such Series on a specific date and the expected Collection of principal (without taking into account any default and any prepayments under the relevant Consumer Loans) of the Receivables purchased out of the proceeds of such Series during the following three months; it being specified that no other Series of Notes issued under the Programme, other than the relevant Series, will be considered for the purpose of calculating such ratio.

“**Reference Banks**” means three (3) major banks in the Euro-zone inter-bank market selected by the Principal Paying Agent and approved by the Issuer.

“**Reference Period**” means, with reference to each date falling during the Purchase Period, the period starting from (but excluding) the Cut-Off Date preceding the last Purchase Date immediately prior to such date and ending on (and including) the Cut-Off Date preceding such date and, with reference to each date falling after the Purchase Period, the Quarter Reference Period immediately preceding such date, it being specified that the Reference Period may not exceed the Quarter Reference Period immediately preceding such date. The first Reference Period starts from the first Financial Effective Date (included) and ends at the Cut Off Date immediately following the First Purchase Date.

“**relevant Initial Interest Period**” means, with respect to the Notes of each Series, the period from (and including) the relevant Series Issue Date to (but excluding) the next succeeding Payment Date.

“**relevant Portfolio**” means those Receivables purchased in respect of the Notes of any given Series, and “**Portfolio**” means all of the Receivables transferred to the Issuer pursuant to the Programme as a whole.

“**relevant Final Terms**” or “**applicable Final Terms**” means the Final Terms prepared in relation to each Series or Class of Notes.

“**Report Date**” means, during the Purchase Period, 1.00 p.m. of the date which falls 13 Business Days prior to each Optional Purchase Date and, once the Purchase Period is expired, 1.00 p.m. of the date which falls 8 Business Days prior to each Payment Date.

“**Sale Option**” means the option of the Originator to sell Receivables to the Issuer during the Purchase Period pursuant to Clause 4 of the Master Transfer Agreement.

“**Securities Act**” means the U.S. Securities Act of 1933.

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

“**Securitised Assets**” means the assets relating to each securitisation transaction.

“**Security Documents**” means the Italian Deeds of Pledge and the English Deed of Charge.

“**Security Interest**” means any mortgage, charge, guarantee, 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.

“**S&P**” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“**Senior Noteholders**” means the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

“**Series Amortising Period**”

means, in relation to each Series, the period starting from (and excluding) the earlier of:

- (i) the first Payment Date falling at least 60 months after the relevant Series Issue Date; and
- (ii) in case of delivery of an Early Termination Event Notice, the Payment Date immediately following the later of the date on which an Early Termination Event Notice is delivered by the Programme Administrator to the Issuer and the date falling 18 months after the relevant Series Issue Date;

and ending on (and including) the earlier of:

- (i) the date defined as the Series Final Maturity Date in the relevant Final Terms (which shall fall, in any case, not later than the Programme Final Maturity Date); and
- (ii) the date on which the Notes of such Series are fully redeemed.



“**Series Final Maturity Date**” means the date, specified in the relevant Final Terms, on which the Notes of the relevant Series, unless previously redeemed in full or cancelled in accordance with the Conditions, are due to be repaid in full at their Notes Principal Amount Outstanding. The Series Final Maturity Date of each Series shall not fall after the Programme Final Maturity Date.

“**Series Initial Amortising Date**” means, in relation to each Series, upon delivery of an Early Termination Event Notice, the first Payment Date falling at least 18 months after the relevant Series Issue Date.

“**Series Issue Date**” or “**relevant Series Issue Date**” means, in respect of the Notes of each Series, the date specified as such in the applicable Final Terms.

“**Series Principal Reimbursement Reserve**” means on each Calculation Date preceding a Purchase Date and in respect of each Series for which the relevant Series Amortising Period has commenced, the lower of:

- (i) the Notes Principal Amount Outstanding of such Series on such Calculation Date less any Series Principal Reimbursement Reserve of such Series already credited to the Principal Reserve Account from the immediately preceding Payment Date (excluded); and
- (ii) the product of:
  - (a) the Ratio Series relating to such Series as of such Calculation Date; and
  - (b) the Available Principal Collections, if positive, received during the immediately preceding Reference Period in relation to such Calculation Date.

“**Series Principal to Redeem**” means, on each Calculation Date preceding a Payment Date and for each Series for which the relevant Series Amortising Period has commenced, the lower of:

- (i) the product of:
  - (c) the Ratio Series relating to such Series as of such Calculation Date; and
  - (d) the Available Principal Collections, if positive, received during the preceding Quarter Reference Period; and
- (ii) the Notes Principal Amount Outstanding of such Series on such Calculation Date;

provided that, if the Payment Date is the first Payment Date falling during the relevant Series Amortising Period, the Series Principal to Redeem is equal to the Series Principal Reimbursement Reserve as determined on such Calculation Date.

“**Servicer’s Event**” means any of the following events: an administrator, administrative receiver or liquidator of Agos is appointed over or in respect of the whole or any substantial part of the undertaking, assets and/or revenues of Agos or Agos becomes subject to any bankruptcy, liquidation, administration, insolvency, composition (among which, without limitation, “*fallimento*”, “*concordato preventivo*” and “*amministrazione controllata*”) or similar proceedings or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of Agos.

“**Servicer Minimum Rating**” means a rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations at least equal to A1 by S&P.

“**Servicer’s Report**” means the report to be prepared and delivered by the Servicer to, *inter alios*, the Issuer pursuant to Clause 8.1 of the Servicing Agreement.

“**Specific Criteria**” means the specific criteria specified as such in the relevant Transfer Agreement.

“**Spread Required Amount**” means, at any Confirmation Date, the product of:

- (i) the difference between:
  - (a) the Minimum Rate and
  - (b) the Excess Spread Rate of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date),
- (ii) the Average Life of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date), divided by twelve;
- (iii) the Receivables Eligible Outstanding Amount as determined on such Confirmation Date (which shall include

also any Subsequent Receivable to be transferred on the immediately following Payment Date).

“**Stichting Trustmate 4**” means the *stichting* named Stichting Trustmate 4, incorporated under the laws of the Netherlands, having its registered office at Fred. Roeskestraat 123, 1076 EE, Amsterdam, the Netherlands.

“**Stock Exchange**” means the Luxembourg Stock Exchange or any other stock exchange where one or more Classes of Notes may be listed from time to time.

“**Subsequent Portfolio**” means any Portfolio (other than the Initial Portfolio) purchased by the Issuer from the Originator pursuant to the terms of the Master Transfer Agreement.

“**Subsequent Receivables**” means the Receivables included in any Subsequent Portfolio.

“**Subsequent Portfolio Purchase Conditions**” means the conditions precedent to be satisfied in connection with the purchase by the Issuer of each Subsequent Portfolio.

“**Subscription Agreements**” means the Senior Notes Subscription Agreements and the Class J Notes Subscription Agreements, as from time to time modified in accordance with the provisions contained therein and including any agreement or other document expressed to be supplemental thereto, and “**Subscription Agreement**” means any of them.

“**Theoretical Excess Spread**” means, on each Calculation Date, the ratio of:

(A) the difference between:

(a) the aggregate of:

(i) the Collections of Interest and the Collections of Fees, including any Collections received with respect to the Accrual of Interest, received during the Calculation Reference Period preceding such Calculation Date, plus

(ii) any amount due and payable by the Hedging Counterparties on the immediately following Payment Date multiplied by the Period Ratio as of such Calculation Date and further multiplied by the Collateral Ratio as of the immediately preceding Calculation Date, plus

(iii) the ratio, if positive, of (i) the Spread Required Amount as determined on the Confirmation Date immediately preceding the Payment Date immediately preceding such Calculation Date and (ii) the Average Life of the Portfolio as determined on the Confirmation Date immediately preceding the Payment Date immediately preceding such Calculation Date (which shall include also any Subsequent Receivable to be purchased on the Payment Date immediately following such Confirmation Date) (it being specified that such ratio shall be multiplied by 3 if the Calculation Reference Period is equal to a Quarterly Reference Period) and

(iv) the Interest Component which should have been paid by the relevant Debtor according to the amortising plan of each Receivable during the Calculation Reference Period, but not paid by the Debtor during the Calculation Reference Period following the exercise by the relevant Debtor of the option granted to it to postpone the payment of the relevant Instalment;

(b) the aggregate of:

(i) an amount equal to the aggregate of the payments to be made by the Issuer on the immediately following Payment Date under items (i), (iii), (iv) and (v) (taking into account only the fees to be paid in respect of the Receivables which are not Defaulted Receivables), (vi), (viii), (x) and (xii) of the Priority of Payments of the Interest Available Funds, prior to the delivery of a Trigger Notice, all multiplied by the Period Ratio as of such Calculation Date and further, multiplied (limited to the payments under items (vi), (viii), (x) and (xii)) by the Collateral Ratio as of the immediately preceding Calculation Date; and

(ii) the Principal Amount Outstanding (as calculated on the date on which such Receivables become a Defaulted Receivables) of the Receivables which have become Defaulted Receivables for the first time during the Calculation Reference Period immediately preceding such Calculation Date; and

(B) (a) if the Calculation Reference Period is equal to a Quarterly Reference Period, the arithmetic average of the Receivables Eligible Outstanding Amount as of the Calculation Date immediately preceding such Calculation Date and as of such Calculation Date; or

(b) if the Calculation Reference Period is equal to a Monthly Reference Period, the Receivables Eligible Outstanding Amount as of the Calculation Date immediately preceding such Calculation Date;

For the purpose of all the calculations to be made under this definition, “**Calculation Reference Period**” means

(i) if such Calculation Date falls before or on the Calculation Date immediately preceding the date on which the Issuer has received the notice provided for under Clause 4.9 of the Master Transfer Agreement or after the first Payment Date of the Amortisation Period, the Quarterly Reference Period and;

(ii) on each other Calculation Date, the Monthly Reference Period.

“**Three Month Euribor**” has the meaning set forth in Condition 6.2.1(B) (*Rate of Interest*).

“**Trigger Event**” has the meaning ascribed to such term in Condition 11 (*Trigger Events and Early Termination Events*).

“**Trigger Notice**” has the meaning ascribed to such term in Condition 11 (*Trigger Events and Early Termination Events*).

“**Unpaid Amount**” means, in relation to any Collection, credited by Agos to the Collection Account in accordance with the Servicing Agreement, the unpaid amount of such Collection on the relevant due date, as verified by Agos, in its capacity as Servicer, following the above mentioned crediting to the Collection Account.

“**U.S. persons**” has the meaning given to it in the Securities Act.

“**Used Vehicles**” means new cars, caravans, motorcycles and watercrafts (*imbarcazione da diporto*) different from the New Vehicles.

“**Usury Law**” means the Italian Law n. 108 of 7 March 1996 together with Decree n. 394 of 29 December 2000 which has been converted in law by Law n. 24 of 28 February 2001.

“**Valuation Date**” means:

- (iv) the First Valuation Date;
- (v) the Cut-Off Date immediately preceding a Purchase Date.

## **2. Form, Denomination, Status**

- 2.1 The Notes are in bearer form and dematerialised and will be wholly and exclusively deposited with Monte Titoli in accordance with Article 28 of Italian Legislative Decree No. 213 of 24 June 1998, through the authorised institutions listed in Article 30 of such Legislative Decree.
- 2.2 The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption for the account of the relevant Monte Titoli Account Holder. The expression “**Monte Titoli Account Holder**” means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli. Title to the Notes will be evidenced by one or more book entries in accordance with the provisions of (i) Article 28 of Italian Legislative Decree No. 213 of 24 June 1998 and (ii) CONSOB Resolution No. 11768 of 23 December 1998, each as amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.
- 2.3 The Senior Notes will be issued in denominations of € 50,000 or integral multiples thereof. The Class J Notes will be issued in denominations of € 50,000 or higher than € 50,000, with a minimum increase equal to € 10,000 or integral multiples thereof. [Each Series may include up to one hundred Class J Notes.]
- 2.6 Each Note is issued subject to and with the benefit of the Security Documents.

## **3. Status, Priority and Segregation**

- 3.1 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 conditioned 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 Portfolio and the other Issuer's Rights. 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.
- 3.2 The Notes are secured by certain assets of the Issuer pursuant to the Security Documents and in addition, by operation of Italian law, the Issuer's right, title and interest in and to the Portfolio is segregated from all other assets of the Issuer. Amounts deriving from the Portfolio will only be available, both prior to and following the winding-up of the Issuer, to satisfy the obligations of the Issuer to the Issuer Creditors in the order of priority set forth in

Condition 5 (*Priorities of Payments*) and to any third party creditor in respect of costs, fees and expenses incurred by the Issuer to such third party creditor in relation to the Programme. However, there will be no segregation as between the Receivables transferred to the Issuer from time to time in connection with the issue of each Series and those transferred in respect of the Programme as a whole and accordingly, all Receivables from time to time comprised in the Portfolio and all amounts derived therefrom will be available to satisfy the obligations of the Issuer under all Notes outstanding under the Programme from time to time, subject to and in accordance with the Conditions, including in particular Condition 6.4.2 (*Interest Amount Arrears*) and Condition 7.2 (*Mandatory pro rata Redemption*).

3.3 The Notes of each Class of any one Series will rank *pari passu* among themselves and, subject to the provisions of Condition 6.4.2 (*Interest Amount Arrears*) and Condition 7.2 (*Mandatory pro rata Redemption*) below, among the Notes of the same Class issued in previous and future Series.

3.4 In respect of the obligation of the Issuer to pay interest on the Notes before the delivery of a Trigger Notice:

- (a) the Class A Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes and the Class J Notes, in each case, of all Series;
- (b) the Class B Notes of all Series will rank *pari passu* without preference or priority among themselves and in priority to the Class C Notes and the Class J Notes but subordinated to the Class A Notes, in each case, of all Series;
- (c) the Class C Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class J Notes but subordinated to the Class A Notes and the Class B Notes, in each case, of all Series; and
- (d) the Class J Notes of all Series shall rank *pari passu* without preference or priority amongst themselves but subordinated to the Class A Notes, the Class B Notes and the Class C Notes, in each case, of all Series,

*provided however that:*

(AA) upon the occurrence of the Limit Interest Class B Event and an Early Termination Event Notice (which is due to the occurrence of any of the Early Termination Events specified under letters (i) or (l) of the definition of Early Termination Event contained in Condition 11.2 hereunder) is delivered, as well as in the case in which the Class A Notes of all the Series are not totally redeemed (also taking into account the amounts of principal paid under the Principal Available Funds on such Payment Date of such Class A Notes) the interest to be paid on the Class B Notes, Class C Notes and Class J Notes shall be subordinated to the redemption in full of the Class A Notes;

(BB) upon the occurrence of the Limit Interest Class C Event and an Early Termination Event Notice (which is due to the occurrence of any of the Early Termination Events specified under letters (i) or (l) of the definition of Early Termination Event contained in Condition 11.2 hereunder) is delivered, as well as in the case in which the Class A Notes and the Class B Notes of all the Series are not totally redeemed (also taking into account the amounts of principal paid under the Principal Available Funds as of such Payment Date of such Class A Notes and Class B Notes) the interest to be paid on the Class C Notes and Class J Notes shall be subordinated to the redemption in full of the Class A Notes and the Class B Notes.

3.5 In respect of the obligation of the Issuer to repay principal on the Notes on any Payment Date before the delivery of a Trigger Notice and of an Early Termination Event Notice,

- (a) the Class A Notes of each Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes and the Class J Notes, in each case, of such Series;
- (b) the Class B Notes of each Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class C Notes and the Class J Notes but subordinated to the Class A Notes of such Series;
- (c) the Class C Notes of each Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class J Notes but subordinated to the Class A Notes and the Class B Notes, in each case, of such Series; and
- (d) the Class J Notes of each Series will rank *pari passu* without preference or priority amongst themselves but subordinated to the Class A Notes, the Class B Notes and the Class C Notes, in each case, of such Series,

3.6 In respect of the obligation of the Issuer to repay principal on the Notes on any Payment Date before the delivery of a Trigger Notice, but after the delivery of an Early Termination Event Notice,

- (e) the Class A Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes and the Class J Notes of all Series;
- (f) the Class B Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class C Notes and the Class J Notes but subordinated to the Class A Notes of all Series;
- (g) the Class C Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class J Notes but subordinated to the Class A Notes and the Class B Notes of all Series; and
- (h) the Class J Notes of all Series will rank *pari passu* without preference or priority amongst themselves but subordinated to the Class A Notes, the Class B Notes and the Class C Notes of all Series,

*provided however that:* in respect of the Notes of each Series and subject to Condition 7.6 (*Change of Law*), any Principal Payment which would otherwise be due and payable to the Noteholders of each Series before the relevant Series Initial Amortising Date shall be deposited in the Early Principal Reserve Account and the amounts of Principal Payment so accumulated in respect of each Series will be paid to the Noteholders of the relevant Series not considering the relevant Priority of Payments on the first Payment Date after such Series Initial Amortising Date (or on such Series Initial Amortising Date if coincident with a Payment Date).

3.7 In respect of the obligation of the Issuer to pay interest and repay principal on the Notes after the delivery of a Trigger Notice,

- (a) the Class A Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes and the Class J Notes, in each case, of all Series;
- (b) the Class B Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class C Notes and the Class J Notes but subordinated to the Class A Notes of all Series;
- (c) the Class C Notes of all Series will rank *pari passu* without preference or priority amongst themselves and in priority to the Class J Notes but subordinated to the Class A Notes and the Class B Notes, in each case, of all Series; and
- (d) the Class J Notes of all Series shall rank *pari passu* without preference or priority amongst themselves but subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class J Notes, in each case, of all Series.

*provided however that,* if the Trigger Notice is not due to the occurrence of an Insolvency Event, in respect of the Notes of each Series and subject to Condition 7.6 (*Change of Law*), any Principal Payment which would otherwise be due and payable to the Noteholders of each Series before the relevant Series Initial Amortising Date shall be deposited in the Early Principal Reserve Account and the amounts of Principal Payment so accumulated in respect of each Series will be paid to the Noteholders of the relevant Series not considering the relevant Priority of Payments on the first Payment Date after such Series Initial Amortising Date (or on such Series Initial Amortising Date if coincident with a Payment Date).

3.8 As long as the Notes of a Class ranking in priority to the other Classes of Notes are outstanding, unless notice has been given to the Issuer declaring the Notes of such Class due and payable, the Notes of the Class(es) ranking below may not be declared due and payable and the Noteholders of the outstanding Class of Notes ranking in the highest priority shall be entitled to determine the remedies to be exercised.

3.9 The Intercreditor Agreement contains provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretion of the Representative of the Noteholders under or in connection with the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is or may be a conflict between the interests of the Noteholders of any Class(es) of Notes, the Representative of the Noteholders is required to regard only the interests of the Noteholders of the Class of Notes ranking highest in the applicable Priority of Payments, until such Class of Notes has been redeemed in full.

3.10 References in these Conditions to the **“highest ranking Notes”** or **“highest ranking Class of Notes”** means:

- (a) the Class A Notes for so long as there are Class A Notes outstanding;
- (b) after all Class A Notes have been repaid in full or cancelled, the Class B Notes for so long as there are Class B Notes outstanding;
- (c) after all Class B Notes have been repaid in full or cancelled, the Class C Notes for so long as there are Class C

Notes outstanding; and

- (d) after all Class C Notes have been repaid in full or cancelled, the Class J Notes, for so long as there are Class J Notes outstanding.

#### 4. Covenants

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

##### 4.1 *Negative pledge*

create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets (save for any Security Interest created in connection with the Programme) or sell, lend, part with or otherwise dispose of the Portfolio or any part thereof or any of its assets; or

##### 4.2 *Restrictions on activities*

(a) engage in any activity whatsoever or enter into any document which is not necessary or incidental to or in connection with the Transaction Documents, the implementation of the Programme or any further securitisation carried out in accordance with Condition 4.11 (*Further Securitisations*) or

(b) have any subsidiary ("*società controllata*" or "*società collegata*", 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 Senior Noteholders or do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Senior Noteholders; or

(d) become the owner of any real estate asset, including in the context of a foreclosure proceeding over the assets of the Debtors, Obligors and Mortgagors; or

##### 4.3 *Dividends or Distributions*

pay any dividend or make any other distribution or return or repay any equity capital to its quotaholders, or increase its capital, save as required by the applicable law; or

##### 4.4 *De-registrations*

ask for its de-registration from the register kept by *Ufficio Italiano dei Cambi* under Article 106 of the Consolidated Banking Act or from the register kept by the Bank of Italy under Article 107 of the Consolidated Banking Act or from any other register on which it may from time to time have been registered pursuant to future legislation requesting such registration, for as long as the Securitisation Law, the Consolidated Banking Act or any other applicable law or regulation requires the Issuer of the Notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered therewith; or

##### 4.5 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save in respect of any indebtedness to be incurred in relation to any further securitisation carried out in accordance with Condition 4.11 (*Further Securitisations*)) or give any guarantee in respect of indebtedness or of any obligation of any person, save as provided in the Transaction Documents; or

##### 4.6 *Merger or de-merger*

enter into any consolidation or merger or de-merger or reconstruction or otherwise convey or transfer its properties or assets substantially or as an entirety to any other person or entity; or

##### 4.7 *No variation or waiver*

permit any of the Transaction Documents to which it is a party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any such Transaction Documents to which it is a party, or

permit any party to any of the Transaction Documents to which it is a party to be released from the obligations thereunder; or

#### 4.8 *Bank Accounts*

have an interest in any bank account other than the Issuer Accounts or as provided in the Transaction Documents or any bank accounts opened in connection with the implementation of the Programme or of a further securitisation carried out in accordance with Condition 4.11 (*Further Securitisations*); or

#### 4.9 *Statutory Documents*

amend, supplement or otherwise modify its *atto costitutivo* or *statuto*, other than when so required by law or by any competent regulatory authority; or

#### 4.10 *Further issues under the Programme*

issue any further Series of Notes under the Programme (a) when such issuance would cause the Programme Limit to be exceeded; and (b) unless it has first received written confirmation from the Rating Agencies that: (x) the issue of such further Series of Notes shall not negatively affect the rating of any existing Senior Notes; and (y) each Class of Notes of such further Series shall receive a rating equal to the then prevailing rating of Notes of the corresponding Class of existing Series.

#### 4.11 *Further Securitisations*

carry out other securitisation transactions outside the Programme or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, act, deed or agreement in connection with any other securitisation transaction outside the Programme, *unless*: (a) the receivables under such other securitisation transaction outside the Programme are originated by Agos; and (b) the Issuer has obtained from each Rating Agency prior written confirmation that any such securitisation transaction would not negatively affect the then current rating of any of the Senior Notes issued and outstanding under the Programme; or

#### 4.12 *Centre of Interest*

move its "centre of main interests" (as that term is used in Article 3(1) of Council Regulation (EC) 1346/2000 on insolvency proceedings which came into force on 31 May 2002) outside the Republic of Italy; or

#### 4.13 *Branch outside Italy*

establish any branch outside Italy; or

#### 4.14 *Corporate Records*

cease to maintain corporate records, financial statements or books of account separate from those of the Originator and of any other person or entity; or

#### 4.15 *Corporate Formalities*

cease to comply with all corporate formalities necessary to ensure its corporate existence and good standing.

## 5. **Priorities of Payments**

### 5.1 ***Priority of Payments prior to the delivery of a Trigger Notice***

#### 5.1.1 *Priority of Payments prior to the delivery of an Early Termination Event Notice on a Purchase Date which is not a Payment Date*

On each Purchase Date which is not a Payment Date and prior the delivery of an Early Termination Event Notice, the Issuer shall procure that the Principal Available Funds are applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full and provided that any arrear in the payment of any item shall be paid in priority to any new payment due on such Purchase Date in respect of the same item):

- (i) to credit, in respect of all the Series entered in the relevant Series Amortising Period, the Principal Reserve Account of the relevant Series Principal Reimbursement Reserve calculated on the Calculation

Date immediately preceding such Purchase Date and by reference to the immediately preceding Reference Period;

- (ii) to pay to the Originator the Purchase Price of any Subsequent Portfolio purchased on such Purchase Date;
- (iii) to credit any residual amount on the Purchase Account.

