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This Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the Prospectus, you shall be deemed to have confirmed and represented to UBS Limited (the **Arranger**), being the senders of the attached, that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Prospectus by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (d) you have not duplicated, distributed, forwarded, transferred or otherwise transmitted this document or any other presentational or other materials concerning this offering (including electronic copies thereof) to any persons within the United States and agree that such materials shall not be duplicated, distributed, forwarded, transferred or otherwise transmitted by you, (e) you have made your own assessment concerning the relevant tax, legal and other economic consideration relevant to an investment in the Notes and (f) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Misthosis Funding plc nor the Arranger (nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from Misthosis Funding plc or the Arranger.

The date of this Prospectus is 18 September 2009

MISTHOSIS FUNDING PLC

(a company incorporated with limited liability under the laws of England and Wales with registered number 6878258)

€363,900,000 Class A Asset Backed Floating Rate Notes due 2046

€274,400,000 Class B Asset Backed Floating Rate Notes due 2046

€51,100,000 Class C Asset Backed Floating Rate Notes due 2046

Arranger

UBS Investment Bank

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

MISTHOSIS FUNDING PLC

(a company incorporated with limited liability under the laws of England and Wales with registered number 6878258)

€363,900,000 Class A Asset Backed Floating Rate Notes due 2046

€274,400,000 Class B Asset Backed Floating Rate Notes due 2046

€51,100,000 Class C Asset Backed Floating Rate Notes due 2046

The asset backed notes to be issued by Misthosis Funding Plc, a company incorporated with limited liability under the laws of England and Wales with registered number 6878258 (the **Issuer**) will comprise €363,900,000 class A floating rate notes due 2046 (the **Class A Notes**), €274,400,000 class B floating rate notes due 2046 (the **Class B Notes**) and €51,100,000 class C floating rate notes due 2046 (the **Class C Notes** and together with the Class A Notes and the Class B Notes, the **Notes**). The Notes will be issued on or about 18 September 2009 or such other date as may be agreed between the Issuer and the Arranger (the **Closing Date**).

The ultimate source of funds for the payment of interest and repayment of principal on the Notes will be the Issuer's right to receive payments in respect of the Portfolio (as defined below) acquired from the Seller.

The Prospectus has been approved by the Irish Financial Services Regulatory Authority (the **Financial Regulator**), as competent authority under the Prospectus Directive 2003/71/EC (the **Prospectus Directive**). The Financial Regulator only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange Limited (the **Irish Stock Exchange**) for the Notes to be admitted to the Official List (the **Official List**) and trading on its regulated market. It is expected that admission to the Official List and to trading on the regulated market of the Irish Stock Exchange will be granted on or about the Closing Date subject to the issue of the Global Notes (as defined below). However, there can be no assurance that any such listing will be obtained, and if obtained, maintained. This Prospectus constitutes a prospectus for the purpose of the Prospectus Directive.

The Notes will be the obligations of the Issuer only and will not be the obligations or responsibilities of, or guaranteed by, any of the other parties to the transactions described in this Prospectus and any suggestion otherwise, express or implied, is expressly excluded.

The Notes of each Class will be issued in new global note form and will each initially be represented by a temporary global note in bearer form (each, a **Temporary Global Note**), without interest coupons attached. Each Temporary Global Note will be exchangeable, as described herein, for a permanent global note in bearer form which is recorded in the records of Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) (each, a **Permanent Global Note** and, together with the Temporary Global Notes, the **Global Notes** and each, a **Global Note**) without interest coupons attached, not earlier than 40 calendar days and not later than 180 calendar days after the Closing Date (provided that certification of non-U.S. beneficial ownership has been received). The Global Notes will be deposited with a common safekeeper (the **Common Safekeeper**) appointed by the operator of Euroclear and Clearstream, Luxembourg on or before the Closing Date. The Common Safekeeper will hold the Global Notes in custody for Euroclear and Clearstream, Luxembourg. The Notes, issued in new global note form and represented by the Global Notes may be transferred in book-entry form only. The Class A Notes, the Class B Notes and the Class C Notes will be issued in the denomination of €100,000. Definitive Notes may be issued in certain limited circumstances.

The Class A Notes (the **Rated Notes**) are expected to receive a rating of Aaa by Moody's Investors Service (**Moody's**). The Class B Notes and the Class C Notes are not expected to be assigned a rating by Moody's. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension or withdrawal at any time by the assigning rating organisation.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. It is expected that the Class B Notes and the Class C Notes will not satisfy the Eurosystem eligibility criteria.

Given the complexity of the terms and conditions of the Notes, an investment in the Notes is suitable only for experienced and financially sophisticated investors who understand and are in a position to evaluate the merits and risks inherent therein and who have sufficient resources to be able to bear any losses which may result from such investment.

For a discussion of certain