#### 5.1.2 Interest Priority of Payments prior to the delivery of a Trigger Notice

On each Payment Date prior to the delivery of a Trigger Notice, the Issuer shall procure that the Interest Available Funds are applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full and provided that any arrear in the payment of any item shall be paid in priority to any new payment due on such Payment Date in respect of the same item):

- i to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any all outstanding taxes due and payable by the Issuer on such Payment Date; and (b) any Expenses due and payable on such Payment Date by the Issuer, to the extent that they have not been paid with the amounts standing to the Expenses Account;
- ii if the Payment Date is a Cancellation Date, to pay to the Servicer the Interest Component and the Expenses Component of any amount due to the Servicer pursuant to Clause 4.2, last Paragraph, of the Servicing Agreement;
- iii to pay the remuneration due to the Representative of the Noteholders and any costs and expenses incurred by the Representative of the Noteholders pursuant to, or in connection with, any of the Transaction Documents, to the extent that they have not been paid with the amounts standing to the Expenses Account;
- iv to pay *pari passu* and *pro rata* according to the respective amounts thereof, (i) any amounts due and payable on such Payment Date to the Calculation Agent, the Cash Manager, the Account Bank, the Paying Agents, the Corporate Servicer and the Programme Administrator, and (ii) to credit the Expenses Account the amount necessary to ensure that the balance, at such Payment Date, of the Expenses Account is equal (after credit) to the Expenses Required Amount;
- v to pay any amount due and payable on such Payment Date to the Servicer under the Servicing Agreement;
- vi to pay *pari passu* and *pro rata* any amounts due and payable to the Hedging Counterparties under the Hedging Agreements, except for any amounts due and payable under item (xxii) below;
- vii to pay *pari passu* and *pro rata* to the Commingling Guarantee Providers (if any) which have credited the Guarantee Account pursuant to Clause 5 of any Commingling Guarantee, all the interest matured on the Guarantee Account in respect of the amount respectively credited by each of them;
- viii to pay *pari passu* and *pro rata* all amounts due and payable on such Payment Date in respect of interest on the Class A Notes;
- ix if
  - (a) a Limit Interest Class B Event has occurred as of the immediately preceding Calculation Date and an Early Termination Event Notice (which is due to the occurrence of any of the Early Termination Events specified under letters (i) or (l) of the definition of Early Termination Event) has been delivered; and
  - (b) the Class A Notes of all the Series have not been totally redeemed (also taking into account the Class A Notes to be redeemed on such Payment Date);to pay to the Class A Noteholders an amount up to the Notes Principal Amount Outstanding of the Class A Notes of all the Series (net of any reimbursement on the Class A Notes made on such Payment Date out of the Principal Available Funds), or, if such Payment Date falls before the Series Initial Amortising Date of the Class A Notes of any Series, to credit the Early Principal Reserve Account of an amount up to the Notes Principal Amount Outstanding of the Notes of such Series;
- x to pay *pari passu* and *pro rata* all amounts due and payable on such Payment Date in respect of interest on the Class B Notes;



xi if

(a) a Limit Interest Class C Event has occurred as of the immediately preceding Calculation Date and an Early Termination Event Notice (which is due to the occurrence of any of the Early Termination Events specified under letters (i) or (l) of the definition of Early Termination Event) has been delivered; and

(b) the Class A Notes and the Class B Notes of all the Series have not been totally redeemed (also taking into account the Class A Notes and the Class B Notes to be redeemed on such Payment Date);

to pay to the Class A Noteholders an amount up to the Notes Principal Amount Outstanding of the Class A Notes of all the Series considering the reimbursement on the Class A Notes made on such Payment Date under the Principal Available Funds, and, after full redemption of the Class A Notes; to pay to the Class B Noteholders an amount up to the Notes Principal Amount Outstanding of the Class B Notes of all the Series (net of any reimbursement on the Class B Notes made on such Payment Date out of the Principal Available Funds), or, if such Payment Date falls before the Series Initial Amortising Date of the Class A Notes and the Class B Notes of any Series, to credit the Early Principal Reserve Account of an amount up to the Notes Principal Amount Outstanding of the Notes of such Series;

xii to pay *pari passu* and *pro rata* all amounts due and payable on such Payment Date in respect of interest on the Class C Notes;

xiii if an Early Termination Event Notice has been delivered and the Notes Principal Amount Outstanding of the Senior Notes has not been totally redeemed (also taking into account the amounts in principal paid under the Principal Available Funds on such Payment Date) and if the Notes Principal Amount Outstanding (also taking into account the amounts to be paid on such Payment Date out of the Principal Available Funds) of all the Senior Notes is higher than the Interest Available Funds available for the purpose of this item (xiii), to credit the Cash Reserve Account up to the Cash Reserve Required Amount (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments);

xiv to credit to the Defaulted Account, all the amounts debited out of the Principal Available Funds as Defaulted Interest Amount until (and including) such Payment Date;

xv to credit to the Defaulted Account the Principal Amount Outstanding (determined as of the date on which the Receivables have become Defaulted Receivables) of the Receivables which have become Defaulted Receivables for the first time during the Quarter Reference Period preceding such Payment Date;

xvi if an Early Termination Event Notice has been delivered, and the Notes Principal Amount Outstanding of the Seniors Notes has not been totally redeemed (also taking into the principal payments made out of the Principal Available Funds on such Payment Date), to pay to the Senior Noteholders an amount up to the aggregate of (a) Notes Principal Amount Outstanding of the Class A Notes and, upon full redemption of the Class A Notes, (b) the Notes Principal Amount Outstanding of the Class B Notes of all the Series, and, upon full redemption of the Class A Notes and the Class B Notes, (c) the Notes Principal Amount Outstanding of the Class C Notes of all the Series;

xvii to pay *pari passu* and *pro rata* any amount due by Agos as Commitment Fees under any Commingling Guarantee (if any) but not paid after 30 days following the due date thereof;

xviii to pay *pari passu* and *pro rata* to the Commingling Guarantee Providers (if any) all amount due as Drawing Fees under the relevant Commingling Guarantees;

xix to reimburse *pari passu* and *pro rata* to the Commingling Guarantee Providers (if any) all amount drawn under the relevant Commingling Guarantees (also taking into account the amounts paid out of the Principal Available Funds on such Payment Date);

xx if such Payment Date is not falling during the Amortisation Period, to credit the Additional Cash Reserve Account up to an amount equal to the Additional Cash Reserve Required Amount (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments), as of the Confirmation Date immediately preceding such Payment Date;

xxi if such Payment Date is the Payment Date immediately following receipt of the notice under Clause 4.10 of the Master Transfer Agreement, to credit the Product Cash Reserve Account up to an amount equal to the Product Cash Reserve Required Amount, as of the Calculation Date immediately preceding such

Payment Date;

- xxii to pay any amounts due and payable to any Hedging Counterparty upon early termination of the relevant Hedging Agreement in the event that such Hedging Counterparty is the "Defaulting Party" or the sole "Affected Party" as both terms are defined in the Hedging Agreements;
- xxiii to pay to the Originator, any amount and payable on such Payment Date under Clause 8 of the Warranty and Indemnity Agreement;
- xxiv to pay *pari passu* and *pro rata* the Class J Base Interest to the Class J Notes;
- xxv to pay *pari passu* and *pro rata* any residual amount as Class J Additional Interest to the Class J Notes.

### 5.1.3 *Principal Priority of Payments prior to the delivery of a Trigger Notice*

On each Payment Date prior to the delivery of a Trigger Notice, the Issuer shall procure that the Principal Available Funds are applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full and provided that any arrear in the payment of any item shall be paid in priority to any new payment due on such Payment Date in respect of the same item):

#### 5.1.3.1 *Priority of Payments Prior to the delivery of an Early Termination Event Notice*

- (a) to pay, up to the Defaulted Interest Amount as of such Payment Date:
  - (1) the aggregate amount due but unpaid out of the Interest Available Funds under items (i), (iii), (iv), (v), (vi) and (vii) of the Priority of Payments of the Interest Available Funds;
  - (2) upon payment in full of the amounts under the item (1) above, *pari passu* and *pro rata* to the Class A Noteholders any amount of interest due and payable on such Payment Date but not paid out of the Interest Available Funds in respect of the Class A Notes;
  - (3) upon payment in full of the amounts under items (1) and (2) above, *pari passu* and *pro rata* to the Class B Noteholders any amount of interest due and payable on such Payment Date but not paid out of the Interest Available Funds in respect of the Class B Notes, (except where the circumstances under item (ix) of the Priority of Payments of the Interest Available Funds, occur);
  - (4) upon payment in full of the amounts under items (1), (2) and (3) above, *pari passu* and *pro rata* to the Class C Noteholders any amount of interest due and payable on such Payment Date but not paid out of the Interest Available Funds in respect of the Class C Notes, (except where the circumstances under item (xi) of the Priority of Payments of the Interest Available Funds, occur);
- (b) in respect of all the Series for which the Series Amortising Period has commenced, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class A Notes of such Series for an amount equal to the Series Principal to Redeem of such Series as of the Calculation Date preceding such Payment Date;
- (c) in respect of all the Series for which the Series Amortising Period has commenced, upon full redemption of the Class A Notes of the relevant Series, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class B Notes of such Series for an amount equal to the Series Principal to Redeem of such Series as of the Calculation Date preceding such Payment Date (less any amount already paid in respect of the relevant Series under item (b) above);
- (d) in respect of all the Series for which the Series Amortising Period has commenced, upon full redemption of the Class A Notes and the Class B Notes of the relevant Series, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class C Notes of such Series for an amount equal to the Series Principal to Redeem of such Series as of the Calculation Date preceding such Payment Date (less any amount already paid in respect of the relevant Series under item (b) and (c) above);
- (e) in respect of all the Series for which the Series Amortising Period has commenced (i) upon full redemption of the Class A Notes, the Class B Notes and the Class C Notes of the relevant Series, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class J Notes of such Series for an amount equal to the Series Principal to Redeem of such Series (less any amount already paid in respect of the relevant Series under items (b), (c) and (d) above) and (ii) if such Payment Date is also a Series Issue Date, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class J Notes of such Series for an amount equal to the amount drawn out of the Cash Reserve Account as at such Series Issue Date;

- (f) if such Payment Date is also a Series Issue Date, to credit the Cash Reserve Account up to an amount equal to the Cash Reserve Required Amount, as of such Series Issue Date;
- (g) if the Payment Date is also a Cancellation Date, to pay to the Servicer the Principal Component of any amount due to the Servicer pursuant to Clause 4.2, last Paragraph, of the Servicing Agreement;
- (h) to pay to the Originator or to Calyon Milan, any Negative Price Adjustment to be paid on such Payment Date;
- (i) to pay to the Originator the Purchase Price of any Subsequent Portfolio purchased on such Payment Date;
- (j) to credit any residual amount to the Purchase Account or if the Notes Principal Amount Outstanding of the Senior Notes has been totally redeemed, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class J Notes of all the Series;
- (k) to pay *pari passu* and *pro rata* any residual amount as Class J Additional Interest to the Class J Notes.

#### 5.1.3.2 Priority of Payments After the delivery of an Early Termination Event Notice

- (a) to pay, up to the Defaulted Interest Amount as of such Payment Date:
  - 1) the aggregate amount due but unpaid out of the Interest Available Funds under the items (i), (iii), (iv), (v), (vi) and (vii) of the Priority of Payments of the Interest Available Funds;
  - 2) upon payment in full of the amounts under item (1) above, *pari passu* and *pro rata* to the Class A Noteholders any amount of interest due and payable on such Payment Date, but not paid out of the Interest Available Funds in respect of the Class A Notes ;
  - 3) upon payment in full of the amounts under items (1) and (2) above, *pari passu* and *pro rata* to the Class B Noteholders any amount for interest due and payable on such Payment Date but not paid out of the Interest Available Funds in respect of the Class B Notes, (except where the circumstances under item (ix) of the Priority of Payment of the Interest Available Fund occur);
  - 4) upon payment in full of the amounts under items (1), (2) and (3) above, *pari passu* and *pro rata* to the Class C Noteholders any amount of interest due and payable on such Payment Date but not paid out of the Interest Available Funds in respect of the Class C Notes, (except where the circumstances under item (xi) of the Priority of Payment of the Interest Available Fund occur);
- (b) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class A Notes of all the Series or, prior to the Series Initial Amortisation Date of each Series, to transfer to the Early Principal Reserve Account any amount relating to the Principal Payment of the Class A Notes of such Series;
- (c) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class B Notes of all the Series or, prior to the Series Initial Amortisation Date of each Series, to transfer to the Early Principal Reserve Account any amount relating to the Principal Payment of the Class B Notes of such Series;
- (d) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class C Notes of all the Series or, prior to the Series Initial Amortisation Date of each Series, to transfer to the Early Principal Reserve Account any amount relating to the Principal Payment of the Class C Notes of such Series;
- (e) to reimburse *pari passu* and *pro rata* to the Commingling Guarantee Providers (if any) all amount drawn under the relevant Commingling Guarantee;
- (f) if the Payment Date is also a Cancellation Date, to pay to the Servicer the eventual Principal Component of any amount due to the Servicer pursuant to Clause 4.2, last Paragraph, of the Servicing Agreement;
- (g) to pay to the Originator or to Calyon Milan, any Negative Price Adjustment to be paid on such Payment Date;
- (h) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class J Notes of all the Series or, prior to the Series Initial Amortisation Date of each Series, to transfer to the Early Principal Reserve Account any amount relating to the Principal Payment of the Class J Notes of such Series; and
- (i) to pay *pari passu* and *pro rata* any residual amount as Class J Additional Interest to the Class J Notes.

## 5.2 Priority of Payments after the delivery of a Trigger Notice

On each Payment Date following the delivery of a Trigger Notice (other than a Trigger Notice which is due to the occurrence of an Insolvency Event), or (2) on the first Business Day following the delivery of a Trigger Notice which is due to the occurrence of an Insolvency Event and on any Business Day thereafter on which the aggregate of the balances standing to the credit of the Issuer Accounts is at least equal to Euro 1,000,000, all the amounts received or recovered by or on behalf the Issuer or the Representative of the Noteholders in respect of the Receivables and any Transaction Documents will be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full and it being understood that any arrear in payment of any item shall be paid in priority to any new payment due on such Payment Date in respect of the same item). In the case under (2) above, any reference hereinafter to a "Payment Date" shall be interpreted as a reference to a "Business Day".

- (i) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any all outstanding taxes due and payable by the Issuer on such Payment Date; (b) all outstanding Expenses due and payable on such Payment Date by the Issuer to the extent that they have not been paid with the amounts standing to the Expenses Account;
- (ii) to pay the remuneration due to the Representative of the Noteholders and any costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents to the extent that they have not been paid with the amounts standing to the Expenses Account;
- (iii) to pay *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due and payable on such Payment Date to the Calculation Agent the Cash Manager, the Account Bank, the Paying Agents, the Corporate Servicer and the Programme Administrator to the extent that they have not been paid with the amounts standing to the Expenses Account;
- (iv) to pay any amount due and payable on such Payment Date to the Servicer under the Servicing Agreement;
- (v) to pay *pari passu* and *pro rata* any amounts due and payable to the Hedging Counterparties under the Hedging Agreements, except for any amounts due and payable under item (xiv) below;
- (vi) to pay *pari passu* and *pro rata* to the Commingling Guarantee Providers (if any) which have credited the Guarantee Account pursuant to Clause 5 of the Commingling Guarantee all the interest matured on the Guarantee Account in respect of the amount respectively credited by each of them;
- (vii) to pay all amounts due and payable in respect of interest on the Class A Notes of any Series
- (viii) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class A Notes of all Series except that, in respect of those Series in relation to which the relevant Series Initial Amortising Date has not yet elapsed, if the delivery of the Trigger Notice is due to a Trigger Event other than an Insolvency Event all the relevant payments of principal in respect of the Class A Notes of such Series shall be credited to the Early Principal Reserve Account until the relevant Series Initial Amortising Date;
- (ix) to pay all amounts due and payable in respect of interest on the Class B Notes of any Series;
- (x) upon redemption in full of the Class A Notes, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class B Notes of all Series except that, in respect of those Series in relation to which the relevant Series Initial Amortising Date has not yet elapsed, if the delivery of the Trigger Notice is due to a Trigger Event other than an Insolvency Event all the relevant payments of principal in respect of the Class B Notes of such Series shall be credited to the Early Principal Reserve Account until the relevant Series Initial Amortising Date;
- (xi) to pay all amounts due and payable in respect of interest on the Class C Notes of any Series;
- (xii) upon redemption in full of the Class A Notes and the Class B Notes, to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class C Notes of all Series except that, in respect of those Series in relation to which the relevant Series Initial Amortising Date has not yet elapsed, if the delivery of the Trigger Notice is due to a Trigger Event other than an Insolvency Event all the relevant payments of principal in respect of the Class C Notes of such Series shall be credited to the Early Principal Reserve Account until the relevant Series Initial Amortising Date;
- (xiii) to pay any amounts due and payable to any Hedging Counterparty upon early termination of the relevant Hedging Agreement in the event that such Hedging Counterparty is the "Defaulting Party" or the sole "Affected Party" as both terms are defined in the Hedging Agreement;

(xiv) to pay *pari passu* and *pro rata* to the Commingling Guarantee Providers any amount due and payable on such Payment Date (including any amount not paid by Agos as commitment fees) under each Commingling Guarantee;

(xv) if the Payment Date is also a Cancellation Date, to pay any amount due to the Servicer pursuant to Clause 4.2 last Paragraph, of the Servicing Agreement;

(xvi) to pay to the Originator, any Negative Price Adjustment to be paid on such Payment Date;

(xvii) to pay to the Originator, any amount and payable on such Payment Date under Clause 8 of the Warranty and Indemnity Agreement;

(xviii) to pay *pari passu* and *pro rata* the Class J Base Interest on the Class J Notes of any Series;

(xix) to pay *pari passu* and *pro rata* all amounts due and payable in respect of principal on the Class J Notes of all the Series;

(xx) to pay *pari passu* and *pro rata* any residual amount as Class J Additional Interest to the Class J Notes outstanding.

## 6. Interest

### 6.1 Payment Dates and Interest Periods

Each Note bears interest on its Notes Principal Amount Outstanding from (and including) the relevant Series Issue Date, payable in Euro quarterly in arrears on each Payment Date, *provided that* following the delivery of a Trigger Notice which is caused by an Insolvency Event, the Payment Date may be any Business Day as shall be specified in the Trigger Notice. The first Payment Date of the Notes of each Series will be such day as will be specified in the applicable Final Terms (the “**relevant First Payment Date**”).

Interest shall cease to accrue on any part of the Notes Principal Amount Outstanding of a Note from (and including) the relevant Series Final Maturity Date (as defined in Condition 7 (*Redemption, Purchase and Cancellation*)) unless payment of principal due and payable is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (as well as before and after judgement) at the rate from time to time applicable to each Class of Notes until the earlier of: (i) the day on which all sums due in respect of such Note are received by or on behalf of the relevant Noteholder; and (ii) the day on which all such sums are received by the Representative of the Noteholders or the Paying Agents on behalf of the relevant Noteholder and notice to that effect is given in accordance with Condition 14 (*Notices*).

### 6.2 Rate of Interest

The rate of interest payable from time to time in respect of each Class of the Notes (each, a “**Rate of Interest**”) will be determined by the Principal Paying Agent on the Interest Determination Date. Each period from (and including) a Payment Date to (but excluding) the next succeeding Payment Date is referred to as an “**Interest Period**”. For each Series, the relevant Final Terms will indicate the relevant Initial Interest Period applicable to such Series.

6.2.1 The Rate of Interest applicable to each Class of Senior Notes for each Interest Period shall be the aggregate of:

- (A) the Relevant Margin in respect of the Senior Notes of such Class as specified in the applicable Final Terms; and
- (B) the Three Month Euribor being:
  - (a) the Euribor for three (3) month Euro deposits which 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 Interest Determination Date; or
  - (b) if the Screen Rate is unavailable at such time for three (3) month Euro deposits, then the rate for the relevant Interest Period shall be the arithmetic mean (rounded to four decimal places with the mid-

point rounded up) of the rates notified to the Principal Paying Agent at its request by each of the Reference Banks as the rate at which three (3) month Euro deposits in a similar representative amount are offered by that Reference Bank to leading banks in the Euro-zone inter-bank market at or about 11.00 a.m. (Brussels time) on that date; or

- (c) if on any Interest Determination Date, the Screen Rate is unavailable and only two (2) of the Reference Banks provide such offered quotations to the Principal 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 Interest Determination Date, the Screen Rate is unavailable and only one of the Reference Banks provides the Principal Paying Agent with an offered quotation, the Rate of Interest for the relevant Interest Period shall be the Rate of Interest in effect for the immediately preceding Interest Period to which either sub-paragraph (a) or (b) above shall have applied.

In the case of each relevant Initial Interest Period, the Rate of Interest applicable to each Class of Notes of such series will be the aggregate of (i) the Relevant Margin indicated in the relevant Final Terms, and (ii) the rate per annum obtained by linear interpolation of the Euribor rates indicated in the relevant Final Terms.

6.2.2 Each Class J Note will bears interest as follows:

- (a) a base interest which will accrue on its Notes Principal Amount Outstanding from and including the relevant Series Issue Date until final redemption, at the Three Month Euribor plus the applicable Relevant Margin in respect of the Class J Notes specified in the relevant Final Terms (the “**Class J Base Interest**”); and
- (b) an amount calculated and determined by the Calculation Agent as follows:
  - the aggregate of all Interest Component accrued in the immediately preceding Quarter Reference Period; *plus*
  - the Collection of Fees debited to the Debtor and accounted in the immediately preceding Quarter Reference Period; *plus*
  - all interest for late payments received by the Issuer and all expenses for late payments debited to the Debtor and accounted in the immediately preceding Quarter Reference Period; *plus*
  - all amounts accrued by Sunrise under any Hedging Agreement at the such Payment Date; *plus*
  - the interest accrued on the Issuer Accounts as well as any net proceed derived from the Eligible Investments realised during the Quarter Reference Period immediately preceding such Payment Date, and constituting clear funds on such Payment Date; *minus*
  - before the delivery of a Trigger Notice, all amounts accrued and related to item (i), (iii), (iv), (v), (vi), (vii), (viii), (x), (xii), (xvii), (xviii), (xix), (xxii), (xxiii), (xxiv), or after the delivery of a Trigger Notice, (i), (ii), (iii), (iv), (v), (vi), (vii), (ix), (xi), (xiii), (xiv) (considering only the fees to be paid), (xxii), (xxiii) *minus*
  - all amounts of all Receivables which have been classified as written-off by the Servicer during the immediately preceding Quarter Reference Period.](the “**Class J Additional Interest**” and, together with the Class J Base Interest, the “**Class J Coupon**”).

It is specified that if on any Payment Date the Interest Available Funds are not sufficient to allow the payment in whole or in part of the Class J Coupon, such unpaid amounts will be paid by the Issuer in accordance with Condition 6.4 below.

6.2.3 There shall be no maximum or minimum Rate of Interest.

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

### 6.3 Determination of Rates of Interest and Calculation of Interest Amount

The Principal Paying Agent shall, on each Interest Determination Date, determine and notify to the Issuer, the

Calculation Agent, the Luxembourg Stock Exchange and any other relevant Stock Exchange and the Representative of the Noteholders:

- a. the Rate of Interest applicable to the Interest Period beginning after such Interest Determination Date (or in the case of the Initial Interest Period, beginning on and including the Series Issue Date) in respect of each Class of Notes;
- b. the Euro amount of interest payable on each Note in respect of such Interest Period (the “**Note Coupon**”). Such Note Coupon payable in respect of such Interest Period in respect of each Note shall be calculated by applying the relevant Rate of Interest as determined on such Interest Determination Date to the Notes Principal Amount Outstanding of such Note on immediately following Payment Date (or, in the case of the relevant Initial Interest Period, the relevant Series Issue Date) (and after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days in the such Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).
- c. the Euro amount of interest (the “**Interest Amount**”) payable on each Class of Notes of each Series in respect of such Interest Period in respect of such Class of Notes shall be calculated as the aggregate of all the Note Coupons payable in respect of such Interest Period for all the Notes of such Class and of such Series.

#### 6.4 Interest Amount Arrears

- 6.4.1 In the event that on any Payment Date, there are any Interest Amounts which are unpaid on their due date and remain unpaid as a result of the insufficiency of the Issuer Available Funds (“**Interest Amount Arrears**”) in respect of the Class A Notes (the “**Class A Interest Amount Arrears**”), the Class B Notes (the “**Class B Interest Amount Arrears**”), the Class C Notes (the “**Class C Interest Amount Arrears**”) and/or the Class J Coupon of the Class J Notes (the “**Class J Coupon Amount Arrears**”), the Class A Interest Amount Arrears, the Class B Interest Amount Arrears, the Class C Interest Amount Arrears and/or Class J Coupon Amount Arrears, as the case may be, shall be: (a) deferred to the following Payment Date or, if earlier, the date on which a Trigger Notice, which is due to an Insolvency Event, is served on the Issuer; (b) aggregated with the amount of, and treated for the purpose of this Condition 6 (*Interest*) as if it were, interest due (subject to this Condition 6.4) on the relevant Class of Notes on the next succeeding Payment Date. No interest shall accrue on the Interest Amount Arrears.
- 6.4.2 On any Payment Date on which the Interest Available Funds are insufficient to pay in full the Interest Amount due on the Senior Notes, the Principal Available Funds as determined on such Payment Date will be utilised towards payment of the relevant Interest Amount not payable under the Interest Available Funds, provided that, (i) with regard to the Interest Amounts due under the Class B Notes, the following events do not occur: (a) the Class A Notes of all Series have not been totally redeemed, (b) the occurrence of a Limit Interest Class B Event, and (c) the delivery of an Early Termination Event Notice (which is due to the occurrence of any of the Early Termination Events specified under letters (i) or (l) of the definition of Early Termination Event), and (ii) with regard to the Interest Amounts due under the Class C Notes, the following events do not occur: (a) the Class B Notes of all Series have not been totally redeemed, (b) the occurrence of Limit Interest Class C Event, and (c) the delivery of an Early Termination Event Notice (which is due to the occurrence of any of the Early Termination Events specified under letters (i) or (l) of the definition of Early Termination Event).
- 6.4.3 The deferral of any Interest Amount Arrears on the highest ranking Class of Notes shall be without prejudice to the right of the Representative of the Noteholders to serve a Trigger Notice pursuant to Condition 11.1(i) (*Non-payment of interest*).

#### 6.5 Publication of the Rate of Interest, the Interest Amount and the Interest Amount Arrears

The Principal Paying Agent will, at the Issuer’s expense, cause the Rate of Interest and the Interest Amount applicable to each Class of Notes for each Interest Period and the relative Payment Date in respect of such Interest Amount to be notified promptly after determination to the Issuer, the Calculation Agent, the Representative of the Noteholders, Monte Titoli, the Luxembourg Stock Exchange and any other relevant stock exchange and, the relevant Paying Agent will cause the same to be published in accordance with Condition 14 (*Notices*) on or as soon as reasonably practicable after the relevant Interest Determination Date.

If the Principal Paying Agent determines that any Class A Interest Amount Arrears any Class B Interest Amount

Arrears or any Class C Interest Amount Arrears, as the case may be, will arise on a Payment Date, notice to this effect will be given to the Issuer, the Calculation Agent, the Representative of the Noteholders, Monte Titoli, the Luxembourg Stock Exchange and any other relevant stock exchange no later than the Business Day prior to such Payment Date and, the relevant Paying Agent shall a notice to this effect will be given to the relevant Noteholders in accordance with Condition 14 (*Notices*).

The Principal Paying Agent will be entitled to recalculate any Interest Amount or any Interest Amount Arrears (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

## **6.6 Determination or calculation by the Representative of the Noteholders**

If the Principal Paying Agent has used its best endeavour to determine the Rate of Interest and/or calculate the Interest Amount or, if relevant, the Interest Amount Arrears, for each Class of Notes in accordance with the foregoing provisions of this Condition 6 (*Interest*), but fails to so determine and/or calculate then the Representative of the Noteholders shall:

- a. determine the Rate of Interest for each Class of Notes at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or
- b. calculate the Interest Amount for each Class of Notes in the manner specified in Condition 6.3 (*Determination of Rates of Interest and Calculation of Interest Payments*) above; and/or
- c. calculate the Interest Amount Arrears for each Class of Notes in the manner specified in Condition 6.4 (*Interest Amount Arrears*) above,

and any such determination and/or calculation shall be deemed as if made by the Issuer.

## **6.7 Notifications to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Interest*) and Condition 7 (*Redemption, Purchase and Cancellation*) below, whether by the Reference Banks (or any of them), the Principal Paying Agent, the Issuer, the Calculation Agent or the Representative of the Noteholders shall (in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*)) be binding on the Reference Banks, the Calculation Agent, the Issuer, any other Paying Agent, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class J Noteholders shall attach to the Reference Banks, the Principal Paying Agent, the Issuer, the Calculation Agent 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.

## **6.8 Reference Banks and Principal Paying Agent**

The Representative of the Noteholders shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be three (3) Reference Banks and a Principal Paying Agent. The Reference Banks shall be three (3) major banks in the Euro-zone inter-bank market selected by the Principal Paying Agent with the approval of the Issuer. Under the terms of the Cash Allocation, Management and Payments Agreement, the Principal Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Principal Paying Agent is appointed, a notice will be published in accordance with Condition 14 (*Notices*).

## **7. Redemption, Purchase and Cancellation**

### **7.1 Programme Final Maturity Date**

Unless previously redeemed in full as provided in this Condition 7 (*Redemption, Purchase and Cancellation*), the Issuer shall redeem the Notes at their Notes Principal Amount Outstanding, plus any accrued interest, on their relevant Series Final Maturity Date. The Series Final Maturity Date of each Series shall not fall after the Payment Date falling on 27 August 2030 (the “**Programme Final Maturity Date**”).



Unless previously redeemed and cancelled as provided in this Condition 7, all the Notes of each Series will be cancelled on the Cancellation Date. Any amount in respect of principal, interest or other amounts due and payable in respect of the Notes will (unless payment is improperly withheld or refused) be finally and definitively cancelled on the Cancellation Date.

## 7.2 Mandatory *Pro Rata* Redemption

- 7.2.1 Provided that an Early Termination Event has not been delivered to the Issuer, the Notes of each Series will be subject to mandatory redemption, in full or in part, *pro rata*, on the first Payment Date of the relevant Series Amortising Period and on each Payment Date thereafter if and to the extent there are sufficient Principal Available Funds which may be applied for repayment of principal on the Notes of each relevant Class of each Series in accordance with the provision of Condition 5.1.3 (*Principal Priority of Payments prior to the delivery of a Trigger Notice*).
- 7.2.2 Upon delivery of an Early Termination Event Notice (other than an Early Termination Event Notice by reason of a Trigger Notice which is caused by the occurrence of an Insolvency Event), the Notes of each Series will be subject to mandatory redemption in full or in part, *pro rata*, on the relevant Series Initial Amortising Date and on each Payment Date thereafter if and to the extent that there are sufficient Principal Available Funds which may be applied for repayment of principal on the Notes of each relevant Class of such Series in accordance with the provisions of Condition 5.1.3.2 (*Priority of Payments After the delivery of an Early Termination Event Notice*). Prior to the Series Initial Amortising Date of any Series of Notes, the repayment of principal in respect of such Series or Class of Notes will be deposited on the Early Principal Reserve Account and on the relevant Series Initial Amortising Date, the aggregate of the principal payments deposited in the Early Principal Reserve Account in respect of such Series of Notes will be paid to the relevant Noteholders without application of the relevant Priority of Payments.
- 7.2.4 Following delivery of a Trigger Notice which is due to the occurrence of an Insolvency Event, the Issuer, to the extent that it has sufficient available funds which may be applied for repayment of principal on the Notes of each relevant Class in accordance with the provision of Condition 5.2 (*Priority of Payments after the delivery of a Trigger Notice*), shall on the immediately following Business Day redeem the Notes then outstanding in full (or in part *pro rata*).
- 7.2.5 Each Noteholder, by reason of holding the Class A Note, the Class B Note, the Class C Note or, as the case may be, the Class J Note, acknowledges and accepts that as a result of the difference in the issue dates of the Senior Notes of various Series, lower ranking Senior Notes of an earlier Series may be repaid before higher ranking Senior Notes of a subsequent Series, if an Early Termination Event is delivered.
- 7.2.6 The principal amount redeemable in respect of each Note (the “**Principal Payment**”) shall be a *pro rata* share of the aggregate amount determined in accordance with the provisions of this Condition 7.2 to be available for redemption of the Notes of the same Class of such Note of such Series on such date, calculated by reference to the ratio borne by the then Notes Principal Amount Outstanding of such Note to the then Notes Principal Amount Outstanding of all the Notes of the same Class (and, where appropriate, of the same Series) (rounded down to the nearest cent), provided always that no such Principal Payment may exceed the Notes Principal Amount Outstanding of the relevant Note.

## 7.3 Optional Redemption of the Notes of all Series

Unless previously redeemed in full, and prior to the delivery of an Early Termination Event Notice, the Issuer may, at its option, redeem all but not some only of the Notes of all Series outstanding under the Programme, on any Payment Date falling after or on the Series Initial Amortising Date of the last Series of Notes issued under the Programme, at their Notes Principal Amount Outstanding together with all accrued but unpaid interest thereon if the Principal Amount Outstanding of the Consumer Loans comprised in the Portfolio is equal to or less than 10% of the aggregate Initial Principal Amount of the Receivables comprised in the Initial Portfolio and in each Subsequent Portfolio (or portion of Subsequent Portfolios) the purchase of which was financed through the issuance of Notes of any Series.

Any such redemption (an “**Optional Redemption**”) is subject to the Issuer: (i) giving not more than sixty (60) and not less than thirty (30) days’ notice to the Representative of the Noteholders of its intention to redeem all (but not some only) of the Notes; and (ii) providing the Representative of the Noteholders with a certificate signed by the sole director of the Issuer to the effect that the Issuer will have the funds, not subject to the interests of any other person, to discharge all its outstanding liabilities in respect of the Notes and any amounts required under the

Conditions to be paid in priority to or *pari passu* with such Notes.

The necessary funds for the purpose of the Optional Redemption of the Notes may be obtained from the sale by the Issuer of all or part of the Portfolio. Should any such sale of the Portfolio occur, such sale proceeds will form part of the Issuer Available Funds on the relevant Payment Date.

#### **7.4 Redemption for Taxation**

If, at any time, the Issuer confirms to the Representative of the Noteholders that on any Payment Date, the Issuer would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) any amount from any payment of principal or interest on the Senior Notes of any Series for or on account of any present or future taxes, duties, assessments or governmental charges by the Republic of Italy or any political sub-division thereof or any authority thereof or therein, and the Issuer provides the Representative of the Noteholders with a certificate signed by the sole director of the Issuer to the effect that the Issuer will have the necessary funds, not subject to the interest of any other person, to discharge all its outstanding liabilities in respect of the Senior Notes of the relevant Series and any amounts required under the relevant Conditions to be paid in priority to or *pari passu* with such Notes, then following receipt of a written notice from the Representative of the Noteholders authorising the redemption, the Issuer may, at its option, redeem on the next succeeding Payment Date all but not some only of the Senior Notes of such Series at their Notes Principal Amount Outstanding together with accrued but unpaid interest up to and including the relevant Payment Date, having given not more than sixty (60) nor less than thirty (30) days' notice to the Representative of the Noteholders in writing and to the Noteholders in accordance with Condition 14 (*Notices*).

#### **7.5 Call Option**

On the date of Optional Redemption, upon the conditions referred to under Clause 16 of the Master Transfer Agreement, the Originator will have the right to purchase the Portfolio at a purchase price equal to the relevant market value of the Receivables included therein as determined by a third party independent arbitrator, provided that such purchase price, together with the Issuer Available Funds as determined on the Calculation Date immediately preceding such Payment Date, is sufficient to provide the Issuer with the funds, not subject to the interests of any other person, necessary in order to discharge all its outstanding liabilities in respect of the Notes that are still outstanding on such date and any amounts required under the Conditions to be paid.

#### **7.6 Change of Law**

If, as a result of any change of fiscal laws of Italy, the Issuer will no longer be required to pay any taxes upon redemption of the Notes prior to the date falling eighteen months after the relevant Series Issue Date and the effects of this change of fiscal laws are confirmed by a legal opinion of a law firm reasonably satisfactory to the Representative of the Noteholders, the Series Initial Amortising Date of the Notes will, with the prior consent of the Representative of the Noteholders, be anticipated to the Payment Date immediately following the entering into force of such changes and accordingly, there will be no further accumulations of repayment of principal on the Early Principal Reserve Account and any amounts already accumulated thereon (and not utilised) may forthwith be paid to the relevant Noteholders on the next succeeding Payment Date. The Representative of the Noteholders shall give its consent to the anticipation of the Series Initial Amortising Date of the Notes if it receives confirmation from the Rating Agencies that such anticipation shall not adversely affect the rating of the than outstanding Senior Notes.

#### **7.7 Principal Payment and Series Principal to Redeem**

On each Calculation Date, the Issuer shall procure that the Calculation Agent determines the Principal Payment and the Series Principal to Redeem of each Note and each Class of Notes on the next following Payment Date.

Each determination on behalf of the Issuer of the Principal Payment and the Series Principal to Redeem for each Series of Notes shall in each case (in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*)) be final and binding on all persons.

The Issuer will, no later than the Calculation Date immediately preceding the relevant Payment Date, cause each determination of a Principal Payment on each Note (if any) and Series Principal to Redeem on each Note on each Note and on each Class of Notes to be notified by the Calculation Agent to the Representative of the Noteholders, Monte Titoli, the Paying Agents, the Luxembourg Stock Exchange and any other applicable stock exchange and notice thereof to be published in accordance with Condition 14 (*Notices*). If no Principal Payment is due to be made on any Class of Notes on a Payment Date, a notice to this effect will be given by or on behalf of the Issuer to the Noteholders of such Class in accordance with Condition 14 (*Notices*).

If the Principal Payment and the Series Principal to Redeem of each Note and on each Class of Notes is not determined by the Calculation Agent in accordance with the preceding provisions of this paragraph, such Principal Payment or, as the case may be, Series Principal to Redeem, shall be determined by the Representative of the Noteholders in accordance with the provisions of this Condition 7 and each such determination or calculation shall be deemed as if made by the Issuer.

## 7.8 Notice of Redemption

Any notice referred to in Condition 7.2 (*Mandatory Pro Rata Redemption*), Condition 7.3 (*Optional Redemption of the Senior Notes of all Series*), Condition 7.4 (*Redemption for Taxation*), Condition 7.5 (*Call Option*) and Condition 7.6 (*Change of Law*) shall be made pursuant to Condition 14 (*Notices*) and in accordance with, in the case of *mandatory pro rata redemption*, Condition 7.7 (*Principal Payment and Series Principal to Redeem*); in the case of optional redemption or redemption for taxation reasons, Condition 7.3 (*Optional Redemption of the Notes*) and Condition 7.4 (*Redemption for Taxation*); in the case of redemption further to the exercise of the Call Option, Condition 7.5 (*Call Option*) and in the case of redemption prior to the relevant Initial Period following a change of law, Condition 7.6 (*Change of Law*), as the case may be, with notice to the Luxembourg Stock Exchange and any other relevant Stock Exchange indicating the Notes Principal Amount Outstanding of the relevant Class(es) of Notes and all accrued but unpaid interest thereon up to and including the relevant Payment Date. Each such notice shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes in accordance with this Condition 7 (*Redemption, Purchase and Cancellation*).

## 7.9 No purchase by Issuer

The Issuer shall not purchase any of the Notes.

## 8. Payments

- 8.1 Payment of principal and interest in respect of the outstanding Notes will be credited, in accordance with the instructions of Monte Titoli, by the Paying Agents on behalf of the Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with such Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of their customers, if any, credited with such Notes or through Euroclear Bank S.A./N.V., as operator of the Euroclear system (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”) to the accounts with Euroclear and Clearstream credited with such Notes or credited with the interest in such Notes (as the case may be), in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.
- 8.2 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.
- 8.3 The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Calculation Agent and to appoint another Calculation Agent. The Issuer will cause at least thirty (30) days’ prior notice of any replacement of the Calculation Agent to be given in accordance with Condition 14 (*Notices*).
- 8.4 The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Luxembourg Paying Agent or to appoint another Luxembourg Paying Agent, provided that (for as long as the Senior Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require or, should any of the Senior Notes be listed on any other stock exchange and the rules of such stock exchange so require) the Issuer will at all times maintain an agent with a specified office in Luxembourg (or in such other place required by the rules of the relevant stock exchange). If a new Luxembourg Paying Agent is appointed, a notice will be published in accordance with Condition 14 (*Notices*) and the Luxembourg Stock Exchange will be promptly informed.

## 9. Taxation

All payments in respect of 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 Noteholder on account of such withholding or deduction.

## 10. Prescription

- 10.1 Claims against the Issuer for payments in respect of the Notes shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the Relevant Date in respect thereof.
- 10.2 In this Condition 10, “**Relevant Date**” means, in respect of a Note, the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the monies payable in respect of all the Notes and accrued on or before that date has not been duly received by the Paying Agents or the Representative of the Noteholders on or prior to such date) the date on which notice that the full amount of such monies has been received is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

## 11. Trigger Events and Early Termination Events

- 11.1 If any of the following events (each of such events a “**Trigger Event**”) occur:

(i) *Non-payment*

- (a) on each Payment Date, the Issuer defaults in any payment of interest due and payable on the highest ranking Class of Senior Notes then outstanding; or
- (b) on the Series Final Maturity Date of any Series of Notes, the Notes Principal Amount Outstanding of the highest ranking Class of then outstanding Senior Notes of such Series is not totally redeemed;

and such default is not remedied within a period of, respectively, five and three Business Days from the due date for payment thereof; or

(ii) *Breach of other obligations*

the Issuer is in breach of any of its obligations, representations or warranties under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Notes) and (except where, in the sole opinion of the Representative of the Noteholders, such breach is not capable of remedy in which case no notice will be required) such breach remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in its opinion, materially prejudicial to the interests of the Noteholders and requiring the same to be remedied; or

(iii) *Insolvency of the Issuer*

- (a) an administrator, administrative receiver or liquidator of the Issuer is appointed over or in respect of the whole or any part of the undertaking, assets and/or revenues of the Issuer or the Issuer becomes subject to any bankruptcy, liquidation, administration, insolvency, composition, reorganisation (among which, without limitation, “*fallimento*”, “*concordato preventivo*” and “*amministrazione controllata*” within the meaning ascribed to those expressions by the laws of the Republic of Italy) or similar proceedings (or application is filed for the commencement of any such proceedings) or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Issuer; or
- (b) proceedings are initiated against the Issuer under any applicable bankruptcy, liquidation, administration, insolvency, composition, reorganisation or similar laws and proceedings are not, in the opinion of the Representative of the Noteholders, being disputed in good faith; or
- (c) the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for bankruptcy or suspension of payments; or

(iv) *Winding-up etc.*

an order is made or an effective resolution is passed (in any respect deemed by the Representative of the Noteholders to be material and incapable of being remedied) for the winding up, liquidation or dissolution of the Issuer except a winding up for the purposes of or pursuant to an amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders or by an extraordinary resolution of the Noteholders pursuant to the Rules of the Organisation of the Noteholders; or

(v) *Unlawfulness*

it is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material and incapable of being remedied) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents;

then the Representative of the Noteholders:

- (A) in the case of a Trigger Event under item (i) above may in its sole discretion or shall, if so directed by an Extraordinary Resolution; and
- (B) in the case of a Trigger Event under items (ii), (iii), (iv) or (v) above, shall if so directed by an Extraordinary Resolution;

give written notice (a "**Trigger Notice**") to the Issuer with copy to Programme Administrator, following which all payments of principal, interest, Class J Additional Interest and other amounts due in respect of the Notes shall be made in accordance with the provisions of Condition 5.2 (*Priority of Payments after the delivery of a Trigger Notice*).

In addition, following the service of a Trigger Notice and in accordance with the Conditions, the Issuer shall, if so requested by the Representative of the Noteholders dispose of the Portfolio if certain conditions are satisfied.

**11.2** If any of the following events occurs (each an "**Early Termination Event**"):

- (a) a Trigger Notice is delivered to the Issuer;
- (b) Agos is in material breach of its obligations under the Master Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement or any other Transaction Document to which Agos is a party and, in the justified opinion of the Programme Administrator, (i) such breach is materially prejudicial to the interests of the Senior Noteholders, and (ii) (except where, in the opinion of the Programme Administrator, such breach is not capable of remedy) such breach remains unremedied for 10 (ten) days (or 7 (seven) days where the breach relates to an undertaking to pay an amount of money) after the Programme Administrator has given written notice thereof to Agos, requiring the same to be remedied;
- (c) any of the representations and warranties given by Agos under the Master Transfer Agreement, the Servicing Agreement or the Warranty and Indemnity Agreement is breached, or is untrue, incomplete or inaccurate and in the justified opinion of the Programme Administrator, (i) such breach (or, as the case may be, such untruthfulness, incompleteness or inaccuracy) is materially prejudicial to the interests of the Senior Noteholders, and (ii) (except where, in the opinion of the Programme Administrator, such breach is not capable of remedy, in which case no notice will be required), such situation remains unremedied for 10 (ten) days after the Programme Administrator has given written notice thereof to Agos, requiring the same to be remedied;
- (d) Agos is declared insolvent or becomes subject to bankruptcy proceedings; a liquidator or administrative receiver is appointed or a resolution is passed for such appointment; a resolution is passed by Agos for the commencement of any of such proceedings or the whole or any substantial part of Agos's assets are subject to enforcement proceedings;
- (e) Agos carries out any action for the purpose of rescheduling its own debts, in full or with respect to a material portion thereof, or postponing the maturity dates thereof, enters into any extrajudicial arrangement with all or a material portion of its creditors (including any arrangement for the assignment of its assets in favour of its creditors), files any petition for the suspension of its payments or any court grants a moratorium for the fulfilment of its debts or the enforcement of the securities securing its debts and the Programme Administrator, in its justified opinion, deems that any of the above events have or may have a material adverse effect on Agos's financial conditions;
- (f) a resolution is passed for the winding up, liquidation or dissolution of Agos, except a winding up for the purposes of or pursuant to an amalgamation or reconstruction allowed under the terms of the Warranty and Indemnity Agreement;
- (g) the validity or effectiveness of any Transaction Document is challenged before any judicial, arbitration or administrative authority on the basis of arguments which, in the justified opinion of the Programme Administrator based on a legal opinion issued in favour of the Program Administrator and Agos by a primary law firm, are grounded, where any such challenge is or may be, in the justified opinion of the Programme

Administrator, materially prejudicial to the interests of the Noteholders;

- (h) the Issuer revokes Agos (in its capacity as Servicer) or any Servicer which may succeed to Agos in such role, in accordance with the provisions of the Servicing Agreement;
- (i) starting from the First Payment Date, the 3 Months Rolling Theoretical Excess Spread, (x) as calculated on each Calculation Date preceding a Purchase Date, is lower than 0,465%, or (y) as calculated on each Calculation Date preceding a Payment Date after termination of the Purchase Period is lower than 0%, or (z) in both cases is lower than such other percentage as may be agreed upon between the Issuer and Agos on each Series Issue Date, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes;
- (j) on two successive Payment Dates during the Purchase Period the Collateral Ratio (as calculated at the immediately preceding Confirmation Date or, if a Payment Date is not a Purchase date, on the Business Day immediately following the Calculation Date immediately preceding such Payment Date), is lower than 90% or such other percentage as may be agreed upon between the Issuer and Agos on each Series Issue Date, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes;
- (k) if any, any Commingling Guarantee Provider has made any payment under Clauses 2 and 5.3 of any Commingling Guarantee, or Agos has not fulfilled its obligations under Clause 5.4, second sentence, of any Commingling Guarantee, or Agos is in breach with its obligation to pay the Commitment Fees due to any Commingling Guarantee Provider under Clause 6.3 of any Commingling Guarantee and such default is not remedied in the 30 days following the relevant due date; or
- (l) on any Payment Date the Defaulted Account is not credited for the amount due to be credited to such account out of the Interest Available Funds and in accordance with the applicable relevant Priority of Payments.

then, the Programme Administrator shall serve a notice to the Issuer, the Originator, the Servicer and the Representative of the Noteholders (the “Early **Termination Event Notice**”). The Early Termination Event Notice shall be in writing but may otherwise take any form deemed to be most appropriate by the Representative of the Noteholders (e.g., letter, facsimile, e-mail and a registered letter is not required) and shall be deemed to have been duly delivered on the day it is received by the Issuer.

Upon service of an Early Termination Event Notice no more purchases of Receivables shall take place under the Transfer Agreement and, save for the delivery of such notice upon the occurrence of the event under item (a) above, the Notes shall become repayable in accordance with Condition 5.1.3.2. (*Priority of Payments After the delivery of an Early Termination Event Notice*) or (ii) where the Early Termination Event under item (a) of this Condition 10.1 has occurred, in accordance with Condition 5.2. (*Priority of Payments after the delivery of a Trigger Notice*)

## 12. Enforcement

- 12.1 At any time after a Trigger Notice has been served, the Representative of the Noteholders may and, if so requested or authorised by an extraordinary resolution of the Noteholders of the highest ranking Class of Notes then outstanding (which resolution shall be binding all junior ranking Noteholders), shall take such steps and/or institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes and payment of accrued interest thereon, in accordance with the Rules of the Organisation of the Noteholders.
- 12.2 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 11 (*Trigger Events and Early Termination Events*) or this Condition 12 by the Representative of the Noteholders shall (in the absence of wilful misconduct (*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.
- 12.3 In the event that the Representative of the Noteholders takes action to enforce rights of the Noteholders of any Class in respect of the Portfolio and the Issuer's Rights and after payment of all other claims ranking in priority to the Notes under the Conditions and the Intercreditor Agreement, if the remaining proceeds of such enforcement (the Representative of the Noteholders having taken action to enforce the Noteholders' rights in respect of the entire Portfolio and all the Issuer's Rights) are insufficient to pay in full all principal and interest and other amounts howsoever due in respect of any Class of Notes and all other claims ranking *pari passu* therewith, then the Noteholders' claims against the Issuer in respect of such Notes will be limited to the extent of their respective *pro*

*rata* share of such remaining proceeds (if any) and the obligations of the Issuer to such Noteholders under the relevant Class of Notes will be deemed discharged in full and any amount in respect of principal, interest or other amounts due under such Class of Notes will be finally and definitively cancelled.

### 13. Appointment and Removal of the Representative of the Noteholders

13.1 The Organisation of the Noteholders shall be established upon and by virtue of the issuance of the first Series of Notes under the Programme and shall remain in force and in effect until repayment in full or cancellation of all Notes. Upon the issuance of each additional Series of Notes, the Organisation of the Noteholders shall comprise also the holders of each Class of Notes of such Series and references to “**Noteholders**” in the Rules of the Organisation of the Noteholders (attached hereto as Exhibit 1) shall be construed accordingly.

13.2 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 is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders who is appointed at the time of issue of the Notes pursuant to the Subscription Agreement. Each Noteholder is deemed to accept such appointment and accepts to be bound by the terms of the Transaction Documents signed by the Representative of the Noteholders as if such Noteholder was a signatory thereto.

13.3 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 that a successor Representative of the Noteholders is appointed. 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 107 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.

If a new Representative of the Noteholders is appointed, a notice will be published in accordance with Condition 14 (*Notices*) and the Luxembourg Stock Exchange will be promptly informed.

13.4 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 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.

### 14. Notices

14.1 So long as the Notes are held by Monte Titoli on behalf of the authorised financial intermediaries and/or their customers, notices to the Noteholders may be given through the systems of Monte Titoli. In addition, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, any notice regarding the Notes to such Noteholders shall be deemed to have been duly given if published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*) or if this is not practicable, in another appropriate English language newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in a newspaper as referred to above.

14.2 The Representative of the Noteholders may sanction some other method of giving notice to the Noteholders of the relevant Class if, in its opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Notes of the relevant Class are listed and provided that notice of such other method is given to the Noteholders of the relevant Class in such manner as the Representative of the Noteholders shall require.

**15. Governing Law**

- 15.1 The Notes and the Transaction Documents (other than each Hedging Agreement and the English Deed of Charge) will be governed by, and construed in accordance with, Italian law. The English Deed of Charge and each Hedging Agreement will be governed by, and construed in accordance with, English law.
- 15.2 The Courts of Milan, Italy, shall have exclusive jurisdiction to settle any disputes that may arise out of, or in connection with, the Notes.



## ANNEX 1

### FORM OF FINAL TERMS

*The Final Terms in respect of each Series of Notes or Class of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.*

*Text in italics below denotes instructions for completing the Final Terms.*

Final Terms dated [●]

#### SUNRISE S.R.L.

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

#### Issue of

**€ [●] Consumer Loans Backed Notes (the "Notes")**

#### under the

**Euro [●] Consumer Loans Backed Note Programme**

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] and the updated Base Prospectus dated [●]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus and this Final Terms must be read in conjunction with such Base Prospectus as so updated.

*[Complete outstanding details or, as the case may be, indicate "N/A" (not applicable), without altering the original numbering of the paragraphs. Text in italics denotes instructions for completing these Final Terms.]*

|     |   |   |
|-----|---|---|
| 1.  | Issuer  | Sunrise S.r.l.  |
| 2.  | Series Number   | [ ]   |
| 3.  | Class(es) and aggregate Nominal amount of each Class of this Series   | Class A Notes: Euro [ ]<br>Class B Notes: Euro [ ]<br>Class C Notes: Euro [ ]<br>Class J Notes: Euro [ ]  |
| 4.  | Aggregate Nominal Amount of Notes issued and outstanding under the Programme (including Notes of this Series) | Euro [ ]  |
| 5.  | Issue Price   | Class A Notes: [ ]%<br>Class B Notes: [ ]%<br>Class C Notes: [ ]%<br>Class J Notes: [ ]%  |
| 6.  | Net Proceeds  | Class A Notes: Euro [ ]<br>Class B Notes: Euro [ ]<br>Class C Notes: Euro [ ]<br>Class J Notes: Euro [ ]  |
| 7.  | Series Issue Date   | [ ]   |
| 8.  | Series Final Maturity Date  | Class A Notes: [ ]<br>Class B Notes: [ ]<br>Class C Notes: [ ]<br>Class J Notes: [ ]  |
| 9.  | First Payment Date  | [ ]   |
| 10. | Redemption/payment basis  | Mandatory <i>pro rata</i> redemption. Principal Payment will be calculated in accordance with, and payable on the dates set forth in, the Conditions. |
| 11. | Listing and admission to trading  | Luxembourg/[others]   |

|   |  |   |
|---|--|---|
| 12.   | Method of distribution   | [Syndicated/Non-syndicated/other]   |
| 13.   | Ratings  | Class A Notes: [ ] by S&P; [ ] by Moody's;<br>Class B Notes: [ ] by S&P; [ ] by Moody's;<br>Class C Notes: [ ] by S&P; [ ] by Moody's;<br>Class J Notes: Not rated  |
| <b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b> |  |   |
| 14.   | Relevant Margin  | Class A Notes: [ ] %<br>Class B Notes: [ ] %<br>Class C Notes: [ ] %<br>Class J Notes: [ ] %  |
| 15.   | Rate applicable in respect of the relevant Initial Interest Period   |   |
| 16.   | Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions. |   |
| 17.   | Dates from which interest becomes payable and due dates for payment  | The Senior Notes will bear interest on their Notes Principal Amount Outstanding from and including the relevant Series Issue Date until final redemption pursuant to the Conditions. Interest on the Senior Notes will be payable in Euro quarterly in arrears on the 27 <sup>th</sup> day of February, May, August and November in each year (provided that, if any such day is not a Business Day, the interest on such Notes will be payable on the next following Business Day) (each a “ <b>Payment Date</b> ”), starting from 27 August 2006 (the “ <b>First Payment Date</b> ”), provided that following the delivery of a Trigger Notice due to the occurrence of an Insolvency Event, the Payment Date will be any Business Day. |
| 18.   | [Yield]  | [ ]   |
| <b>PROVISIONS RELATING TO REDEMPTION</b>                |  |   |
| 19.   | Mandatory <i>pro rata</i> Redemption   | In accordance with Condition 7.2  |
| 20.   | Optional Redemption  | In accordance with Conditions 7.3, 7.4 and 7.5  |
| <b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b>       |  |   |
| 21.   | Form of Notes  | Bearer Notes.<br>Held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. for the account of the relevant Monte Titoli Account Holders. See Condition 2.  |
| 22.   | Denomination of Notes  | The Senior Notes will be issued in denominations of € 50,000 or integral multiples thereof. The Class J Notes will be issued in denominations of € 50,000 or higher than € 50,000, with a minimum increase equal to € 10,000 or integral multiples thereof.   |
| 23.   | Meetings of Noteholders, Modifications and Waiver  | In accordance with the Conditions and the Rules of the Organisation of the Noteholders  |
| 24.   | Interest of natural and legal persons involved in the issue.   | [Save as described under the sections entitled “Subscription and Sale” and “Transaction Documents” of the Base Prospectus so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]   |
| <b>DISTRIBUTION</b>                                     |  |   |
| 25.   | Names of Managers<br>Stabilising Manager (if any)  |   |
| 26.   | Commission   |   |

|                                |  |  |
|--------------------------------|--|--|
| 27.                            | Additional selling restrictions  | The Notes may be offered only to professional investors (“ <i>operatori qualificati</i> ”) as defined in Article 31, paragraph 2, of CONSOB Regulation No. 11522 of 1 July 1998, as subsequently amended and supplemented, pursuant to art. 100, paragraph 1, letter b) and art. 30, paragraph 2, of Italian Legislative Decree No. 58 of 24 February 1998 (the “ <b>Financial Laws Consolidation Act</b> ”) and in accordance with applicable Italian laws and regulations. |
| <b>OPERATIONAL INFORMATION</b> |  |  |
| 28.                            | ISIN Codes   | Class A Notes: [            ]<br>Class B Notes: [            ]<br>Class C Notes: [            ]<br>Class J Notes: [            ]   |
| 29.                            | Common Codes   | Class A Notes: [            ]<br>Class B Notes: [            ]<br>Class C Notes: [            ]<br>Class J Notes: [            ]   |
| 30.                            | Any clearing system other than Euroclear and Clearstream, Luxembourg and the relevant identification numbers | [not applicable/give details]  |
| 31.                            | Delivery   | Delivery [against/free of] payment   |

## ADDITIONAL INFORMATION

### Description of the relevant Receivables

[Insert description including details of the publication in the Official Gazette and of the registration in the competent Register of Enterprises]

### Further Security taken in relation to the Series

[Describe any additional security arrangements]

### Other Information

[Insert relevant information]

### Listing Application

These Final Terms comprise the details required to list the issuance of the Senior Notes described herein pursuant to the € [•] Asset Backed Note Programme of Sunrise S.r.l. and constitutes *Prospetto Informativo* for the purposes of Article 2, paragraph 3 of the Securitisation Law in respect of the Notes.

### Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms, except for information in relation to the Hedging Counterparty in respect of which such Hedging Counterparty shall accept responsibility and any information in relation to the Originator, the Receivables, the Portfolio and the Consumer Loan Agreements in respect of which the Originator shall accept responsibility.

### Estimated Annual Fees and Expenses

The estimated annual fees and expenses payable by the Issuer in connection with the transaction described herein amount to approximately € [•] (excluding servicing fees and any VAT, if applicable). The estimated listing fee amounts to € [•] and the estimate of total expenses related to the admission to trading amounts to € [•].

### The Underlying Assets

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

The debt obligations comprised in the Portfolio are governed by the Italian legal jurisdiction. The Portfolio shall comprise debt obligations arising out of Consumer Loans classified as performing by Agos, and granted by Agos to customers who are individuals. The global statistical data referred to the Portfolio, the expiry or maturity date(s) and the amount of the Receivables are described in the section headed "*The Portfolio*" of the Base Prospectus.

The method of origination or creation of the underlying assets, and the principal lending criteria adopted by Agos for the loans and credit agreements, are described in the section headed "*The Originator*" of the Base Prospectus.

Agos, in its capacity as Originator, and Calyon Milan, in its capacity as seller of the Calyon Initial Receivables, have given (or will be deemed to give) to the Issuer the representations, warranties described under the section headed "*Transaction Documents*" under the paragraph "*Description of the Warranty and Indemnity Agreement*" of the Base Prospectus. Such representations and warranties shall be given (a) by the Originator with reference to (i) the First Purchase Date and the First Issue Date, in relation to the Initial Receivables and (ii) the relevant Purchase Date, and, where applicable, the relevant Series Issue Date, in relation to the relevant Subsequent Receivables and (b) by Calyon Milan, with reference to the First Purchase Date and the First Issue Date, in relation to the Calyon Initial Receivables. Pursuant to the Warranty and Indemnity Agreement, the representations and warranties given to the Issuer by Agos, as Originator, and by Calyon Milan, as seller of the Calyon Initial Receivables, are related, *inter alia*, to the Consumer Loans, the Receivables, the Collateral Securities, consumer credit, the Insurance policies and the due implementation of the transfer of the Receivables in accordance with the relevant Securitisation Law.

The insurance policies, if any, relating to the Consumer Loans entered by Agos are described in the section headed "*Transaction Summary*" of the Base Prospectus.

Signed on behalf of the Issuer

By: .....

*Duly authorised*

## ANNEX 2

### RULES OF THE ORGANISATION OF THE NOTEHOLDERS

#### TITLE I

#### GENERAL PROVISIONS

##### Article 1

##### General

The Organisation of Noteholders is automatically created upon the issue and subscription of the first Series of Notes under the Programme. The Organisation of the Noteholders is governed by these Rules of the Organisation of Noteholders (the “**Rules of the Organisation**”).

The Organisation of the Noteholders shall remain in force and effect until full repayment or cancellation of all notes (of any class and series) issued by Sunrise S.r.l. under the Euro [•] securitisation programme of consumer loan-backed receivables established by Sunrise S.r.l. (respectively, the “**Notes**” and the “**Programme**”) and pursuant to which the first Series of Notes under the Programme has been issued.

Upon the issuance of each additional series of Notes under the Programme, the Organisation of the Noteholders shall comprise also the holders of each Note of each Class of such Series and any reference in this Rules to “**Noteholders**” shall be construed accordingly.

The contents of these Rules of the Organisation are deemed to be an integral part of each Note issued by Sunrise S.r.l. under the Programme.

##### Article 2

##### Definitions

Unless otherwise provided in these Rules of the Organisation, any capitalised term shall have the same meaning attributed to it in the terms and conditions governing the Class A Notes, the Class B Notes, the Class C Notes and the Class J Notes issued by Sunrise S.r.l. under the Programme (the “**Conditions**”).

Any reference herein to an “**Article**” shall be a reference to an Article of these Rules of the Organisation.

In these Rules of the Organisation, the terms below shall have the following meaning:

“**Arbitration Panel**” means the arbitration panel as set out in Article 33 (*Alternative Disputes Resolution*);

“**Basic Terms Modification**” means any modification which results in:

1. a change in the Series Final Maturity Date of the relevant Class of Notes;
2. the postponement of any date for the payment of interest or principal on the relevant Class of the Notes;
3. the partial or total reduction, cancellation, or annulment of the Notes Principal Amount Outstanding or of the rate of interest applicable to the relevant Class of Notes;
4. a change in the majority required to pass an Extraordinary Resolution or the quorum required at any Meeting;
5. a change of the currency of payment of the relevant Class of Notes or of the date or priority of redemption of the relevant Class of Notes;
6. a change in the manner of allocation of the Interest Available Funds, of the Principal Available Funds or of the Issuer Available Funds among the various Series of Notes and/or among the various Classes of Notes;
7. a modification which would have the effect of altering the authorisation or consent by the Noteholders, including as pledgees, to the application of funds as provided for in the Transaction Documents;
8. the substitution of the Issuer by any other party as the principal obligor under the Notes;
9. the appointment or removal of the Representative of the Noteholders; or
10. an amendment of this definition.

“**Blocked Notes**” means the Notes for which a Voting Certificate has been issued by the depositary intermediary pursuant to the holder of the relevant Note(s) arranging for such Note(s) to be blocked in an account with the depositary intermediary not later than two Business Days before the time fixed for the Meeting and up to the moment in which the relevant Meeting is closed or the relevant Voting Certificate is surrendered to the depositary intermediary. A Voting Certificate shall be valid until the conclusion of the Meeting specified in the Voting Certificate or any adjournment of such

Meeting and the depositary intermediary shall not be allowed to release the relevant Notes before such date unless the Voting Certificate is first surrendered to it. So long as a Voting Certificate is valid, the bearer thereof shall be considered to be the holder of the Notes to which such Voting Certificate refers for all purposes in connection with the Meeting;

“**Chairman**” means, in relation to any Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*);

“**Extraordinary Resolution**” means the special resolution which must be passed at a Meeting of the relevant Class(es) of Noteholders, duly convened and held in accordance with the provisions contained in these Rules of the Organisation, in order to approve a Basic Terms Modification or any of the matters listed in Article 19 (*Exclusive Powers of the Meeting*) as requiring an Extraordinary Resolution;

“**Meeting**” means a meeting of the relevant Class(es) of Noteholders (whether originally convened or resumed following an adjournment);

“**Notes**” and “**Noteholders**” means:

- in connection with a Meeting of Class A Noteholders, the Class A Notes and the Class A Noteholders, respectively;
- in connection with a Meeting of Class B Noteholders, the Class B Notes and the Class B Noteholders, respectively;
- in connection with a Meeting of Class C Noteholders, the Class C Notes and the Class C Noteholders, respectively;
- in connection with a Meeting of Class J Noteholders, the Class J Notes and the Class J Noteholders, respectively; and
- in connection with a joint Meeting of the Noteholders of more than one Class pursuant to Article 4 (*General Provisions*), the Classes of Notes and the holders of such Classes of Notes among which the Meeting is held,

*provided however that* in connection with a Meeting of Class A Noteholders and/or Class B Noteholders and/or Class C Noteholders and/or Class J Noteholders of any one or more specific Series the terms “Notes” and “Noteholders” shall indicate only the Class A Notes and/or Class B Notes and/or Class C Notes and/or Class J Notes and the Class A Noteholders and/or the Class B Noteholders and/or the Class C Noteholders and/or the Class J Noteholders of such specific Series.

“**Notes Principal Amount Outstanding**” means, on any day:

- (a) in relation to each Class of Notes of each Series, the aggregate principal amount outstanding of all Notes in such Class of such Series;
- (b) in relation to a Note, the principal amount of that Note upon issue less the aggregate amount of all Principal Payments (as defined in Condition 7.2 (*Mandatory Pro Rata Redemption*)) in respect of that Note that have been repaid on or prior to that date.

“**Proxy**” means, with respect to a Meeting, written instructions issued by the Monte Titoli Account Holder which authorise a designated person to vote according to such instructions with respect to the Blocked Notes;

“**Proxy Holder**” means, in relation to a Meeting, a person who has the right to vote pursuant to a Proxy;

“**Relevant Fraction**” means:

- (a) for voting on any resolution other than an Extraordinary Resolution, one-tenth of the Notes Principal Amount Outstanding of the outstanding Notes of the relevant Class(es) of the relevant Series;
- (b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Notes Principal Amount Outstanding of the outstanding Notes of the relevant Class(es) of the relevant Series; and
- (c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders of each relevant Series), three-quarters of the Notes Principal Amount Outstanding of the outstanding Notes of each relevant Class of such Series;

provided, however, that, in the case of a Meeting postponed pursuant to Article 10 (*Adjournment for lack of quorum*), it shall mean:

- (aa) for voting on any resolution other than an Extraordinary Resolution, the fraction of the Notes Principal Amount Outstanding of the outstanding Notes represented or held by Voters present at the Meeting;
- (bb) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, one third of the Notes Principal Amount Outstanding of the outstanding Notes of the relevant Class(es); and

- (cc) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders of each relevant Series), 40% of the Notes Principal Amount Outstanding of the outstanding Notes of each relevant Class.

“**Voter**” means, in relation to any Meeting the holder of a Voting Certificate or a Proxy;

“**Voting Certificate**” means, in relation to any Meeting, a certificate requested by any Noteholder and issued by the depositary intermediary in accordance with Articles 33 and 34 of CONSOB Regulation 11768 of 23 December 1998 (as subsequently amended) stating *inter alia*:

- (a) that the Blocked Notes will not be released until the earlier of: (i) the conclusion of the Meeting or any adjournment of such Meeting; (ii) the surrender of the certificate to the depositary intermediary;
- (b) the number of the Blocked Notes; and
- (c) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes.

“**Written Resolution**” means a resolution in writing signed by or on behalf of all Noteholders who at that time are entitled to participate in a Meeting in accordance with the provisions of these Rules of the Organisation, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders;

“**24 hours**” means a period of 24 hours including all or part of a day on which banks are open for business in the place where the Meeting of the relevant Noteholders is to be held, and such period shall be extended by one or, to the extent necessary, more periods of 24 hours until it includes the aforesaid all or part of a day on which banks are open for business as described above; and

“**48 hours**” means 2 consecutive periods of 24 hours.

In these Rules of the Organisation of the Noteholders:

- any reference to the then “**highest ranking Notes**” or “**highest ranking Class of Notes**” shall be (a) to the Class A Notes, for as long as there are Class A Notes outstanding, (b) after all Class A Notes have been repaid in full or cancelled, to the Class B Notes for as long as there are Class B Notes outstanding, (c) after all Class B Notes have been repaid in full or cancelled, to the Class C Notes for as long as there are Class C Notes outstanding, and (e) after all Class C Notes have been repaid in full or cancelled, to the Class J Notes; and
- any reference to a “**Class**” of Notes shall be deemed to refer to a Class of Notes within a specific Series or, where the context requires, a Class of Notes of all existing Series or, as the case may be, a Class of Notes of the affected Series.

### Article 3

#### Purpose of the Organisation

Each Class A Noteholder, each Class B Noteholder, each Class C Noteholder and each Class J Noteholder becomes, as a consequence of the subscription or purchase of the relevant Class A Note(s), Class B Note(s), Class C Note(s) or Class J Note(s) (as the case may be) a member of the Organisation of the Noteholders.

The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, the taking of any action to protect the interests of the Noteholders.

## TITLE II

### MEETINGS OF NOTEHOLDERS

#### Article 4

##### General Provisions

It is possible to convene meetings of Noteholders of specific Classes and of specific Classes within specific Series or, subject to the provisions of these Rules and the Conditions and provided that the Representative of the Noteholders considers in its opinion that it does not prejudice the interests of the holders of any relevant Series or Class of Notes, joint meetings of Noteholders of two or more or all Series and Classes.

Subject to Article 20 (*Relationships between Classes and between Series*), the following provisions shall apply where outstanding Notes belong to more than one Class or Series:

- (a) business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes of one specific Series shall be transacted at a separate Meeting of the Noteholders of the relevant Class of the relevant Series;



- (b) business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes of two or more or all Series shall be transacted at a separate Meeting of Noteholders of the relevant Class of the affected Series, save where there is an actual or potential conflict of interest between Noteholders within such Class of different Series, in which case a separate meeting for Noteholders of such Class of each affected Series shall be held;
- (c) business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class may be transacted at a single Meeting of the Noteholders of all Series of the affected Classes or separate Meetings of the Noteholders of each relevant Class of all Series (or where the circumstances so require, of each relevant Series), as the Representative of the Noteholders shall determine in its sole discretion *provided however that* each time there is an actual or potential conflict of interest between Noteholders of different Series or Classes, separate Meetings shall be held.

In this paragraph “**business**” includes (without limitation) the passing or rejection of any resolution.

#### **Article 5**

##### Deposit of Voting Certificates and Validity of the Proxies and Voting Certificates

In order to be admitted to participate in a Meeting, Noteholders must deposit their Voting Certificates with the Principal Paying Agent or Luxembourg Paying Agent not later than 48 hours before the relevant Meeting.

A Proxy shall be valid only if it is deposited, along with the related Voting Certificate(s) at the office of the Principal Paying Agent or Luxembourg Paying Agent, or at any other place approved respectively by the Principal Paying Agent or Luxembourg Paying Agent, at least 48 hours before the relevant Meeting. If a Proxy is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to discuss the items on the agenda.

The Voting Certificates and Proxies shall be valid until the release of the Blocked Notes to which they relate.

#### **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 any time it is requested to do so in writing by a number of Noteholders representing at least one-tenth of the Notes Principal Amount Outstanding of the Notes of the relevant Class or Classes (or of the relevant Class or Classes within the relevant Series) in respect of which the Meeting is being convened or by the Board of Directors or the Sole Director (as the case may be) of the Issuer, provided it has first been indemnified or secured to its satisfaction.

Whenever the Issuer requests the Representative of the Noteholders to convene the Meeting, it shall immediately send a communication in writing to that effect to the Representative of the Noteholders specifying the day, time and location of the Meeting, and of the items to be included in the agenda.

The Meeting will be held at the place indicated or approved by the Representative of the Noteholders.

#### **Article 7**

##### Notices

At least 21 days’ prior to the day set for the Meeting (exclusive of the day notice is delivered and of the day of the Meeting), notice in writing must be provided (upon instruction from the Representative of the Noteholders) by the Principal Paying Agent to the relevant Noteholders, the Issuer and the Representative of the Noteholders of the day, time and location of the Meeting. The notice shall set out the full text of any resolution to be voted on. Moreover, the notice shall state that the Notes may be deposited with or to the order of any of the Principal Paying Agent or the Luxembourg Paying Agent for the purposes of obtaining the Voting Certificates or appointing Proxies not later than 48 hours before the time fixed for the Meeting.

In the absence of such notice, a Meeting will nevertheless be deemed to have been validly convened if the entire Notes Principal Amount Outstanding of the relevant Class or Classes (or of the relevant Class or Classes within the relevant Series) in respect of which the Meeting is being convened is represented at the Meeting and all directors of the Issuer and the Representative of the Noteholders are present.

#### **Article 8**

##### Chairman of the Meeting

The Meeting is chaired by an individual appointed in writing by the Representative of the Noteholders. If such individual is absent or unable to chair or if no such appointment is made, the Meeting shall be chaired by the person so designated by the majority of the voters present failing which the Chairman will be appointed by the Board of Directors of the Issuer.

The Chairman ascertains that the Meeting has been duly convened and validly constituted, leads the discussion, and defines whether voting shall take place by show of hands or by poll.

The Chairman may be assisted by outside experts or technical consultants, specifically invited by the Chairman or the Representative of the Noteholders to assist in any item of the agenda, and may appoint one or more vote-counters, who are not required to be Noteholders.

#### **Article 9**

##### Quorum and voting

The quorum required for any Meeting convened by due notice shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount outstanding of the relevant Class or Classes (or of the relevant Class or Classes within the relevant Series). For the avoidance of doubt, such quorum shall also be applied in determining the required majority for the voting of any resolution.

#### **Article 10**

##### Adjournment for lack of quorum

If a quorum is not reached within 30 minutes after the time fixed for any given Meeting:

- (a) if such Meeting was requested by the Noteholders, the Meeting shall be dissolved; or
- (b) the Meeting shall be adjourned to a new date no earlier than 14 days after and no later than 42 days after the date of such Meeting, at such location as the Chairman determines.

#### **Article 11**

##### Adjourned Meeting

The Chairman may, with the prior consent of the Meeting, adjourn such Meeting to another time and at another place. However, at such adjourned Meeting no business shall be transacted except business which should have been transacted at the Meeting at which the adjournment took place.

#### **Article 12**

##### Notice following adjournment

If a Meeting is adjourned in accordance with the provisions of Article 10 (*Adjournment for lack of quorum*) above, such Meeting shall be reconvened in compliance with the terms provided in Articles 6 (*Convening the Meeting*) and 7 (*Notices*) above, provided however that:

- (a) 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for lack of quorum*).

#### **Article 13**

##### Participation

The following categories of persons may attend and speak at a Meeting:

- (a) Voters;
- (b) the directors, internal auditors (*sindaci*) and external auditors (*revisori*) of the Issuer;
- (c) the Representative of the Noteholders;
- (d) the financial advisers and legal counsel to the Issuer and the Representative of the Noteholders; and
- (e) any other person authorised 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 a 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 Notes Principal Amount Outstanding of the relevant Class or Classes of Notes (or of the relevant Class or Classes of Notes within the relevant Series) request to vote pursuant to Article 15 (*Voting by poll*), or if the question is not unanimously approved by the voters at the Meeting upon a show of hands, the question shall be voted on in compliance with the provisions of Article 15 (*Voting by poll*). No request to vote by poll shall hinder continuation of the Meeting in relation to the other items on the agenda.

#### **Article 15**

### Voting by poll

Whenever it is not possible to approve a resolution by show of hands in accordance with Article 14 (*Voting by show of hands*), voting shall be carried out by poll. Such vote may be taken immediately or after any adjournment is directed by the Chairman pursuant to Article 11 (*Adjourned Meeting*) above.

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 and void. 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 Notes Principal Amount Outstanding on each Note represented or held by the Voter, when voting by poll.

Unless the terms of any Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled to or to cast all the votes which such Voter exercises in the same manner.

### Article 17

#### Voting by Proxy

Revocation of a Proxy shall be valid only if the Principal Paying Agent is notified in writing of such revocation at least 24 hours prior to the time set for the Meeting. Unless revoked, the appointment to vote contained in a Proxy for a Meeting shall remain valid also in relation to a Meeting resumed following an adjournment, unless such Meeting was adjourned pursuant to Article 10 (*Adjournment for lack of quorum*). If a Meeting is adjourned pursuant to Article 10 (*Adjournment for lack of quorum*), each person appointed to vote in such Meeting shall have to be appointed again by virtue of another Proxy.

The Proxy shall be signed by the person granting the Proxy, shall not be granted blank, and shall bear the date, the name of the person appointed to vote, and the related Proxies. If there is no indication of how the right to vote has to be exercised, then such vote shall be deemed to be an abstention from voting on such proposed resolution.

The signature of the person issuing such instructions shall be authenticated by the depository intermediary which releases the related Voting Certificate, or by the Principal Paying Agent, or by the Representative of the Noteholders, or by a public official.

### Article 18

#### Publication

Within 14 days of the conclusion of the Meeting, the Issuer shall give notice to the Noteholders, the Principal Paying Agent and the Representative of the Noteholders of the result of the votes on each resolution of the Meeting. Such notice shall be sent to the Noteholders in the manners set out in Condition 14 (*Notices*) of the Conditions and shall be sent to the Representative of the Noteholders and the Principal Paying Agent by registered mail (anticipated by fax).

### Article 19

#### Exclusive Powers of the Meeting

The Meeting, subject to Article 20 (*Relationships between Classes and between Series*), shall have exclusive powers, exercisable only by Extraordinary Resolution, on the following matters:

- (a) approval of any Basic Terms Modification;
- (b) subject to Article 28 (B) (i) (*Exoneration of the Representative of the Noteholders*), approval of: (i) any amendments of the provisions of these Rules of the Organisation, the Conditions or the provisions of the Intercreditor Agreement or any other Transaction Document proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto, or (ii) any other proposal by the Issuer for any alteration or waiver of the rights of the Noteholders against the Issuer;
- (c) approval of any scheme or proposal relating to the mandatory exchange or substitution of all Notes or of any Class or Series thereof;
- (d) the discharge or exoneration, including prior discharge or exoneration, of the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules of the Organisation, the Conditions or any other Transaction Document;

- (e) the grant of any authority, order or sanction which - under the provisions of these Rules of the Organisation or of the Conditions - must be granted pursuant to an Extraordinary Resolution;
- (f) the authorisation and ratification of the actions of the Representative of the Noteholders in compliance with these Rules of the Organisation, the Intercreditor Agreement and any other Transaction Document; and
- (g) subject to Article 28 (B) (i) (*Exoneration of the Representative of the Noteholders*), waivers of any breach, including the right to authorise a proposed breach by the Issuer of its obligations deriving under the Transaction Documents or the Notes, or waiver from enforcing an Trigger Event.

In addition, the Meeting (subject to Article 20 (*Relationships between Classes and between Series*)) shall have exclusive powers (without need however to adopt an Extraordinary Resolution) on any other matters offered to the Meeting for review by the relevant Noteholders, the Representative of the Noteholders or the Issuer.

## **Article 20**

### Relationship between Classes and between Series

In relation to each Class of Notes:

- (a) 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 Class(es) of Notes (to the extent that there are Notes outstanding in each such other Class) which, in the opinion of the Representative of the Noteholders, will be actually or potentially affected by it *provided however that* it will not be necessary to obtain the sanction of the Class J Noteholders (aa) in cases where failure to adopt the relevant Extraordinary Resolution would result in the downgrading or placement in creditwatch of one or more or all Classes of Notes by one or more or all Rating Agencies, and (bb) in cases of vote on the appointment or removal of the Representative of the Noteholders, where the Class J Noteholders will be deemed to have approved any choice made by the Noteholders of the prior ranking Class(es);
- (b) no Extraordinary Resolution to approve any matter other than a Basic Terms Modification that is passed by the holders of any Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Class(es) of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking *pari passu* with or senior to such Class), unless the Representative of the Noteholders considers that none of the holders of each of the other Class(es) of Notes ranking *pari passu* with or senior to such Class would be prejudiced by the absence of such sanction.

Without prejudice to letter (f) of the definition of “Basic Terms Modification”, no amendment to the Conditions which, in the opinion of the Representative of the Noteholders, would or could prejudice the interests of the holders of Notes belonging to one or more specific Series by reason of their holding Notes of such specific Series shall be effective unless such amendment is sanctioned by Extraordinary Resolution of a Meeting of the holders of each Class of Senior Notes of such Series which, in the opinion of the Representative of the Noteholders, will be actually or potentially affected by such amendment.

Subject to the foregoing, a resolution shall be binding upon all Noteholders of the relevant Class or Classes of all Series, whether or not voting or present at such Meeting and, except in the case of a Basic Terms Modification, any resolution passed at a meeting of the holders of the highest ranking Class of Notes then outstanding duly convened and held as aforesaid shall also be binding upon all holders of all other Classes of Notes irrespective of the effect thereof on their interests.

## **Article 21**

### Challenge of Resolution

Any absent or dissenting Noteholder has the right to challenge resolutions which are not passed in compliance with the provisions of these Rules of the Organisation.

## **Article 22**

### Minutes

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it shall be deemed to have been duly passed and transacted.

## **Article 23**

### Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

## Article 24

### Individual Actions and Remedies

All Noteholders agree not to enforce any of their rights under the Notes until a Trigger Notice has been served upon the Issuer.

If, after a Trigger Notice has been served upon the Issuer, a Noteholder wishes to bring individual actions or take other individual remedies to enforce its rights under the Notes that do not amount to bankruptcy, insolvency or compulsory liquidation or similar proceedings, it will first give notice of its intention to the Representative of the Noteholders, who shall then without delay call for a Meeting of the then highest ranking Class of Notes outstanding. If the Meeting takes an Extraordinary Resolution approving the proposed individual action or remedy, then (a) if the Noteholder belongs to the then highest ranking Class of Noteholders, such Noteholder will not be prevented from the taking of such action or remedy, and (b) if the Noteholder belongs to a Class of Noteholders other than the highest ranking Class of Noteholders, a similar Extraordinary Resolution will have to be obtained from all other Class(es) of Noteholders ranking higher than the Class of Noteholders of which such Noteholder is part and from the Class of Noteholders of which such Noteholder is part. If any of such Meeting(s) does not pass, for whatever reason (including, but not limited to, want of quorum), such Extraordinary Resolution, then the Noteholder will be prevented from the taking of such action or remedy (the same matter, may, however be submitted again to the Meeting(s) after a reasonable time period).

No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of Noteholders has been held to resolve on such action or remedy in accordance with the provisions of this Article 24 (*Individual actions and remedies*).

The provisions of the Intercreditor Agreement govern the right of the Noteholders to institute against or join any other person in instituting against the Issuer any bankruptcy, insolvency or compulsory liquidation or similar proceeding.

## TITLE III

### THE REPRESENTATIVE OF THE NOTEHOLDERS

#### Article 25

##### Appointment, Removal and Remuneration

For as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders.

The appointment of the Representative of the Noteholders takes place at a Meeting in accordance with the provisions of this Article 25 (*Appointment, Removal and Remuneration*), except for the appointment of the first Representative of the Noteholders which will be Crédit Agricole Investor Services Bank Luxembourg.

Save for Crédit Agricole Investor Services Bank Luxembourg as the initial Representative of the Noteholders, the Representative of the Noteholders shall be:

- (a) a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch or through a branch situated in an European Union country; or
- (b) a company or financial institution registered under Article 107 of the Consolidated Banking Act;
- (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 the Meeting or it resigns in accordance with Article 27 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of the Notes. The Meeting may remove the Representative of the Noteholders at any time and notice of the removal of the Representative of the Noteholders will be published in compliance with the provisions of Condition 14 (*Notices*) of the Conditions and all stock exchanges on which Notes are listed at such time will be promptly informed.

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 must fall within one of the categories set forth in (a), (b), and (c) above) accepts the appointment, and the powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary to perform the essential functions required in connection with the Notes, provided that such termination of the appointment shall be without prejudice to the right of the Representative of the Noteholders to receive any fees or other rights accrued as at the relevant date of termination.

The Directors and auditors of the Issuer and those who fall within the provisions of Article 2399 of the Italian Civil Code 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 an annual fee for its services as Representative of the Noteholders as from the date hereof as agreed by separate letter for the activity carried out during the period preceding a Trigger Notice and an additional sum as agreed from time to time by separate letter for the activity carried out during the period after a Trigger Notice. The fees under this Article shall be paid by the Issuer quarterly in arrears on each Payment Date in accordance with and to the extent permitted by the applicable Priorities of Payments up to (and including) the date when the Notes will have been repaid in full or cancelled in accordance with the Conditions.

#### **Article 26**

##### Duties and Powers of the Representative of the Noteholders

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders.

The Representative of the Noteholders shall attend to the implementation of the decisions of the Meeting of the Noteholders and shall protect the common interests of the Noteholders vis-a-vis the Issuer. The Representative of the Noteholders may convene a Meeting to obtain instructions from Noteholders of the relevant Class(es) on actions to be taken.

The Representative of the Noteholders may, in the execution and exercise of all its powers, authorities and discretions, act by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it thinks it expedient in the interest of the Noteholders, by power of attorney or otherwise, delegate to any person or persons some but not all of the trusts, powers, authorities and discretions 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 in the interests of the Noteholders. The Representative of the Noteholders shall not be responsible for any action or omission by such delegate save where (i) the Representative of the Noteholders has not used the required care and skills in the choice of any such delegate, or (ii) where any loss or damage is due to the instructions given by the Representative of the Noteholders to any such delegate (including therefore any damage due to the contents or inaccuracy of any such instructions). The Representative of the Noteholders shall as soon as reasonably practicable give notice to the Issuer of the appointment, removal, extension and termination of any delegate as aforesaid and shall also procure that any delegate shall as soon as reasonably practicable give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall be authorised to represent the Organisation of the Noteholders in judicial proceedings, including in cases of winding-up, Court supervised administration (*amministrazione controllata*), extraordinary administration, composition, bankruptcy, insolvency and forced administrative liquidation (*liquidazione coatta amministrativa*) of the Issuer.

#### **Article 27**

##### 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. The resignation of the Representative of the Noteholders shall not become effective until (i) a Meeting of Noteholders has appointed a new Representative of the Noteholders, and (ii) such newly appointed Representative of the Noteholders has unconditionally accepted the appointment. Any such appointment of a new Representative of the Noteholders shall be notified to the Noteholders pursuant to Condition 14 and to all stock exchanges on which Notes are listed at such time.

#### **Article 28**

##### 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.

Without limiting the generality of the foregoing:

(A) 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 or such other event, condition or act has occurred;
- (ii) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any of the other parties to these Rules of the Organisation or any other Transaction Documents of their obligations contained hereunder or thereunder 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 these Rules of the Organisation of the Noteholders or the Transaction Documents are carefully observing and performing all their respective obligations thereunder;

- (iii) shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules of the Organisation or any other Transaction Document;
- (iv) shall not be responsible for or for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules of the Organisation or of any other 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 (aa) the nature, status, creditworthiness or solvency of the Issuer, (bb) 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, (cc) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith, (dd) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio, and (ee) any accounts, books, records or files maintained by the Issuer, the Servicer, the Account Bank and the Paying Agents or any other person in respect of the Portfolios;
- (v) shall not be responsible for the receipt or application by the Issuer of the proceeds of the Notes or the distribution of any of such proceeds to the persons entitled thereto;
- (vi) shall have no responsibility to procure that the Rating Agencies or any other credit or rating agency or any other party maintain the rating of the Notes;
- (vii) shall not be responsible for and for investigating any matter which is the subject of any recitals, statements, warranties or representations by any party other than the Representative of the Noteholders contained herein or in any other Transaction Document;
- (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 of the Organisation or any other Transaction Document;
- (ix) shall not be under any obligation to insure the Portfolios or any of them or any part thereof or otherwise guarantee the repayment of the Portfolios or any of them or any part thereof;
- (x) shall not (unless and to the extent ordered so to do 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 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;
- (xi) shall not be responsible for (except as otherwise provided in the Conditions or in the other Transaction Documents) making or verifying any determination or calculation in respect of the Portfolio and the Notes;
- (xii) shall not be obliged to have regard to the consequences of any action under these Rules or any Transaction Documents or any modification of these Rules or any of the other Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;
- (xiii) shall not be responsible for, nor shall it have liability with respect to any loss or damage arising from the realisation of all or any part of the Portfolios or any of them or from any exercise or non exercise by it of any power, authority or discretion conferred on it in relation to such security or otherwise unless such loss or damage is caused by fraud, wilful misconduct or negligence;
- (xiv) shall not be responsible for verifying the contents of any auditor's report or certificate, and the Representative of the Noteholders is entitled to rely on such report or certificate.

(B) The Representative of the Noteholders:

- (i) may, without being required to obtain the consent of the Noteholders, agree with the other parties thereto amendments or modifications to these Rules or to any other Transaction Documents or agree to waivers when in the opinion of the Representative of the Noteholders it is expedient to make or is to correct a manifest error or is of a formal, minor or technical nature, provided that no such amendment, modification

or waiver shall be made which is or may be, in the sole opinion of the Representative of the Noteholders, prejudicial to the interests of the Noteholders (or of one or more Classes or Series thereof) and provided further that no such amendment, modification or waiver may be made on any matter reserved to the exclusive powers of the Meeting, in contravention of any express direction by a Meeting or of a request in writing made by the holders of not less than 25% in aggregate principal amount of either the Senior Notes or (when the Senior Notes will have been repaid in full) of the Notes then outstanding;

- (ii) may act on the advice of a certificate or opinion 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 fraud, gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders; any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission or cable and, in the absence of fraud, negligence or wilful misconduct or fraud on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on advice, certificate, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission or cable although the same shall contain some error or should not be authentic;
- (iii) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing, 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 actual knowledge or express notice to the contrary;
- (iv) save as expressly otherwise provided herein, shall have absolute discretion as to the exercise, non-exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules of the Organisation or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, cost, damage, expense or inconvenience resulting from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its fraud, wilful misconduct (*dolo*) or gross negligence (*colpa grave*);
- (v) 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 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 at the Meeting to be indemnified and/or provided 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;
- (vi) 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;
- (vii) may certify whether or not an Trigger Event is in its opinion prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant person;
- (viii) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules of the Organisation, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant person;
- (ix) may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer;
- (x) shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules of the Organisation, that such exercise will not be prejudicial to the interest of the Noteholders if the Rating Agencies 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 obligation, deems it necessary to obtain the valuation of the Rating Agencies regarding how a specific act would affect the rating of the Senior 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;
- (xi) shall be at liberty to hold or to place these Rules, the Transaction Documents and any documents relating hereto in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Representative of



the Noteholders to be of good repute and the Representative of the Noteholders shall not be responsible for or required to insure against any loss incurred in connection with any such deposit and may pay all sums required to be paid on account of or in respect of any such deposit;

- (xii) may call for and shall be at liberty to accept and place full reliance on and as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depositary as the Representative of the Noteholders considers appropriate, or any form of record made by any of them to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as entitled to a particular number of Notes;
- (xiii) shall be entitled to call for and to rely upon a certificate or any letter or confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement or any Other Issuer Creditor or any Rating Agency in respect of every matter and circumstance for which a certificate is expressly provided for hereunder or any other Transaction Document or in respect of any rating of the Notes and it shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do; and
- (xiv) shall be free to enter into any further business relationships with the Issuer, the Originator, the Arranger or any other party to the Transaction Documents.

No provision of these Rules of the Organisation shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend or otherwise risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretion, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action.

## **Article 29**

### Security Documents

The Representative of the Noteholders is entitled to exercise all rights granted by the Issuer in favour of the Noteholders and the Other Issuer Creditors under the Italian Deeds of Pledge. The Representative of the Noteholders, in its capacity as security trustee under the English Deed of Charge, is entitled to exercise all rights granted by the Issuer to it in its capacity as trustee for the Issuer Creditors under the English Deed of Charge. The beneficiaries of the Security Documents are referred to herein as the “**Secured Parties**”.

The Representative of the Noteholders, acting on behalf of the Secured Parties, may:

- (a) appoint and entrust the Issuer to collect, in the Secured Parties’ interest and on their behalf, any amounts deriving from the pledged claims and rights and may instruct, jointly with the Issuer, the relevant debtors of the pledged claims to make any payments to be made thereunder to an Account of the Issuer;
- (b) acknowledge that the account(s) to which payments have been made in respect of the pledged claims shall be deposit accounts for the purpose of Article 2803 of the Italian Civil Code and agrees that such account(s) shall be operated in compliance with the provisions of the Cash Allocation, Management and Payments Agreement and the Intercreditor Agreement;
- (c) agree that all funds credited to the relevant Issuer Accounts from time to time shall be applied in accordance with the Cash Allocation, Management and Payments Agreement and the Intercreditor Agreement ;
- (d) agree that cash deriving from time to time from the pledged claims and the amounts standing to the credit of the relevant Issuer Accounts shall be applied in and towards satisfaction of amounts due to the Secured Parties and any other parties according to the applicable Priorities of Payment.

The Noteholders irrevocably waive any right which they may have hereunder in respect of cash deriving from time to time from the pledged claims and amounts standing to the credit of the Issuer Accounts which is not in accordance with the foregoing. 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 claims under the Security Documents except in accordance with the foregoing and the Intercreditor Agreement.

## **Article 30**

### Indemnity

Pursuant to the Subscription Agreements, the Issuer has covenanted and undertaken to reimburse upon demand, out of the Issuer Available Funds and in accordance with the Priorities of Payments, to the extent not already reimbursed, paid or discharged by the Noteholders or any Other Issuer Creditors, all costs and expenses properly incurred by the Representative of the Noteholders or by any persons to whom the Representative of the Noteholders has delegated any power or duty in

the exercise of its powers and the performance of its duties, except insofar as any such expense is incurred as a result of the fraud, gross negligence or wilful misconduct and to the extent all such costs and expenses are duly documented.

#### **TITLE IV**

### **THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF A TRIGGER NOTICE**

#### **Article 31**

##### Powers

It is hereby acknowledged that, upon service of a Trigger Notice, pursuant to the Intercreditor Agreement the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled to exercise certain rights in relation to the Portfolios and the Transaction Documents. 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 Intercreditor Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

#### **TITLE V**

### **GOVERNING LAW AND ALTERNATIVE DISPUTES RESOLUTIONS**

#### **Article 32**

##### Governing Law

These Rules of the Organisation are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

#### **Article 33**

##### Alternative Disputes Resolution

All disputes arising out of or in connection with these Rules of the Organisation, including those concerning its validity, interpretation, performance and termination, shall be settled independently of the number of parties, by an arbitral tribunal consisting of three arbitrators, one being the President, all of them directly appointed by the Chamber of National and International Arbitration of Milan. The arbitration shall be conducted in accordance with the Rules of the Organisation of that National and International Chamber of Commerce of Milan (*Regole di Arbitrato Internazionale della Camera di Commercio Nazionale e Internazionale di Milano*), which each of the Noteholders acknowledges to know and accept in their entirety. The arbitrators shall decide according to the laws of the Republic of Italy and not *ex aequo et bono*. The seat of the Arbitration will be Milan. The language of the arbitration will be English.

The Courts of Milan shall have exclusive jurisdiction over any dispute that cannot be settled by arbitration in accordance with the provisions of this Article 33 (*Alternative Disputes Resolution*).

## SELECTED ASPECTS OF ITALIAN LAW RELEVANT TO THE TRANSACTION

### The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

It applies to securitisation transactions involving the “true” sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with Article 3 of the Securitisation Law and all amounts paid by the assigned debtors are to be used by the relevant company exclusively to meet its obligations under the notes issued to fund the purchase of such receivables and all costs and expenses associated with the relevant securitisation transaction.

### The Assignment

The assignment of the receivables under the Securitisation Law is governed by Article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. The prevailing interpretation of this provision, which view has been strengthened by Article 4 of the Securitisation Law, is that the assignment can be perfected against the originator and third party creditors by way of publication of a notice of such assignment in the Italian Official Gazette and, against the assigned debtors, upon the aforementioned Official Gazette publication as well as registration of such assignment in the Register of Companies (*registro delle imprese*) competent for the place where the Issuer has its registered office, so avoiding the need for notification to be served on each assigned debtor.

As a result, as of the date of publication of the notice in the Official Gazette and registration with the competent Register of Enterprises, 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 Italian Royal Decree No. 267 of 16 March 1942 (*Legge Fallimentare*) (the “**Bankruptcy Law**”); and
- (c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication.

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 company which has purchased the receivables, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment with the competent Register of Companies, 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 transaction.

### Ring-Fencing of the Assets

By operation of the Securitisation Law, the Receivables purchased by the Issuer under the Programme will, by operation of law, be segregated for all purposes from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the company pursuant to the Securitisation Law outside the Programme). On a winding up of the Issuer, these assets will only be available to the Noteholders and to certain creditors claiming payment of debts incurred by the Issuer in connection with the implementation of the Programme. In particular, the Receivables purchased by the Issuer under the Programme will not be available to the holders of notes issued to finance any securitisation transaction outside the Programme or to general creditors of the Issuer. However, under Italian law any creditor of the Issuer would be able to commence insolvency or winding up proceedings against the company in respect of any unpaid debt.

### Claw Back of the Sale of the Portfolio

Assignments executed under the Securitisation Law may be clawed back under Article 67 of the Bankruptcy Law but only in the event that the relevant party was insolvent when the assignment was entered into and the adjudication of bankruptcy of the relevant party is made within three months or, in cases where paragraph 1 of Article 67 applies, within six months of the securitisation transaction (under the Securitisation Law the 2 years and 1 year suspect periods provided by Article 67 of the Bankruptcy Law are reduced to 6 months and 3 months respectively). Under the Warranty and Indemnity Agreement, the Originator has given a representation as of each Purchase Date and each Series Issue Date that it was and it will be solvent as of each Purchase Date and each Series Issue Date.

In this respect it should be considered that Article 67 of the Bankruptcy Law has been recently amended, with effect as from 17 March 2005, by Law Decree 14 March 2005, No. 35, converted into law by Law 15 May 2005, No. 80 (“**Law 80**”). Under Article 67 of the Bankruptcy Law as amended by Law 80, the suspect period is reduced respectively to 1 year and to 6 months.

**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 one year suspect 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. The relevant payment will be set aside and clawed back if the receiver gives evidence that the recipient of the payments had knowledge of the state of insolvency when the payments were made. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court may in its discretion consider all relevant circumstances.

## TAXATION

[The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules. The following summary does not discuss the treatment of Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in Italy.

This summary is based upon tax laws and practice of Italy in effect on the date of this Base Prospectus which are subject to change potentially retroactively.

Prospective purchasers of Notes 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 tax consequences of the subscription, purchase, ownership and disposition of the Notes in these circumstances, including the effect of any state, local or foreign tax laws.

### Income Tax on the proceeds

Under the current legislation, pursuant to the provision of Article 6, paragraph 1, of the Securitisation Law and 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 Notes:

- (A) will be subject to *imposta sostitutiva* at the rate of 12.5 per cent. in the Republic of Italy if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes, holding Notes not in connection with entrepreneurial activities (unless they have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called *risparmio gestito regime* according to Article 7 of Legislative Decree No. 461 of 21 November 1997 – the “**Asset Management Option**”); (ii) Italian resident non commercial partnerships and professional associations; (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; and (v) non-Italian resident entities or persons without a permanent establishment in Italy to which the Notes are effectively connected, which are not eligible for the exemption from the *imposta sostitutiva* and/or do not timely comply with the requirements set forth in Decree No. 239 and the relevant application rules in order to benefit from the exemption from *imposta sostitutiva*. As to non-Italian resident beneficial owners, *imposta sostitutiva* may be reduced under double taxation treaties entered into by Italy, where applicable.

All the above mentioned beneficial owners are classified as “*net recipients*”.

Where the resident holders of the Notes described in (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the interest will be subject to the *imposta sostitutiva* and will be included in the relevant income tax return. As a consequence, the interest will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

The 12.5 per cent. (or, in certain cases, for treaty covered non-Italian resident beneficial owners, the lower rate provided for by the relevant applicable double tax treaty) final *imposta sostitutiva* will be applied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Notes or in the transfer of the Notes;

- (B) will not be subject to the *imposta sostitutiva* at the rate of 12.5 per cent. if made to beneficial owners who are: (i) Italian resident corporations, commercial partnerships, individual entrepreneurs holding Notes in connection with entrepreneurial activities or permanent establishments in Italy of non resident corporations to which the Notes are effectively connected; (ii) Italian resident collective investment funds, SICAVs and Italian pension funds referred to in Legislative Decree No. 124 of 21 April 1993; (iii) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Option and (iv) Italian real estate investment funds (*Fondi comuni di investimento immobiliare*); and (v), non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected, *provided that*:

(a) they are (i) resident of a country which allows an adequate exchange of information. With reference to the above condition, according to Ministerial Decree of 12 December 2001, the present list of the countries allowing an adequate exchange of information is that contained in the Ministerial Decree 4 September, 1996 - as subsequently amended and supplemented – and contemplates all the countries with which Italy has entered into a double taxation treaty providing for an exchange of information. The exemption from “*imposta sostitutiva*” also applies to (i) non resident “institutional investors” (*i.e.* entities the activity of which consists of making or managing investments on their own behalf or on behalf of other persons, as defined by *Circolare dell’Agenzia delle Entrate* dated 1 March 2002 No. 23/E), even if they are not treated as taxpayers in their country of residence, but provided that they are resident in a country which allows an adequate exchange of information, (ii) international organisations created pursuant to international treaties that are effective in Italy, and (iii) central banks or entities managing also the official reserves of the State;

(b) all the requirements and procedures set forth in Decree No. 239 and in the relevant application rules, as subsequently amended, in order to benefit from the exemption from “*imposta sostitutiva*” are met or complied with in a timely manner.

To ensure payment of interest and other proceeds in respect of the Notes without the application of “*imposta sostitutiva*”, investors indicated above must (which are classified as “gross recipients”):

- (1) timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial intermediary, or permanent establishment in Italy of a foreign intermediary, which are directly connected with the Italian Ministry of Finance. For this purpose two categories of intermediaries are identified:
  - (x) an Italian or non Italian resident bank or financial institution (there is no requirement for the bank to be EU resident) (the “First Level Bank”), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank as defined below,
  - (y) an Italian resident bank or a *Società d’Intermediazione Mobiliare* (“SIM”, which are Italian financial intermediaries), or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via electronic link, with the Italian Financial Administration (the “Second Level Bank”). Organizations and companies non-resident in the Republic of Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in the Republic of Italy of a non-resident bank or SIM). In the event that the non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank;
- (2) (for non resident investors only) file with the relevant depository in a timely manner a self-declaration (the “Declaration”) stating their residence, for tax purposes, in a country which recognises the Italian fiscal authorities’ right to an adequate exchange of information and, *inter alia*, that the non-Italian resident entity is the beneficial owner of the proceeds. Such self-declaration, which must be in conformity with the model approved by the Ministry of Economy and Finance (approved with Decree of the Ministry of Economy and Finance 12 December 2001, published on the Ordinary Supplement No. 287 to the Official Journal No. 301 of 29 December 2001), is valid until withdrawn or revoked and may not be filed in the event that a certificate, declaration or other similar document (including Form 116/IMP) with an equivalent purpose has previously been filed with the same depository. In the case of institutional investors not subject to tax, the institutional investor shall be regarded as the beneficial owner and the relevant self-declaration shall be produced by the management company. Once the Declaration has been properly completed, the First Level Bank is obliged to send it to the Second Level Bank within 15 days from receipt. Second Level Banks are expected to file the data relating to the non-resident Noteholder together with data relating to the transactions carried out, via electronic link, to the Italian fiscal authorities within the first transmission period after receipt of such data. The Italian fiscal authorities monitor and control such data and any discrepancies. For Noteholders non-resident in the Republic of Italy, the Second Level Bank acts as an intermediary responsible for assessing the applicability of the “*imposta sostitutiva*” and, consequently, for levying and paying it to the Italian tax authority in accordance with the procedure described above. The Declaration has to be filed by the actual beneficial owner of the proceeds. Institutional investors with no subjective tax liability are always considered beneficial owners in respect of the proceeds received and shall file the Declaration by means of their investment manager.

Non-resident holders are subject to the 12.5 per cent. substitute tax on interest and other proceeds on the Notes if any of the above conditions (a), (b), (c) and (d) is not satisfied.

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Option are subject to a 12.5 per cent. annual 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 Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest and other proceeds accrued on the Notes held by Italian resident corporations, commercial partnerships, individual entrepreneurs holding the Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (*imposta sul reddito delle società*, “**IRES**”) at 33 per cent.; or (ii) individual income tax (*imposta sul reddito delle persone fisiche*, “**IRPEF**”), at progressive rates, plus local surcharges, 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**”), at a rate of 4.25 per cent. (regions may vary the rate up to 1 per cent.).

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 Notes). Pursuant to article 12 of the Law Decree n. 269 of 30 September 2003, from the 2nd of October 2003, the Italian resident collective investment funds are subject to a 5 per cent. (instead of a 12.5 per cent) annual substitute tax if, according to the fund regulations, at least 2/3 of the fund’s assets are invested in stock of small or medium capitalisation companies, listed in an EU regulated market. The European Commission is, at this time, examining if such incentive could be considered a “state aid” (Aid C 19/04) and, as a consequence, incompatible with the European market. In such case, the 12.5 per cent. annual substitute tax would be applicable in lieu of the 5 per cent. annual substitute tax.

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.

According to Article 41-*bis* of Law Decree No. 269 dated 30 September 2003, Italian real estate funds created under Article 37 of Legislative Decree No. 58 dated 24 February 1998 and Article 14bis of Law No. 86 dated 25 January 1994 (the “**Real Estate Funds**”), set up after 16 September 2001 and that have opted for such regime before 25 November 2001, are not subject to any substitute tax at the fund level, but any income realised by certain subscribers is subject to a 12.5 per cent. withholding tax.

Moreover, as clarified by Revenue Agency Circular No. 47/E of 8 August 2003, the 12.5% *imposta sostitutiva* provided for by Decree No. 239 in general should not apply with respect to interest and other proceeds on the Notes derived by all Italian resident real estate investment funds, including any real estate investment funds not subject to the tax treatment provided for by Decree No. 351, provided that the Notes, together with the coupons relating thereto, are deposited in a timely manner directly or indirectly with an Italian authorized financial intermediary (or permanent establishment in Italy of a foreign intermediary).

Any positive difference between the nominal amount of the Notes and their issue price is deemed to be interest for tax purposes.

Without prejudice to the above provisions, in the event that the Notes are redeemed in full or in part prior to the end of the Initial Period, the Issuer may be required to pay an additional amount equal to twenty per cent. (20%) of interest and other proceeds accrued on the Notes up to the time of the early redemption. In accordance with one interpretation of Italian fiscal law, also in the event of purchase of Notes by the Issuer with subsequent cancellation thereof prior to eighteen months from the Issue Date, the Issuer may be required to pay the above 20 per cent additional amount.

## Capital Gains

Any capital gain realised upon the sale for consideration or redemption of the Notes would be treated 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 taxable basis of the regional tax on productive activities), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations or other similar commercial entities (including Italian resident commercial partnership);
- (b) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or

- (c) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity carried out.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding Notes not in connection with entrepreneurial activity and certain other persons upon the sale for consideration or redemption of the Notes would be subject to an *imposta sostitutiva* at the current rate of 12.5 per cent.

The capital gain/loss is represented by the positive/negative difference between the Notes' sale price (or the redemption value) and the purchase or subscription price (or value) gross of any inherent expenses (stamp duties, commissions, notary fees, etc.). Such difference is to be considered net of any interest (or issue margin) accrued but not yet paid, which is to be taxed according to the criteria explained under the previous paragraph, headed "Income Tax". If a negative difference arises from a relevant transaction, such difference represents a capital loss which can be, in general terms, carried forward and set off with future gains of a similar nature.

Three different regimes may apply to the taxation of a resident investor, holding Notes otherwise than in connection with entrepreneurial activity, with reference to capital gains not pertaining to business activities:

- (1) Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity, the "*imposta sostitutiva*" on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss. These individuals must report overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authorities for such year and pay the "*imposta sostitutiva*" on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.
- (2) As an alternative to the tax declaration regime, Italian resident individual noteholders holding Notes not in connection with entrepreneurial activity may elect to pay the "*imposta sostitutiva*" separately on capital gains realised on each sale or redemption of the Notes (the "**Risparmio Amministrato**" regime). Such separate taxation of capital gains is allowed subject to: (i) the Notes being deposited with Italian banks, *società di intermediazione mobiliare* (SIM) or certain authorised financial intermediaries; and (ii) an express election for the **Risparmio Amministrato** regime being timely made in writing by the relevant Noteholder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for the "*imposta sostitutiva*" in respect of capital gains realised on each sale or redemption of Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Noteholder. Under the **Risparmio Amministrato** regime, where a sale or redemption of Notes results in 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 declare capital gains in its annual tax declaration and remains anonymous.
- (3) Any capital gains realised by Italian resident individuals holding Notes not in connection with entrepreneurial activity who have elected for the Asset Management Option will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration and remains anonymous.

Any capital gains realised by Noteholders who are Italian resident collective investment funds and SICAVs will be included in the computation of the taxable basis of the Collective Investment Fund Tax.

Any capital gains realised by Noteholders who are Italian resident pension funds will be included in the computation of the taxable basis of Pension Fund Tax.

According to Article 41-*bis* of Law Decree No. 269 dated 30 September 2003, Real Estate Funds set up after 16 September 2001 or that have opted for such regime before 25 November 2001, are not subject to any substitute tax at the fund level, but any income realised by certain subscribers is subject to a 12.5 per cent. withholding tax.

The 12.5 per cent. final "*imposta sostitutiva*" may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Notes by non-Italian resident persons or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree No. 917 of 22 December 1986, as amended by Legislative Decree of December 2003, No. 344, any capital gains realised, by non-Italian residents without a permanent establishment in Italy



to which the Notes are effectively connected, through the sale for consideration or redemption of Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad (including the Luxembourg Stock Exchange) and in certain cases subject to filing of required documentation, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double taxation treaty.

In case the Notes are not listed on a regulated market in Italy or abroad:

- (1) as to capital gains realised by non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the 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 Notes if they are resident, for tax purposes, in a country which recognises the Italian fiscal authorities right to an adequate exchange of information.. If non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected are within the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate self-declaration stating that they are resident in a country which allows an adequate exchange of information; and
- (2) in any event, non-Italian resident persons or entities without a permanent establishment in Italy to which the 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 Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to the “*imposta sostitutiva*” in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Notes; in this case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected fall under the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file within the relevant time limit with the authorised financial intermediary appropriate documents which include, inter alia, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

### **Inheritance and Gift Taxes**

Italy no longer applies inheritance and gift taxes.

However, according to Law 18 October 2001 No. 383, gift made to donees other than spouses, direct descendants or ancestors and other relatives within the fourth degree, if and to the extent that the value of gift attributable to each such donee exceeds Euro 180,759.91, the gift of Notes is subject to the ordinary transfer taxes provided for the transfer thereof for consideration.

Article 16 of Law. No. 383 of 18 October 2001, provides certain anti avoidance provisions in case of abusive transactions, the application of which may deny the benefits of the exemption on inheritance and gift tax as described above.

### **Transfer tax**

#### *General*

Pursuant to Italian Legislative Decree No. 435 of 21 November 1997, which amended the regime laid down by Royal Decree No. 3278 of 30 December 1923, the transfer of the Notes may be subject to Italian transfer tax (*tassa sui contratti di borsa*) in the following cases and at the following rates:

- (i) contracts entered into directly between private parties or between the parties through entities other than authorised intermediaries (banks, SIMs or other professional intermediaries authorised to perform investment services, pursuant to the Legislative Decree No. 415 of 23 July 1996, as superseded by Legislative Decree No. 58 of 24 February 1998, or stockbrokers) are subject to a transfer tax of Euro 0.0083 for every Euro 51.65 (or a fraction thereof) of the price at which the Notes are transferred;
- (ii) contracts between private parties through banks, SIMs or other authorised professional intermediaries or stockbrokers, or between private parties and banks, SIMs or other authorised intermediaries or stockbrokers, are subject to a transfer tax of Euro 0.00465 for every Euro 51.65 (or a fraction thereof) of the price at which the Notes are transferred; and
- (iii) contracts between banks, SIMs or other authorised professional intermediaries or stockbrokers are subject to a transfer tax of Euro 0.00465 for every Euro 51.65 (or a fraction thereof) of the price at which the Notes are transferred.

In the cases listed above under (ii) and (iii), however, the amount of transfer tax cannot exceed Euro 929.62 for each transaction.

#### *Exemptions*

In general, transfer tax is not levied, *inter alia*, in the following cases:

- (i) contracts relating to listed securities entered into on regulated markets (e.g. the Luxembourg Stock Exchange);
- (ii) contracts relating to securities which are admitted to listing on regulated markets and finalised outside such markets and entered into:
  - a. between banks or SIMs or other professional intermediaries authorised to perform investment services, pursuant to the Legislative Decree No. 415 of 23 July 1996, as superseded by Legislative Decree No. 58 of 24 February 1998, or stockbrokers among themselves; or
  - b. between authorised intermediaries as referred to in paragraph (a) above and non-Italian residents; or
  - c. between authorised intermediaries as referred to in paragraph (a) above, also non-Italian residents, and undertakings for collective investment in transferable securities;
- (iii) contracts relating to public sale offers for the admission to listing on regulated markets or relating to financial instruments already admitted to listing on said markets;
- (iv) contracts for a consideration of less than Euro 206.58; and
- (v) contracts regarding securities which are not listed on a regulated market entered into between authorised intermediaries as referred to in (ii) (a) above, on the one hand, and non-Italian residents, on the other hand.

### **European Withholding Tax Directive**

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

The Directive No. 48 provides that Austria, Belgium or Luxembourg shall apply a withholding tax for a transitional period, as defined therein, unless during such period they would elect otherwise. The withholding tax shall be levied at the rate of 15% during the first three years of the transitional period, 20% for the subsequent three years and 35% thereafter. Directive No. 48 provides for the exemption from the withholding tax to the extent that the beneficial owner provides the paying agent with minimum data requirements. The mechanism of application of such withholding tax would, however, be governed by the implementing legislation of the relevant country to which the investors of the Notes shall refer to.

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

More specifically, according to Article 5 of the Decree No. 84, paying agents acting shall provide the Italian tax authorities with the following data: identity and residence of the beneficial owner; name and address of the paying agent; account number of the beneficial owner or, otherwise, information of the debt claim giving rise to the interest payment and amount of interest paid. Such information is then transmitted to the Italian tax authorities. Residence of the beneficial owner is ascertained on the basis of the address indicated in the passport (if any), in the official identity card or, if necessary, on the basis of any other evidence. The beneficial owner that having a EU passport or identity card is resident for income tax purposes in a third country, shall file a tax certificate issued by the State of residence. Any individual receiving an interest payment is presumed to be the beneficial owner with the burden to give evidence and prove the contrary in his hands.

Companies, similar entities subject to taxation on business profits, UCITs passported under the Directive No. 85/611/EEC and non passported UCITs that have elected to be treated like passported, are excluded from the application of Decree No. 84.

Mistakes, omissions and any other contravention may be fined under the Decree No. 84 with sanctions from Euro 25.000,00 to Euro 250.000,00.

Either payments of interest on the Notes or the realization of the capitalized interest through a sale of the Notes would constitute “payments of interest” under Article 6 of the Directive No. 48 and, as far as Italy is concerned, Article 2 of the Decree 84. Accordingly, such payment of interest arising out of the Notes would fall within the scope of the Directive No. 48 being the Notes issued after March 1<sup>st</sup>, 2001 (see articles 15 of the Directive No. 48 and article 2(5) of the Decree 84).

## SUBSCRIPTION AND SALE

Application has been made to the Luxembourg Stock Exchange for the Senior Notes issued under the Programme during the period of 12 months following the date of this Base Prospectus to be listed on the Luxembourg Stock Exchange (the “**Stock Exchange**”) in accordance with the Prospectus Directive.

The Notes may be sold from time to time by the Issuer to Calyon Paris in its capacity as Lead Manager pursuant to arrangements set out in the agreement dated on or about the First Issue Date (the “**Senior Notes Programme Agreement**”). The Senior Notes Programme Agreement makes provision for, *inter alia*, the subscription from time to time of the Senior Notes by the Lead Manager and/or other managers (together with the Lead Manager, the “**Managers**”) in relation to a particular Series or Class of Senior Notes, the price at which the relevant Senior Notes will be purchased by the Managers and commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase and the form of any indemnity to the Managers against certain liabilities in connection with the offer and sale of the Senior Notes.

### United States

The Notes have not been and will not be registered under the Securities Act. The Notes may not be offered, sold or delivered in the U.S., or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from the registration requirements of the Securities Act.

Each of the Issuer and the Originator has represented, warranted and undertaken to the Lead Manager (and will be deemed to represent, warrant and undertaken to each additional Manager) that (a) neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D of the Securities Act, each an “**Affiliate**”) or any person acting on behalf thereof has made offers or sales of the Notes under circumstances that would require the registration of the Notes under the Securities Act or the qualification of any document related to the Notes as an indenture under the United States Trust Indenture Act of 1939; (b) neither it nor any of its Affiliates or any persons acting on behalf thereof has engaged in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in connection with any offer or sale of the Notes in the United States; (c) neither it nor any of its Affiliates nor any persons authorised to act on their behalf will engage in any directed selling efforts (of Rule 902 of the Securities Act) with respect to the Notes other than to persons reasonably believed by the Issuer to be non-U.S. Persons; (d) the Issuer is a “foreign issuer” (as defined in Regulation S) and there is no “substantial U.S. market interest” (as defined in Regulation S) in the securities of the Issuer of the same class as the Notes, and the Issuer has complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act; and (e) the Issuer is not, and after giving effect to the offering and sale of the Notes, will not be a company registered or required to be registered as an “investment company” as such term is defined in the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

The Lead Manager has represented, warranted and undertaken (and each additional Manager will be required to represent, warrant and undertake) that it will not offer any Notes other than to purchasers and transferees of the Notes under Regulation S under the Securities Act and, accordingly, that neither it, its Affiliates (if any) or any persons acting on its or their behalf has engaged nor will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions of Regulation S.

*Managers' compliance with United States Treasury regulations:* The Lead Manager has represented, warranted and undertaken (and each additional Manager will be required to represent, warrant and undertake) to the Issuer that:

(i) except to the extent permitted under United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**D Rules**”): (a) it has not offered or sold, and during the restricted period will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person; and (b) it has not delivered and will not deliver in definitive form within the United States or its possessions any Senior Notes sold during the restricted period;

(ii) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Senior Notes are aware that the Senior Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) if it is a United States person, it is acquiring the Senior Notes for the purposes of resale in connection with their original issuance and, if it retain Senior Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6);

(iv) with respect to each affiliate of such Manager that acquires Senior Notes from such Manager for the purpose of offering or selling such Senior Notes during the restricted period, each Manager repeats and confirms for the benefit of the Issuer the representations, warranties and undertakings contained in Paragraphs 2.1.10, 2.1.11 and 2.1.12 on such affiliate's behalf; and

(v) each Manager agrees that it has not entered and will not enter into any contractual arrangement with a distributor (as that term is defined for the purposes of the D Rules) with respect to the distribution of the Senior Notes except with its affiliates or with the prior written consent of the Issuer.

Terms used in the paragraphs above have the meanings ascribed to them in Regulation S under the Securities Act. Terms used in Paragraph (Managers' compliance with United States Treasury regulations) above have the meanings given to them by the United States Internal Revenue Code and regulations thereunder, including the D Rules.

### **United Kingdom**

The Lead Manager has represented and agreed (and each additional Manager will be required to represent and agree) that:

- (i) it has not offered or sold and, prior to the expiry of a period of six months from the issue date of the Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or of the Financial Services and Markets Act 2000 (the “**FSMA**”);
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Italy**

The Lead Manager has acknowledged (and each additional Manager will be required to acknowledge) that no action has been or will be taken which would allow an offering (or a “*sollecitazione all’investimento*”) 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.

The Lead Manager has acknowledged (and each additional Manager will be required to acknowledge) that no application has been made by it to obtain an authorisation from CONSOB for the public offering of the Notes of the relevant Class in the Republic of Italy.

Accordingly, the Lead Manager has represented and agreed (and each additional Manager will be required to represent and warrant) that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy Notes of any Series or Class, this Base Prospectus, any Final Terms nor any other offering material relating to the Notes other than (i) to professional investors (“*operatori qualificati*”) as defined in Article 31, paragraph 2, of CONSOB Regulation No. 11522 of 1 July 1998, as subsequently amended and supplemented, pursuant to art. 100, paragraph 1, letter b) and art. 30, paragraph 2, of Italian Legislative Decree No. 58 of 24 February 1998 (the “**Financial Laws Consolidation Act**”) and in accordance with applicable Italian laws and regulations; or (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to article 100 of the Consolidated Financial Act and article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May, 1999, as subsequently amended.

[Pursuant to article 100 bis of the Consolidated Financial Act in the case of public offerings referred to in Article 100(1)(a) of the Consolidated Financial Act and the subsequent circulation in Italy of financial products, including those issued abroad, professional investors who transfer such products, without prejudice to what is provided for in Article 21 of the Consolidated Financial Act, shall be liable for the solvency of the issuer vis-à-vis purchasers who are not professional investors for one year from the date of issue. Such liability shall not apply if the intermediary delivers an information document containing the information specified by CONSOB to purchasers who are not professional investors, including in the case where the sale is made at the request of the purchaser. The burden of proof of having delivered such information document shall be on the relevant intermediary.]

Any offer of the Notes to professional investors in the Republic of Italy shall be made only by banks, investment firms or financial companies enrolled in the special register provided for in Article 107 of the Consolidated Banking Act, to the extent that they are duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Financial Laws Consolidation Act and in compliance with Article 129 of the Consolidated Banking Act and with any other applicable laws and regulations.

## **General Restrictions**

The Lead Manager has further acknowledged (and each additional Manager will be required to acknowledge) that no action has been or will be taken in any country or jurisdiction by the Issuer or any other person that would permit a public offering of the Notes or the possession, circulation or distribution of the Base Prospectus, the Final Terms or any other material relating to the Notes in any country or jurisdiction where action for that purpose is required. Accordingly, the Lead Manager has agreed (and each additional Manager will be required to agree) that it will not offer or distribute any Notes, or distribute the Base Prospectus or any other offering material relating to the Notes, in any country or jurisdiction except in compliance with applicable law, and the Lead Manager has agreed (and each additional Manager will be required to agree), at its own expense, to comply with all such laws.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms or in a supplement to this Base Prospectus.

## GENERAL INFORMATION

1. The establishment of the Programme and the issue of the first Series of Notes was authorised by a resolution (*determina*) of the Sole Director of the Issuer passed on 12 February 2006. Specific information on the authorisations in respect of further Series of Notes will be contained in the applicable Final Terms.
2. Application has been made for the Senior Notes issued under the Programme during the period of 12 months following the date of this Base Prospectus to be listed on the Luxembourg Stock Exchange in accordance with the Prospectus Directive and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange
3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The relevant Final Terms shall specify details of the Common Code and ISIN number of each Class of Notes of the relevant Series, and may also specify any other clearing system as shall have accepted the relevant Notes for clearance.
4. The Issuer is not involved, nor has it been involved in the 12 months preceding the date of this Base Prospectus, in any litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Notes and no such litigation, arbitration or administrative proceedings are pending or threatened.
5. Save as disclosed in this document, there has been no material adverse change, or any development reasonably likely to involve a material adverse change, in the condition (financial or otherwise) or general affairs of the Issuer since the date of its latest financial statements that is material in the context of the issue of the Notes.
6. The independent auditors of the Issuer are Deloitte & Touche S.p.A., acting through their office at via Tortona 25, Milan, Italy and through persons who are enrolled in the *Registro dei Revisori Contabili*, which have been appointed to audit the financial statements of the Issuer, as at and for the period ending 30 April 2006. The Issuer was incorporated on 3 February 2005 and the last statutory financial statements approved are the financial statements for the period ended as of 31 December 2005. Such audited financial statements will be available for collection at the registered office of the Luxembourg Paying Agent.
7. So long as any of the Notes remains listed on the Luxembourg Stock Exchange, the Payments Reports produced pursuant to the Cash Allocation, Management and Payments Agreement and the Servicer's Reports and the Audit Reports produced pursuant to the Servicing Agreement and the Issuer's annual audited financial statements will be available at the registered office of the Luxembourg Paying Agent where copies thereof may be obtained free of charge upon request during normal business hours.
8. As long as the Notes are listed on the Luxembourg Stock Exchange, copies of the following documents may be inspected during normal business hours at the registered office of the Luxembourg Paying Agent:
  - this Base Prospectus;
  - Issuer's By Laws and Deed of Incorporation;
  - Master Transfer Agreement and each relevant Purchase Notice;
  - Warranty and Indemnity Agreement;
  - Servicing Agreement;
  - English Deed of Charge;
  - Italian Deeds of Pledge;
  - any other relevant Issuer Security document;
  - Corporate Services Agreement;
  - Cash Allocation, Management and Payments Agreement;
  - Quotaholders' Agreement;
  - each Hedging Agreement and any swap security;
  - each Commingling Guarantee;
  - Senior Notes Programme Agreement and each Senior Notes Subscription Agreement.
9. As long as the Notes are listed on the Luxembourg Stock Exchange, copies of the documents incorporated by reference into this Base Prospectus may be obtainable upon request from the Luxembourg Paying Agent:

10. As long as the Notes are listed on the Luxembourg Stock Exchange, this Base Prospectus and the documents herein incorporated by reference will be published on the internet site of the Luxembourg Stock Exchange [www.bourse.lu](http://www.bourse.lu).
11. The estimated annual fees and expenses payable by the Issuer in connection with the transaction described herein amount to approximately € 240,000.00 (excluding servicing fees and any VAT, if applicable). The estimated listing fee amounts to € 25,000.00.
12. So long as any of the Senior Notes remains outstanding, the Issuer provides the following post-issuance informations, which shall be made available for collection at the registered offices of the Luxembourg Paying Agent:
  - (i) quarterly the investors report, which provides some information regarding securities to be admitted to trading;
  - (ii) quarterly the Servicer's Report, which provides information regarding the performance of the underlying collateral;
  - (iii) quarterly, the Payment Report.



## GLOSSARY OF TERMS

*These and other terms used in this Base Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set forth in the Transaction Documents, as they may be amended from time to time. Certain terms derive from the Transaction Documents which have been executed in the Italian language. To the extent that these terms have been translated into the English language, in the event of any discrepancy between the definitions of such terms as set forth in the Italian language Transaction Documents and as set forth in the “Glossary of Terms” below, the definitions contained in such Italian language Transaction Documents shall prevail.*

**“3 Months Rolling Theoretical Excess Spread”** means, on each Calculation Date,

1. if such Calculation Date falls before or on the Calculation Date immediately preceding the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement or after the first Payment Date of the Amortisation Period, the Theoretical Excess Spreads calculated on such Calculation Date;
2. if such Calculation Date falls after or on the Calculation Date immediately preceding the second Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement, but before the first Payment Date of the Amortisation Period, the aggregate of the Theoretical Excess Spreads calculated on such Calculation Date and on the two immediately preceding Calculation Dates;
2. if such Calculation Date falls before a Optional Purchase Date falling during the period starting (but excluding) on the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement and ending (but excluding) on the second Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement, the Theoretical Excess Spreads calculated on the Calculation Date immediately preceding the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement.

**“Accrual of Interests”** means, with reference to each Receivable, the Interest Component of the First Instalment accrued pursuant to the relevant Consumer Loan Agreement until (but excluding) the Financial Effective Date with reference to the Initial Receivables and until (but excluding) the relevant Valuation Date with reference to the Subsequent Receivables

**“Additional Cash Reserve Required Amount”** means during the Purchase Period, on any Confirmation Date immediately preceding any Payment Date the product of (i) the Additional Cash Reserve Rate on such Confirmation Date and (ii) the Notes Principal Amount Outstanding of the Senior Notes on such Confirmation Date (which shall include also any Notes Principal Amount Outstanding of the Notes to be issued on such Payment Date and shall be reduced by any principal reimbursement of the Notes to be made to be redeemed on such Payment Date)

**“Additional Cash Reserve Rate”** means, on any Confirmation Date, the aggregate, if positive, of

(A) the result, if positive, of the product of (i) the difference, if positive, between (a) the Personal Loans Concentration on such Confirmation Date (which shall also take into account any Subsequent Receivable to be transferred on the immediately following Purchase Date), and (b) the Maximum Personal Loans Concentration, and (ii) 6% and

(B) the product of:

(i) 65% and

(ii) the difference between:

(a) the Minimum Rate and

(b) the Excess Spread Rate of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date),

(iii) and (1) if the Average Life of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date) is higher than 14, the ratio between (i) such Average Life of the Portfolio and (ii) 12, or (2) 117% in the other cases.

**“Aggregate Amortising Plan”** means, with reference to a number of Receivables, the aggregate of the amortising plans of such Receivables.

“**Agos Initial Receivables**” means the Receivables assigned by the Originator to the Issuer on the First Purchase Date and which are included in the Initial Portfolio.

“**Agos Insurance Policies**” means means any insurance policy entered into by Agos as party and beneficiary with reference to each Consumer Loan Agreement to cover the risk of decease, temporary or total inability to work, total and permanent disability of the Debtor, or to cover the risk of damages, losses, destructions, theft or fire of the registered assets object of the relevant Consumer Loan Agreement, under which Agos fully pays to the relevant Insurance Company the premium with reference to the relevant Consumer Loan Agreement, by the end of the calendar month immediately following the month of the subscription of the policy by the relevant Debtor...

“**Available Principal Collections**” means, on each Calculation Date the difference, if positive, between:

(a) the aggregate of:

(i) if such Calculation Date is a Calculation Date immediately preceding a Purchase Date which is not a Payment Date, the Principal Available Funds under item (a) and (c) of such definition or (ii) if such Calculation Date is a Calculation Date immediately preceding a Payment Date, the Principal Available Funds under item (a), (c), (e), (g) (but in relation of the Defaulted Receivables, only) of such definition and

(b) if such Calculation Date is a Calculation Date immediately preceding a Payment Date, any principal component of the Negative Purchase Price Adjustment (including any Negative Purchase Price Adjustment which remained unpaid as at the Payment Date immediately preceding such Payment Date) to be paid by the Issuer on the immediately following Payment Date pursuant to Clause 11.4 and 11.5 of the Master Transfer Agreement;

provided that after the end of the Purchase Period any positive balance of the Purchase Account (without considering any interest accrued thereon or any net proceeds out of the relevant Eligible Investment) as of such Calculation Date shall be taken into account and added for the calculation of the Available Principal Collections.

“**Average Life of the Portfolio**” means, on any date, the weighted average life (in months) of all the Receivables (other than the Defaulted Receivables as at such date) determined as of the Cut-Off Date immediately preceding such date.

“**Banking Act**” means Italian Legislative Decree no. 385 of 1 September 1993 (*Testo Unico delle leggi in materia bancaria e creditizia*) as amended and supplemented from time to time.

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

“**Base Prospectus**” means the Base Prospectus dated [●] prepared in connection with the Programme, as amended, updated and supplemented from time to time.

“**Business Day**” shall mean a day (other than a Saturday or Sunday) on which banks are generally open for business in Milan, Paris, London and Luxembourg and on which the Trans-European Automated Real Time Gross-Settlement Express Transfer System (or any successor thereto) is open.

“**Calculation Date**” means, during the Purchase Period, 11.00 a.m. of the date which falls [11] Business Days prior to any Optional Purchase Date and, once the Purchase Period is expired, 11.00 a.m. of the date which falls [6] Business Days prior to each Payment Date.

“**Calyon Initial Receivables**” means the Receivables assigned by Calyon Milan to the Issuer on the First Purchase Date and which are included in the Initial Portfolio.

“**Cancellation Date**” means the earlier of:

- (i) the date falling 1 year after the Programme Final Maturity Date; and
- (ii) the date on which the Notes have been redeemed in full.

“**Cash Allocation, Management and Payments Agreement**” means the cash allocation, management and payments agreement entered into on 9 June 2006 among the Issuer, Calyon Milan and CACEIS.

“**Cash Reserve Required Amount**” means,

- (a) on any Calculation Date immediately preceding a Series Issue Date or on any Series Issue Date, 1.45 % (or such other percentage as may be established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes) of the Notes Principal Amount Outstanding of the Senior Notes

outstanding as of the Calculation Date preceding such Series Issue Date (also considering the Notes, if any, to be issued on the immediately following Series Issue Date and any principal reimbursement of the Notes to be made on such Series Issue Date);

- (b) if an Early Termination Event Notice has been delivered, on any Payment Date, the minimum of (i) the Cash Reserve Required Amount as determined at the Series Issue Date immediately preceding such Payment Date and (ii) the aggregate amount to be paid in respect of interest on the Class A Notes, the Class B Notes and the Class C Notes on the immediately following Payment Date (without considering for the purpose of the determination of the Notes Principal Amount Outstanding any payments to be made out of the Interest Available Funds on such Payment under any item following the item (xiii) of the Priority of Payment of the Interest Available Funds).

The Cash Reserve Required Amount as of the First Series Issue Date will be Euro 14,500,000.00.

“**Class**” means each class of the Notes issued by the Issuer and “**Classes**” means all of them.

“**Class A Noteholder**” means each holder from time to time of a Class A Note and “**Class A Noteholders**” means all of them.

“**Class A Rating**” means a rating equal to “Aaa” by Moody's and “AAA” by S&P or such other rating level communicated by each of the Rating Agencies for the Class A Notes at any time during the Programme.

“**Class B Noteholder**” means each holder from time to time of a Class B Note and “**Class B Noteholders**” means all of them.

“**Class B Rating**” means a rating equal to “Aa3” by Moody's and “A” by S&P or such other rating level communicated by each of the Rating Agencies for the Class B Notes at any time during the Programme.

“**Class C Noteholder**” means each holder from time to time of a Class C Note and “**Class C Noteholders**” means all of them.

“**Class C Rating**” means a rating equal to “Baa2” by Moody's and “BBB” by S&P or such other rating level notified by each of the Rating Agencies for the Class C Notes at any time during the Programme.

“**Class J Additional Interest**” has the meaning ascribed to such term in Condition 6.2.2 (*Rate of Interest*).

“**Class J Base Interest**” has the meaning ascribed to such term in Condition 6.2.2 (*Rate of Interest*).

“**Class J Coupon**” means, collectively, the Class J Base Interest and the Class J Additional Interest.

“**Class J Noteholder**” means each holder from time to time of a Class J Note and “**Class J Noteholders**” means all of them.

“**Class J Notes Master Subscription Agreement**” means the Class J Notes master subscription agreement entered into on 9 June 2006 among the Issuer, Agos, Calyon Milan and CACEIS.

“**Class J Notes Subscribers**” means Agos together with other Class J Notes subscribers.

“**Class J Notes Subscription Agreement**” means the Class J Notes subscription agreement entered into by the Issuer, the relevant Class J Notes Subscribers and the Representative of the Noteholders prior to each relevant Series Issue Date.

“**Collateral Ratio**” means:

- (i) on the Confirmation Date immediately preceding each Payment Date, or on any Business Day immediately following the Calculation Date immediately preceding a Payment Date, the ratio between (a) the Receivables Eligible Outstanding Amount as of the Calculation Date immediately preceding such Confirmation Date (taking into account the Receivables to be purchased on such Payment Date, if any) and (b) the Notes Principal Amount Outstanding of the Senior Notes on such Confirmation Date (taking into account any principal reimbursement of the Notes to be made on such Payment Date and the Notes to be issued on such Payment Date, if any); and
- (ii) on each Calculation Date, the ratio between (a) Receivables Eligible Outstanding Amount as of such Calculation Date and (b) the difference between the Notes Principal Amount Outstanding of the Senior Notes on such Calculation Date and the balance of the Principal Reserve Account on such Calculation Date (without taking into account any interest accrued and any net proceeds deriving from the Eligible Investments credited on such Principal Reserve Account).

“**Collections**” means any amounts received and/or recovered in connection with the Receivables including, but not limited

to, any amount received whether as principal, interests and/or costs in relation to the Receivables.

“**Collections of Fees**” means the aggregate of the Expenses Component and any other fee (including those related to the prepayment of the Receivables, and the commissions for direct debit payments and commissions for postal giro payments, if any) effectively collected by the Issuer (net of the Expenses Component of any Unpaid Amount).

“**Collections of Interest**” means the aggregate of the Interest Component effectively collected by the Issuer (net of the Interest Component of any Unpaid Amount and net of any Collection received in connection with the Accrual of Interests).

“**Collections of Principal**” means, with reference to each Receivable and to a Reference Period, the Collections (other than a Recovery), effectively collected (net of the Principal Component of any Unpaid Amount determined during such Reference Period) by the Issuer during such Reference Period, which cause a reduction of the Principal Amount Outstanding of such Receivable as of the end of such Reference Period (including the Collections received as prepayment of the Receivable, the insurance indemnities due under the Registered Assets Insurance Policies, any amount received as principal from the persons having a particular arrangement such as the suppliers of services and goods, with reference to such Receivable and any other amount received as principal in relation to such Receivable, including the insurance indemnities due under the Agos Insurance Policies and the Collections related to the Accrual of Interests).

“**Commingling Guarantee**” means any guarantee, if demanded by the Issuer further to the occurrence of the events described under clause 4.5 of the Servicing Agreement, granted in favour of the Issuer in order to secure Agos’ payment obligations as Servicer under clause 4.2 and 4.4 of the Servicing Agreement.

“**Commingling Guarantee Provider**” means any provider of the Commingling Guarantee.

“**Commingling Loss Amount**” means any amount due but unpaid under clauses 4.2 and 4.4 of the Servicing Agreement by the Servicer.

“**Commingling Reserve Required Amount**” means at any Calculation Date, 6,314% (or such other percentage as may be established by the Issuer on any Series Issue Date or on the date on which the Servicer Downgrade occurs with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes) of the Notes Principal Amount Outstanding of the Senior Notes as determined at such Calculation Date (also taking into account the principal payments made out of the Issuer Available Funds on the Payment Date immediately preceding such Calculation Date).

“**Confirmation Date**” means, during the Purchase Period, 3.00 p.m. of the date which falls 10 Business Days prior to each Purchase Date.

“**Consumer Loan Agreements**” means the consumer loan agreements executed between Agos and the Debtors in compliance with the general conditions determined by Agos and contained in Exhibit B of the Warranty and Indemnity Agreement (as subsequently amended pursuant the provisions of the Master Transfer Agreement), from which the Receivables arises, together with any related deed, agreement, arrangement or integrative document and/or amendment, including the Agos Insurance Policies and excluding the Financed Insurance Policies).

“**Corporate Services Agreement**” means the corporate services agreement entered into on 9 June 2006 between the Issuer and the Corporate Servicer.

“**Criteria**” means the General Criteria and the Specific Criteria.

“**Cut-Off Date**” means

- (i) 11:59 p.m. of the last day of the months of January, April, July and October; and
- (ii) following the Payment Date (excluded) immediately following receipt by the Issuer of the notice provided for under Clause 4.9 of the Master Transfer Agreement, 11:59 p.m. of the last day of each calendar month.

The first Cut-Off Date is the First Valuation Date.

“**Debtor**” means any individual or entity, public or private, or any other obligor or co-obligor which is under the obligation to pay a Receivable comprised in the Portfolio (including any third party guarantor).

“**Decree No. 239**” means Legislative Decree no. 239 of 1 April 1996 as amended by Italian Law No. 409 and No. 410 of 23 November 2001 as subsequently amended and supplemented.

“**Decree 239 Deduction**” means any withholding or deduction for or on account of “*imposta sostitutiva*” under Legislative

Decree No. 239.

**“Defaulted Interest Amount”** means, on each Payment Date, any amount due and payable on such Payment Date out of the Interest Available Funds under items (i), (iii), (iv), (v), (vi), (vii), (viii), (x) and (xii) of the Priority of Payment of the Interest Available Funds on such Payment Date but not paid.

**“Defaulted Receivables”** means, with reference to a date, the Receivables which on the Cut-Off Date preceding such date (i) have at least 9 Late Instalments or (ii) have one Instalment which is due but unpaid in whole or paid less than the 50% of the total amount of such Instalment as from 270 Business Days (iii) in relation to which judicial proceedings have been commenced for the purpose of recovering the relevant amounts due or (iv) in relation to which Agos has exercised its right to terminate the relevant Consumer Loan Agreement or has declared that the Debtor has lost the benefit of the term (*“decaduto dal beneficio del termine”*) or has sent to the Debtor a notice communicating to him that in case of failure by the Debtor to pay the amounts due within the time limit specified therein, Agos may declare that the Debtor has lost the benefit of the term (*“decaduto dal beneficio del termine”*). A Receivable will be considered a Defaulted Receivable as of the occurrence of the first of the events described in the above points (i), (ii), (iii) and (iv). The Receivables classified as Defaulted Receivables at any date shall be considered as Defaulted Receivables at any following date.

**“Downgrade Termination Event”**, when used in the context of the Hedging Agreements, has the meaning given to it in the relevant Hedging Agreements.

**“Early Termination Event”** has the meaning ascribed to such term in Condition 11 (*Trigger Events and Early Termination Events*).

**“Early Termination Event Notice”** has the meaning ascribed to such term in Condition 11.

**“Eligible Institution”** means a depository institution organised under the laws of any state which is a member of the European Union, the short-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least "A1/P1" by Moody's and "A-1+" by S&P or which is guaranteed by an entity whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "A-1+" by S&P, or "A-1" by S&P if the aggregate amount deposited with such institutions (including amounts invested in Eligible Investments with such institutions) is lower than or equal to 20% of the Notes Principal Amount Outstanding of the Senior Notes at all times, and, if rating agencies other than S&P have given a rating to the Senior Notes, such depository institution being also in compliance with the rating criteria of such additional rating agencies.

**“Eligible Investments”** means any bank account, repurchase agreement (*pronti contro termine*), deposit or other Euro denominated, unsubordinated debt instrument that (i) guarantees the restitution of the invested capital, (ii) is issued, or fully or unconditionally guaranteed, on unsubordinated basis by an institution rated at least A1/P1 by Moody's, and A-1+ by S&P or A-1 by S&P if the aggregate amount deposited with such institutions (including amounts invested in Eligible Investments with such institutions) is lower than or equal to 20% of the Notes Principal Amount Outstanding of the Senior Notes at all times, and with a maturity date not exceeding the immediately following Payment Date or, in the case of investments rated A-1 by S&P the earlier of such date and the date falling 30 days after the date on which the relevant investment is made, provided that, if other rating agencies than S&P have given a rating to the Senior Notes, any eligible investment shall also comply with the rating criteria of such additional rating agencies.

**“English Deed of Charge”** means the English law deed of charge executed 9 June 2006 between the Issuer and the Representative of Noteholders.

**“EONIA”** means the Euro Overnight Index Average as daily calculated by the European Central Bank.

**“Euribor”** means the Euro-zone inter-bank offered rate.

**“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).

**“Euroclear”** means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

**“Event of Default”**, when used in the context of the Hedging Agreements, has the meaning given to it in the relevant Hedging Agreements.

**“Excess Spread Rate”** means on any Confirmation Date (and taking into account also the Subsequent Receivables which are the subject of the Purchase Notice notified by Agos on the Purchase Notice Date immediately preceding such Confirmation Date) the difference between (i) the Rate of Return on such date and (ii) the weighted average (on the basis of the notional amount of each Hedging Agreement calculated with reference to the immediately following Purchase Date) of the fixed rates due to the Hedging Counterparties pursuant to the Hedging Agreements (executed or to be executed on

the immediately following Payment Date).

“**Expenses**” means:

- (a) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations to third parties (other than the Other Issuer Creditors) incurred in the course of the Issuer's business in relation to the Programme; and
- (b) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to any Transaction Document.

“**Expenses Component**” means, with reference to a Receivable the management fees and any other fees or expenses (different from the fees and expenses included in the Principal Component and the Interest Component) due as part of the relevant Instalment as from (and including) the Financial Effective Date with reference to the Initial Receivables and from (and including) the relevant Valuation Date with reference to the Subsequent receivables.

“**Financed Insurance Policies**” means (i) the Agos Insurance Policies and (ii) any other insurance policy entered into by Agos with reference to each Consumer Loan Agreement, subscribed by the relevant Debtor together with the Consumer Loan Agreement and under which Agos fully pays to the relevant Insurance Company the premium with reference to the relevant Consumer Loan Agreement, by the end of the calendar month immediately following the month of the subscription of the policy by the relevant Debtor.

“**Eligible Supplier**” means any Supplier which (i) has not entered into an exclusivity agreement with Agos, (ii) to the best of Agos' knowledge is not subject to any Insolvency Proceeding, and (iii) has been selected by Agos in accordance with the Suppliers' Selection Policy.

“**Extinguished Receivable**” means any monetary receivables deriving from each Consumer Loan Agreement which has been fully paid-off between (i) the First Valuation Date and the First Purchase Date with reference to the Initial Receivables and (ii) i) each relevant Cut-Off Date and the relevant Purchase Date with reference to the Subsequent Receivables.

“**Financial Effective Date**” means the 1 June 2006.(included).

“**First Issue Date**” means the issue date of the first Series of Notes under the Programme.

“**First Purchase Date**” means the purchase date of the Initial Portfolio, being 9 June 2006.

“**First Valuation Date**” means 30 April 2006.at 23:59.

“**General Criteria**” means the general criteria applicable to each Portfolio, as set forth in Exhibit “A” to the Master Transfer Agreement.

“**Hedging Agreement**” means any hedging agreement entered into by the Issuer with any Hedging Counterparty in order to hedge itself against any risks of adverse interest rate movements or timing differences as a result of issuing one or more Series of Notes.

“**Hedging Counterparty**” means any counterparty to the Issuer pursuant any Hedging Agreements.“**Individual Purchase Price**” means the purchase price of each Receivable, which is equal to the Principal Amount Outstanding of such Receivable as of the relevant Purchase Date.

“**Initial Outstanding Principal Amount of the Portfolio**” means the aggregate Principal Amount Outstanding of all Consumer Loans comprised in each relevant Portfolio as of the respective relevant Purchase Date for the transfer of the relevant Receivables.

“**Initial Principal Amount**” means, with reference to any Receivable, the aggregate of all the Principal Components due by the relevant Debtor from (and including) the Financial Effective Date with reference to the Initial Receivables and from (and including) the relevant Valuation Date with reference to the Subsequent Receivables, added with the relevant Accrual of Interests.

“**Initial Portfolio**” means, collectively, the Agos Initial Receivables and the Calyon Initial Receivables.

“**Initial Receivables**” means the Agos Initial Receivables and the Calyon Initial Receivables.

“**Insolvency Event**” means any of the events described in Condition 11.1(iii) (*Trigger Events*).

“**Insolvency Proceedings**” means any bankruptcy and other insolvency proceedings under Italian law, including *concordato preventivo*, *concordato fallimentare*, *amministrazione controllata*, *liquidazione coatta amministrativa*, *amministrazione straordinaria* and *amministrazione straordinaria delle grandi imprese in stato di insolvenza*.

“**Intercreditor Agreement**” means the intercreditor agreement entered into on 9 June 2006 between the Issuer, Agos, Calyon Milan, CACEIS, the Corporate Servicer, the Quotaholder and Calyon Paris.

“**Interest Amount**” has the meaning ascribed to such term in Condition 6.3 (*Determination of Rates of Interest and Calculation of Interest Amount*).

“**Interest Available Funds**” means, in respect of each Payment Date, the aggregate of:

- a) the interest accrued on the Issuer Accounts as well as any net proceed derived from the Eligible Investments realised during the Quarter Reference Period immediately preceding such Payment Date, and constituting clear funds on such Payment Date;
- b) the Collections of Interest and the Collections of Fees received during the Quarter Reference Period immediately preceding such Payment Date;
- c) any amount due and payable by all the Hedging Counterparties on such Payment Date;
- d) the aggregate of (i) the Recoveries received during the Quarter Reference Period immediately preceding such Payment Date; and (ii) the purchase price paid by the Originator for the repurchase of the Defaulted Receivables on the Business Day immediately preceding such Payment Date in the cases specified under clause 16 of the Master Transfer Agreement;
- e) the positive difference, if any, between (i) the purchase price to be paid by the Originator for the repurchase of the Receivables (excluding the price of any Defaulted Receivables) on the Business Day immediately preceding such Payment Date pursuant to Clause 16 of the Master Transfer Agreement and (ii) the Notes Principal Amount Outstanding of all the Notes on the Calculation Date immediately preceding such Payment Date;
- f) the positive difference, only in relation to Receivables which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable, if any, between (i) the Positive Price Adjustment paid by the Originator or by Calyon Milan as seller of the Calyon Initial Receivables to the Issuer during the Quarter Reference Period immediately preceding such Payment Date and (ii) the Principal Amount Outstanding of the relevant Receivables as determined on the date on which the Positive Price Adjustment has become due and payable;
- g) the Positive Price Adjustment paid by the Originator or by Calyon Milan as seller of the Calyon Initial Receivables for the repurchase of such Receivables which are Defaulted Receivables at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable;
- h) any amount paid and to be paid by Agos to the Issuer pursuant to Clause 4 and by Calyon Milan to the Issuer pursuant to Clause 6 of the Warranty and Indemnity Agreement from (and excluding) the preceding Payment Date to (and including) such Payment Date, (i) in respect of any cost or losses in interest borne or to be borne by the Issuer if the relevant Receivables is not a Defaulted Receivables as at the Payment Date immediately preceding the date on which such amount is due and payable or (ii) in respect of any Receivables which is a Defaulted Receivables as at the Payment Date immediately preceding the date on which such amount is due and payable;
- i) if such Payment Date is not falling during the Amortising Period, the positive balance on the Calculation Date immediately preceding such Payment Date, of the Additional Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments);
- j) if an Early Termination Event is delivered (also taking into account the amounts in principal paid under the Principal Available Funds on such Payment Date), the positive balance on the Calculation Date immediately preceding such Payment Date of the Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments);
- k) if an Early Termination Event is delivered or if the Notes Principal Amount Outstanding of the Senior Notes has been totally redeemed (also taking into account the amounts in principal paid under the Principal Available Funds on such Payment Date), the positive balance on the Calculation Date immediately preceding such Payment Date of the Additional Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments) and of the Product Cash Reserve Account (without considering the interest accrued thereon as well as any net proceed derived from the Eligible Investments);

- l) if a Servicer's Event has occurred, (i) any amount received and to be received by the Issuer from (but excluding) the preceding Payment Date to (and including) such Payment Date pursuant to Clause 2 of any Commingling Guarantee (if any) or (ii) any amount drawn or to be drawn by the Issuer out of the Commingling Account from (but excluding) the preceding Payment Date to (and including) such Payment Date in accordance with the Cash Allocation, Management and Payments Agreement;
- m) any other amount received during the Quarter Reference Period immediately preceding such Calculation Date, not ascribable as amounts received under any of the above items as well as under any of the items of the definition of Principal Available Funds.

**"Interest Component"** means, with reference to each Receivable, the interest component of each Instalment which is due pursuant to the relevant Consumer Loan Agreement from (and including) the Financial Effective Date with reference to the Initial Receivables and from (and including) the relevant Valuation Date with reference to the Subsequent Receivables.

**"Interest Determination Date"** means the second Business Day before each Payment Date. In relation to the Initial Interest Period, the Interest Determination Date is the second Business Day before the relevant Series Issue Date.]

**"Interest Period"** means (except for each relevant Initial Interest Period) each period from (and including) a Payment Date to (but excluding) the next succeeding Payment Date.

**"Issuance Period"** means the period starting on the First Issue Date and ending, but excluding, on the earlier of:

- (i) the Payment Date falling on May 2011; and
- (ii) the date on which the Purchase Period will end. **"Issuer Accounts"** means the Collection Account, the Purchase Account, the Principal Reserve Account, the Early Principal Reserve Account, the General Account, the Commingling Account, the Defaulted Account, the Guarantee Account, the Capital Account, the Cash Reserve Account, the Additional Cash Reserve Account, the Product Cash Reserve Account and the Securities Account and **"Issuer Account"** means any of them.

**"Issuer Available Funds"** means, in respect of each Payment Date:

- (i) in respect of each Payment Date prior to the delivery of a Trigger Notice, the aggregate of the Interest Available Funds and the Principal Available Funds as of such date; or
- (ii) (a) in respect of each Payment Date upon the exercise of the Optional Redemption or (b) in respect of each Payment Date after the Senior Notes have been redeemed in full (also taking into account the amounts in principal paid under the Issuer Available Funds on such Payment Date) or (c) in respect of each Payment Date after the delivery of a Trigger Notice (which is not due to the occurrence of an Insolvency Event) or (d) in respect of any Business Day after the delivery of a Trigger Notice which is due to the occurrence of an Insolvency Event, all amounts standing on the Issuer Accounts (except on the Guarantee Account and on the Commingling Account) at such date and all amounts received or recovered on such Payment Date or Business Day as applicable by or on behalf the Issuer or the Representative of the Noteholders in respect of the Receivables and any Transaction Documents (any date under item (a), (b), (c) and (d), an **"Exceptional Date"**).

It is specified that any amount received by the Issuer in accordance with Clause 4.4 of the Servicing Agreement shall form part of the Interest Available Funds or the Principal Available Funds as applicable.

**"Issuer Creditors"** means the parties of the Intercreditor Agreement together with any additional Hedging Counterparty, Commingling Guarantee Provider, Managers and subsequent Class J Notes Subscriber which will accede to the Intercreditor Agreement.

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

**"Issuer Security"** means the Security Interests created under the Security Documents and any other agreement entered into by the Issuer from time to time and granted as security to the Issuer Creditors (or some of them) or to the Representative of the Noteholders for all or some of the Issuer Creditors.

**"Italian Deed of Pledge"** means the Italian law deed of pledge entered into between the Issuer and the Issuer Creditors on 9 June 2006 and any further Italian law deed of pledge entered into between the Issuer and the Issuer Creditors in connection with any issue of further series of Notes.

**"Italian Law Transaction Documents"** means all those Transaction Documents entered into by the Issuer in the context of the Programme from time to time that are governed by Italian law.



“**Late Instalment**” means, with reference to a Cut-Off Date, any Instalment which is due during any calendar month immediately preceding such Cut-Off Date and which is not paid in whole or paid less than the 50% of the total amount of such Instalment as of the last day of the calendar month immediately following the month on which such Instalment was due.

“**Law 52 Transaction**” means the programme of periodical assignments of receivables implemented by Agos and Calyon Milan in November 2001 pursuant to Italian law 52 of 1991.

“**Limit Interest Class B Event**” means on any Calculation Date preceding a Payment Date, the ratio of (a) the aggregate of the Principal Amount Outstanding (net of any Recoveries received until the Cut-Off Date immediately preceding such Calculation Date) of the Receivables which have become Defaulted Receivables for the first time from (but excluding) the Cut-Off Date immediately preceding the end of the Purchase Period to (and including) the Cut-Off Date immediately preceding such Calculation Date and (b) the Receivables Eligible Outstanding Amount as of the Calculation Date falling during the month on which the last Purchase Date is falling is higher than 7.66% or such other percentage as may be established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes).

“**Limit Interest Class C Event**” means on any Calculation Date preceding a Payment Date, the ratio of (a) the aggregate of the Principal Amount Outstanding (net of any Recoveries received until the Cut-Off Date immediately preceding such Calculation Date) of the Receivables which have become Defaulted Receivables for the first time from (but excluding) the Cut-Off Date immediately preceding the end of the Purchase Period to (and including) the Cut-Off Date immediately preceding such Calculation Date and (b) the Receivables Eligible Outstanding Amount as of the Calculation Date falling during the month on which the last Purchase Date is falling is higher than 4.40% or such other percentage as may be established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating of the then outstanding Senior Notes).

“**Liquidation Date**” means the date by which any Eligible Investment is required to be liquidated pursuant to the terms of the Cash Allocation, Management and Payments Agreement, being the date falling (i) on the Business Day immediately preceding the next Payment Date, if the relevant Eligible Investment is made out of the Principal Reserve Account, the Early Principal Reserve Account, the Collection Account (with reference to the Collections of Interest or Collections of Fees received on the Collection Account), the Guarantee Account, the Commingling Account and the Cash Reserve Account, and (ii) on or prior to the Business Day preceding the immediately following Optional Purchase Date with regard to the other Eligible Investments.

“**Local Business Day**” means, in respect of each party to a Transaction Document, a business day of the city where such party’s relevant offices are located and in which the Trans-European Automated Real Time Gross Transfer System (TARGET) (or any substitute thereof) is open for business.

“**Master Transfer Agreement**” means the master transfer agreement entered into on 9 June 2006 between the Originator, Calyon Milan and the Issuer.

“**Maximum Purchase Amount**” means, on each Calculation Date the difference between:

- (i) the Principal Available Funds on such Calculation Date by reference to the immediately following Purchase Date and
- (ii) any amounts due on the Purchase Date immediately following such Calculation Date and to be paid, in accordance with the applicable Order of Priority, in priority to the payment of the Purchase Price of the relevant Subsequent Receivables.

“**Maximum Personal Loans Concentration**” means 25% or such other percentage as may established by the Issuer on any Series Issue Date with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating assigned to the then outstanding Senior Notes.

“**Meeting**” shall mean any meeting of one or more Classes of Noteholders of one or more Series pursuant to the Rules of Organisation of the Noteholders.

“**Minimum Rate**” means 5.2% or such other percentage as may established by the Issuer with the previous consent of the Representative of the Noteholders, provided that the Rating Agencies confirm that such change does not affect the rating assigned to the then outstanding Senior Notes.

“**Minimum Rating**” means a rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt

obligations at least equal to A1+ by S&P, and P1 by Moody's.

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

**"Monte Titoli Mandate Agreement"** means the agreement entered into on 9 June 2006 between the Issuer and Monte Titoli, by which Monte Titoli has agreed (or will agree) to provide certain services in relation to the Notes on behalf of the Issuer.

**"Monthly Reference Period"** means, with reference to each date, the calendar month immediately preceding such date

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

**"Negative Price Adjustment"** means any amount to be paid by the Issuer to Agos or to Calyon Milan pursuant to Clause 11.4 (ii) of the Master Transfer Agreement.

**"New Vehicles"** means new cars, caravans or motorcycles having a displacement equal or higher than 55 cubic centimetres which have not been registered with the *Pubblico Registro Automobilistico* at the draw down date of the consumer loan. **"Notes Initial Principal Amount"** means, with reference to each Note (or, as the case may be, Class or Series of Notes), the principal amount outstanding thereof as of its (or, as the case may be, their) relevant Series Issue Date.

**"Notes Principal Amount Outstanding"** means, on any date:

- (a) in relation to each Series, the aggregate principal amount outstanding of all the Notes in such Series;
- (b) in relation to each Class of Notes of a specific Series, the aggregate principal amount outstanding of all the Notes in such Class of Notes of such Series;
- (c) in relation to each Class of Notes, the aggregate principal amount outstanding of all Notes in such Class of Notes in all Series; and
- (d) in relation to a Note, the principal amount of that Note upon issue (considering the relevant Series Issue Date) less the aggregate amount of all principal payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that date.

**"Noteholders"** means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class J Noteholders.

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

**"Optional Purchase Date"** means, during the Purchase Period, as from July 2006:

- (i) a Payment Date; or
- (ii) following receipt by the Issuer of the notice referred to under Clause 4.9 of the Master Transfer Agreement, the 27<sup>th</sup> day (or, if such day is not a Business Day, the Business Day immediately following such date) of any month immediately following the Payment Date immediately following receipt by the Issuer of the aforementioned notice.

**"Organisation of the Noteholders"** means the association of the Noteholders created on the First Issue Date.

**"Other Issuer Creditors"** means the Issuer Creditors other than the Noteholders, and **"Other Issuer Creditor"** means each of them.

**"Payment Date"** means the 27<sup>th</sup> day of February, May, August and November in each year (provided that, if any such day is not a Business Day, the interest on such Notes will be payable on the next following Business Day). The first Payment Date is 27 August 2006.

**"Payments Report"** means the report prepared by the Calculation Agent, on each Calculation Date, pursuant to clause 5.1 of the the Cash Allocation, Management and Payments Agreement.

**"Period Ratio"** means

- (i) if such Calculation Date falls before or on the Calculation Date immediately preceding the Payment Date immediately following the date on which a notice is received under Clause 4.9 of the Master Transfer Agreement or after the first Payment Date of the Amortisation Period, one (1); or

- (ii) on each other Calculation Date, the ratio between (i) the number of calendar days of the Monthly Reference Period immediately preceding such Calculation Date and (ii) the number of calendar days of the Quarter Reference Period immediately preceding the Payment Date which falls immediately following such Calculation Date.

**“Personal Loans Concentration”** means on any Confirmation Date the ratio between (i) the aggregate of the Principal Amount Outstanding on such Confirmation Date of all the Receivables which are not Defaulted Receivables on such Confirmation Date and which are included in the Pool of the Personal Loans (considering the Subsequent Receivables acquired at the Purchase Date immediately following such Confirmation Date) and (ii) the Receivables Eligible Outstanding Amount as determined on such Confirmation Date (considering the Subsequent Receivables acquired at the Purchase Date immediately following such Confirmation Date).

**“Pool of the Furniture Loans”** means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing furniture (excluding domestic appliances).

**“Pool of the New Vehicles Loans”** means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing New Vehicles.

**“Pool of the Personal Loans”** means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan without a specific destination (although the purpose of the loan may be specified in the relevant loan’s request).

**“Pool of the Special Purpose Loans”** means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing an asset different from a New Vehicle, a Used Vehicle or a furniture.

**“Pool of the Used Vehicles Loans”** means the pool of the Consumer Loan Agreements under which Agos has granted to the relevant Debtor a loan for the purpose of purchasing Used Vehicles.

**“Positive Price Adjustment”** means any amount to be paid by Agos to the Issuer pursuant to Clause 11.3 (ii) of the Master Transfer Agreement.

**“Post-Enforcement Priority of Payments”** means the order of priority according to which the Issuer Available Funds shall be applied following the service of a Trigger Notice pursuant to Condition 5.2 (*Priority of Payments after the Delivery of a Trigger Notice*).

**“Pre-Enforcement Priority of Payments”** means each order of priority according to which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice pursuant to with Condition 5.1 (*Priority of Payments prior to the Delivery of a Trigger Notice*).

**“Post Enforcement Report”** means the report calculated and prepared by the Calculation Agent, upon service of a Trigger Notice to the Issuer by the Representative of the Noteholders, pursuant to clause 5.9 of the Cash Allocation, Management and Payments Agreement.

**“Principal Amount Outstanding”** means, with reference to any date and a Receivable, the aggregate of all the Principal Components due by the relevant Debtor from (but excluding) the Cut-Off Date immediately preceding such date or still unpaid as at such Cut-Off Date, added with the relevant Accrual of Interests still unpaid by the relevant Debtor. It’s understood that, with reference to any Subsequent Receivable, the Principal Amount Outstanding, calculated on a date immediately preceding each Purchase Date, is equal to the Initial Principal Amount of such Subsequent Receivable.

**“Principal Component”** means, with reference to each Receivable, the principal component of each Instalment (including the fees for the opening of the file due by the Debtor during the life of the Consumer Loan and the insurance premiums) which is due pursuant to the relevant Consumer Loan Agreement from (and including) the Financial Effective Date with reference to the Initial Receivables and from the relevant Valuation Date with reference to the Subsequent Receivables..

**“Principal Payment”** means the principal amount redeemable in respect of each Note, as defined and calculated pursuant to Condition 7.2 (*Mandatory pro rata Redemption*).]

**“Principal Available Funds”** means:

in respect of each Purchase Date which is not a Payment Date, the aggregate of:

- (a) the Collections of Principal received during the immediately preceding Reference Period in relation to such Payment Date;

- (b) the positive balance of the Purchase Account on such Calculation Date (without considering any interest accrued thereon); and
- (c) the portion of any Positive Price Adjustment corresponding to the Principal Amount Outstanding of the relevant Receivables (which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable), paid by the Originator to the Issuer during the immediately preceding Reference Period in relation to such Payment Date; and

in respect of each Payment Date, the aggregate of:

- (a) the Collections of Principal received during the immediately preceding Reference Period in relation to such Payment Date;
- (b) the positive balance of the Purchase Account on the Calculation Date immediately preceding such Payment Date (without considering any interest accrued on such account);
- (c) the portion of any Positive Price Adjustment corresponding to the Principal Amount Outstanding of the relevant Receivables, paid by the Originator to the Issuer during the immediately preceding Reference Period in relation to such Payment Date (which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the Positive Price Adjustment is due and payable);
- (d) the positive balance of the Principal Reserve Account on the Calculation Date immediately preceding such Payment Date (without considering any interest accrued and any net proceeds deriving from the Eligible Investments credited on such Principal Reserve Account);
- (e) the amount, if any, paid and to be paid by Agos to the Issuer under the Warranty and Indemnity Agreement from (but excluding) the preceding Payment Date to (and including) such Payment Date, as indemnity of any losses in principal borne or to be borne by the Issuer as a consequence of the occurrence of any event under clause 4 of such agreement (only in relation to Receivables which are not Defaulted Receivables as at the Payment Date immediately preceding the date on which the such indemnity is due and payable);;
- (f) the portion of the purchase price corresponding to the Notes Principal Amount Outstanding, paid by the Originator on the Business Day immediately preceding such Payment Date for the repurchase of the Receivables (excluding the price of any Defaulted Receivables) in the cases specified under Clause 16 of the Master Transfer Agreement;
- (g) any amount credited to the Defaulted Account out of the Interest Available Fund on such Payment Date; and
- (h) if such Payment Date is also a Series Issue Date, the balance (without considering the interest accrued thereon) of the Cash Reserve Required Amount in excess of the Cash Reserve Required Amount as at the Calculation Date immediately preceding such Payment Date; and
- (i) if the Notes Principal Amount Outstanding of the Senior Notes has been totally redeemed (also taking into account the principal payments made out of the Issuer Available Funds on such Payment Date) and if no Early Termination Event has occurred, the balance (without considering the interest accrued thereon) of the Cash Reserve Required Amount as at the Calculation Date immediately preceding such Payment Date; and
- (j) if such Payment Date is a Series Issue Date, the proceeds deriving from the issuance of such Notes (net of the issuance expenses, if any) of the Notes issued on such Series Issue Date.

**“Priorities of Payments”** means the order of priority according to which the Issuer Available Funds shall be applied pursuant to Condition 5 (*Priority of Payments*).

**“Priority of Payment of the Interest Available Funds”** means each order of priority according to which the Interest Available Funds shall be applied pursuant to Condition 5.1.2 (*Interest Priority of Payments prior to the delivery of a Trigger Notice*).

**“Privacy Law”** means the legislative decree no. 196 dated 30 June 2003 as amended and supplemented from time to time.

**“Product Cash Reserve Required Amount”** means at the Calculation Date immediately preceding the Payment Date immediately following the notice received under clause 4.10 of the Transfer Agreement, the product of (i) 0.05% and (ii) the Notes Principal Amount Outstanding of the Senior Notes on such Calculation Date (which shall include also any the Notes Principal Amount Outstanding of the Notes to be issued on such Payment Date and shall be reduced by the any principal reimbursement of the Notes to be made to be redeemed on such Payment Date).

**“Programme”** means the consumer loans backed note programme established by the Issuer.

“**Programme Final Maturity Date**” means the Payment Date falling on 27 August 2030.

“**Purchase Date**” means

- (i) the First Purchase Date; and
- (ii) during the Purchase Period and from the month of July 2006, each Optional Purchase Date on which Agos sells Receivables to the Issuer and “**relevant Purchase Date**” means with respect to each Receivable or Portfolio, the Purchase Date as of which such Receivable or Portfolio is transferred to the Issuer.

“**Purchase Notice**” means the notice substantially in the form set forth under Schedule B to the Master Transfer Agreement which will be delivered by Agos to the Company pursuant to Clause 4.6 of the Master Transfer Agreement.

“**Purchase Notice Date**” means, during the Purchase Period, 11.00 a.m. of the date which falls 1 Business Days prior to each Report Date.

“**Purchase Option**” means the call option granted by the Issuer to the Originator pursuant to Clause 16 of the Master Transfer Agreement.

“**Purchase Option Purchase Price**” means the price to be paid by the Originator to the Issuer for the relevant Portfolio further to the exercise of the Purchase Option.

“**Purchase Period**” means the period starting on (and including) the First Purchase Date and ending on the earlier of:

- (i) the earlier of (a) the Optional Purchase Date falling in May 2016 (included) and (b) the Optional Purchase Date immediately preceding the date on which the latest Series Amortising Period (as defined below) of all the outstanding Series commences (included); and
- (ii) the date on which an Early Termination Event Notice (as defined below) is delivered (excluded).

“**Purchase Price**” means, with respect to each Portfolio, the aggregate of the Individual Purchase Prices of all the Receivables comprised in such Portfolio; and “**relevant Purchase Price**” or “**Purchase Price of the relevant Portfolio**” means, with reference to each relevant Portfolio, the purchase price therefor as established in the relevant Purchase Notice..

“**Quarter Reference Period**” means, with reference to each Calculation Date, the three Monthly Reference Periods immediately preceding such Calculation Date.

“**Quotaholders’ Agreement**” means the quotaholders’ agreement entered into 9 June 2006 between Agos, the Issuer, Stichting Trustmate 4, and the Representative of the Noteholders.

“**Registered Assets Insurance Policies**” means the insurance policies entered into by a Debtor with reference to a Consumer Loan Agreement against the risk of fire or theft of the registered asset financed pursuant to the relevant Consumer Loan Agreement, as security in favour of Agos.

“**Rate of Return**” means, on any date and with reference to the Receivables which are not Defaulted Receivables on such date and on the basis of the Aggregate Amortising Plan of such Receivables calculated as of the Cut-Off Date immediately preceding such date, the internal annual rate of return resulting from such Aggregate Amortising Plan.

“**Rating**” means each of the Class A Rating, the Class B Rating and the Class C Rating.

“**Rating Agency**” means (i) any of Moody’s and S&P; and/or (ii) any other rating agency which may from time to time give a credit rating to one or more Classes of Notes, and “**Rating Agencies**” means all of them.

“**Ratio Series**” means on each Calculation Date and with reference to each Series, the ratio between:

- (i) the ratio of (a) the Notes Principal Amount Outstanding of such Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date and (b) the Redeem Corrector of such Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date; and
- (ii) the aggregate, for all the Series outstanding, of the ratios of (a) the Notes Principal Amount Outstanding of the Notes of each Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date and (b) the relevant Redeem Corrector of the relevant Series as of the Calculation Date preceding the Payment Date immediately preceding such Calculation Date;

it being specified that if a Series is the last Series outstanding, the Ratio Series of such Series shall be equal to 100%.

“**Receivables**” means any and all monetary receivables and other rights arising from the Consumer Loan Agreements and transferred to the Issuer under the Transfer Agreements.

“**Receivables in Arrears**” means, with reference to a Calculation Date, any Receivable with at least one Instalment in arrears as at the Cut Off Date immediately preceding such Calculation Date.

“**Relevant Margin**” means, in respect to each Class of Notes of each Series the margin specified in respect of such Class of Notes in the relevant Final Terms.

“**Receivables Eligible Outstanding Amount**” means, on each date and in relation to all the Receivables which are not Defaulted Receivables as of such date, the aggregate of all the Principal Components of such Receivables plus any unpaid Accrual of Interests due by the relevant Debtor from (but excluding) the Cut-Off Date immediately preceding such date.

“**Recoveries**” means any Collection received or recovered in relation to a Defaulted Receivable (including the purchase price received by the Issuer in respect of a Defaulted Receivable pursuant to clause 5.2 of the Servicing Agreement).

“**Redeem Corrector**” means, with reference to each Series and for each Calculation Date preceding a Payment Date, the value indicated in the relevant Final Terms and calculated on the relevant Series Issue Date, as the ratio between the expected Notes Principal Amount Outstanding of such Series on a specific date and the expected Collection of principal (without taking into account any default and any prepayments under the relevant Consumer Loans) of the Receivables purchased out of the proceeds of such Series during the following three months; it being specified that no other Series of Notes issued under the Programme, other than the relevant Series, will be considered for the purpose of calculating such ratio.

“**Reference Banks**” means three (3) major banks in the Euro-zone inter-bank market selected by the Principal Paying Agent and approved by the Issuer.

“**Reference Period**” means, with reference to each date falling during the Purchase Period, the period starting from (but excluding) the Cut-Off Date preceding the last Purchase Date immediately prior to such date and ending on (and including) the Cut-Off Date preceding such date and, with reference to each date falling after the Purchase Period, the Quarter Reference Period immediately preceding such date, it being specified that the Reference Period may not exceed the Quarter Reference Period immediately preceding such date. The first Reference Period starts from the first Financial Effective Date (included) and ends at the Cut Off Date immediately following the First Purchase Date.

“**relevant Initial Interest Period**” means, with respect to the Notes of each Series, the period from (and including) the relevant Series Issue Date to (but excluding) the next succeeding Payment Date.

“**relevant Portfolio**” means those Receivables purchased in respect of the Notes of any given Series, and “**Portfolio**” means all of the Receivables transferred to the Issuer pursuant to the Programme as a whole.

“**relevant Final Terms**” or “**applicable Final Terms**” means the Final Terms prepared in relation to each Series or Class of Notes.

“**Report Date**” means, during the Purchase Period, 1.00 p.m. of the date which falls 13 Business Days prior to each Optional Purchase Date and, once the Purchase Period is expired, 1.00 p.m. of the date which falls 8 Business Days prior to each Payment Date.

“**Sale Option**” means the option of the Originator to sell Receivables to the Issuer during the Purchase Period pursuant to Clause 4 of the Master Transfer Agreement.

“**Securities Act**” means the U.S. Securities Act of 1933.

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

“**Securitised Assets**” means the assets relating to each securitisation transaction.

“**Security Documents**” means the Italian Deeds of Pledge and the English Deed of Charge.

“**Security Interest**” means any mortgage, charge, guarantee, 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.

“**S&P**” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“**Senior Noteholders**” means the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

“**Senior Notes Programme Agreement**” means the senior notes programme agreement entered into on 9 June 2006 among the Arranger, the Lead Manager, the Representative of the Noteholders, the Issuer and the Originator.

“**Senior Notes Subscription Agreement**” means the senior notes subscription agreement entered into by the Issuer, the Originator, the relevant Managers and the Representative of the Noteholders prior to each relevant Series Issue Date.

“**Series Amortising Period**”

means, in relation to each Series, the period starting from (and excluding) the earlier of:

- (i) the first Payment Date falling at least 60 months after the relevant Series Issue Date; and
- (ii) in case of delivery of an Early Termination Event Notice, the Payment Date immediately following the later of the date on which an Early Termination Event Notice is delivered by the Programme Administrator to the Issuer and the date falling 18 months after the relevant Series Issue Date;

and ending on (and including) the earlier of:

- (i) the date defined as the Series Final Maturity Date in the relevant Final Terms (which shall fall, in any case, not later than the Programme Final Maturity Date); and
- (ii) the date on which the Notes of such Series are fully redeemed.

“**Series Final Maturity Date**” means the date, specified in the relevant Final Terms, on which the Notes of the relevant Series, unless previously redeemed in full or cancelled in accordance with the Conditions, are due to be repaid in full at their Notes Principal Amount Outstanding. The Series Final Maturity Date of each Series shall not fall after the Programme Final Maturity Date.

“**Series Initial Amortising Date**” means, in relation to each Series, upon delivery of an Early Termination Event Notice, the first Payment Date falling at least 18 months after the relevant Series Issue Date.

“**Series Issue Date**” or “**relevant Series Issue Date**” means, in respect of the Notes of each Series, the date specified as such in the applicable Final Terms.

“**Series Principal Reimbursement Reserve**” means on each Calculation Date preceding a Purchase Date and in respect of each Series for which the relevant Series Amortising Period has commenced, the lower of:

- (i) the Notes Principal Amount Outstanding of such Series on such Calculation Date less any Series Principal Reimbursement Reserve of such Series already credited to the Principal Reserve Account from the immediately preceding Payment Date (excluded); and
- (ii) the product of:
  - (a) the Ratio Series relating to such Series as of such Calculation Date; and
  - (b) the Available Principal Collections, if positive, received during the immediately preceding Reference Period in relation to such Calculation Date.

“**Series Principal to Redeem**” means, on each Calculation Date preceding a Payment Date and for each Series for which the relevant Series Amortising Period has commenced, the lower of:

- (i) the product of:
  - (l) the Ratio Series relating to such Series as of such Calculation Date; and
  - (m) the Available Principal Collections, if positive, received during the preceding Quarter Reference Period; and
- (ii) the Notes Principal Amount Outstanding of such Series on such Calculation Date;

provided that, if the Payment Date is the first Payment Date falling during the relevant Series Amortising Period, the Series Principal to Redeem is equal to the Series Principal Reimbursement Reserve as determined on such Calculation Date.

“**Servicer’s Event**” means any of the following events: an administrator, administrative receiver or liquidator of Agos is appointed over or in respect of the whole or any substantial part of the undertaking, assets and/or revenues of Agos or Agos becomes subject to any bankruptcy, liquidation, administration, insolvency, composition (among which, without limitation, “*fallimento*”, “*concordato preventivo*” and “*amministrazione controllata*”) or similar proceedings or an encumbrancer takes

possession of the whole or any substantial part of the undertaking or assets of Agos.

“**Servicer Minimum Rating**” means a rating assigned to the unguaranteed, unsubordinated and unsecured short-term debt obligations at least equal to A1 by S&P.

“**Servicer’s Report**” means the report to be prepared and delivered by the Servicer to, *inter alios*, the Issuer pursuant to Clause 8.1 of the Servicing Agreement.

“**Servicing Agreement**” means the servicing agreement entered into on 9 June 2006 between the Issuer and Agos.

“**Specific Criteria**” means the specific criteria specified as such in the relevant Transfer Agreement.

“**Spread Required Amount**” means, at any Confirmation Date, the product of:

(i) the difference between:

(a) the Minimum Rate and

(b) the Excess Spread Rate of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date),

(ii) the Average Life of the Portfolio on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date), divided by twelve;

(iii) the Receivables Eligible Outstanding Amount as determined on such Confirmation Date (which shall include also any Subsequent Receivable to be transferred on the immediately following Payment Date).

“**Stichting Trustmate 4**” means the *stichting* named Stichting Trustmate 4, incorporated under the laws of the Netherlands, having its registered office at Fred. Roeskestraat 123, 1076 EE, Amsterdam, the Netherlands.

“**Stock Exchange**” means the Luxembourg Stock Exchange or any other stock exchange where one or more Classes of Notes may be listed from time to time.

“**Subsequent Portfolio**” means any Portfolio (other than the Initial Portfolio) purchased by the Issuer from the Originator pursuant to the terms of the Master Transfer Agreement.

“**Subsequent Receivables**” means the Receivables included in any Subsequent Portfolio.

“**Subsequent Portfolio Purchase Conditions**” means the conditions precedent to be satisfied in connection with the purchase by the Issuer of each Subsequent Portfolio.

“**Subscription Agreements**” means the Senior Notes Subscription Agreements and the Class J Notes Subscription Agreements, as from time to time modified in accordance with the provisions contained therein and including any agreement or other document expressed to be supplemental thereto, and “**Subscription Agreement**” means any of them.

“**Suppliers’ Selection Policy**” means Agos’ policy for the selection of the Eligible Suppliers (*procedura di convenzionamento*), as set out in the Italian language under Schedule C of the Warranty and Indemnity Agreement.

“**Theoretical Excess Spread**” means, on each Calculation Date, the ratio of:

(A) the difference between:

(a) the aggregate of:

(i) the Collections of Interest and the Collections of Fees, including any Collections received with respect to the Accrual of Interest, received during the Calculation Reference Period preceding such Calculation Date, plus

(ii) any amount due and payable by the Hedging Counterparties on the immediately following Payment Date multiplied by the Period Ratio as of such Calculation Date and further multiplied by the Collateral Ratio as of the immediately preceding Calculation Date, plus

(iii) the ratio, if positive, of (i) the Spread Required Amount as determined on the Confirmation Date immediately preceding the Payment Date immediately preceding such Calculation Date and (ii) the Average Life of the Portfolio as determined on the Confirmation Date immediately preceding the Payment Date immediately preceding such Calculation Date (which shall include also any Subsequent Receivable to be purchased on the



Payment Date immediately following such Confirmation Date) (it being specified that such ratio shall be multiplied by 3 if the Calculation Reference Period is equal to a Quarterly Reference Period) and

(iv) the Interest Component which should have been paid by the relevant Debtor according to the amortising plan of each Receivable during the Calculation Reference Period, but not paid by the Debtor during the Calculation Reference Period following the exercise by the relevant Debtor of the option granted to it to postpone the payment of the relevant Instalment;

(b) the aggregate of:

(i) an amount equal to the aggregate of the payments to be made by the Issuer on the immediately following Payment Date under items (i), (iii), (iv) and (v) (taking into account only the fees to be paid in respect of the Receivables which are not Defaulted Receivables), (vi), (viii), (x) and (xii) of the Priority of Payments of the Interest Available Funds, prior to the delivery of a Trigger Notice, all multiplied by the Period Ratio as of such Calculation Date and further, multiplied (limited to the payments under items (vi), (viii), (x) and (xii)) by the Collateral Ratio as of the immediately preceding Calculation Date; and

(ii) the Principal Amount Outstanding (as calculated on the date on which such Receivables become a Defaulted Receivables) of the Receivables which have become Defaulted Receivables for the first time during the Calculation Reference Period immediately preceding such Calculation Date; and

(B) (a) if the Calculation Reference Period is equal to a Quarterly Reference Period, the arithmetic average of the Receivables Eligible Outstanding Amount as of the Calculation Date immediately preceding such Calculation Date and as of such Calculation Date; or

(b) if the Calculation Reference Period is equal to a Monthly Reference Period, the Receivables Eligible Outstanding Amount as of the Calculation Date immediately preceding such Calculation Date;

For the purpose of all the calculations to be made under this definition, “**Calculation Reference Period**” means

(i) if such Calculation Date falls before or on the Calculation Date immediately preceding the date on which the Issuer has received the notice provided for under Clause 4.9 of the Master Transfer Agreement or after the first Payment Date of the Amortisation Period, the Quarterly Reference Period and;

(ii) on each other Calculation Date, the Monthly Reference Period.

“**Three Month Euribor**” has the meaning set forth in Condition 6.2.1(B) (*Rate of Interest*).

“**Transaction Documents**” means the Master Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Security Documents, the Cash Allocation, Management and Payments Agreement, each Commingling Guarantee, the Corporate Services Agreement, the Intercreditor Agreement, the Quotaholders’ Agreement, the Senior Notes Programme Agreement, each Senior Notes Subscription Agreement, the Class J Notes Master Subscription Agreement, each Class J Notes Subscription Agreement, the Monte Titoli Mandate Agreement, each Hedging Agreement and each applicable Final Terms, the Conditions included in the section headed “*Terms and Conditions of the Notes*” of the Base Prospectus and any other agreement entered into in connection with the Programme.

“**Transfer Agreements**” means each Purchase Notice together with the Master Transfer Agreement.

“**Trigger Event**” has the meaning ascribed to such term in Condition 11 (*Trigger Events and Early Termination Events*).

“**Trigger Notice**” has the meaning ascribed to such term in Condition 11 (*Trigger Events and Early Termination Events*).

“**Unpaid Amount**” means, in relation to any Collection, credited by Agos to the Collection Account in accordance with the Servicing Agreement, the unpaid amount of such Collection on the relevant due date, as verified by Agos, in its capacity as Servicer, following the above mentioned crediting to the Collection Account.

“**U.S. persons**” has the meaning given to it in the Securities Act.

“**Used Vehicles**” means new cars, caravans, motorcycles and watercrafts (*imbarcazione da diporto*) different from the New Vehicles.

“**Usury Law**” means the Italian Law n. 108 of 7 March 1996 together with Decree n. 394 of 29 December 2000 which has been converted in law by Law n. 24 of 28 February 2001.

“**Valuation Date**” means:

- (i) the First Valuation Date;
- (ii) the Cut-Off Date immediately preceding a Purchase Date.

**“Warranty and Indemnity Agreement”** means the warranty and indemnity agreement entered into on 9 June 2006 between the Issuer, Calyon Milan, as seller of the Calyon Initial Receivables, and the Originator.

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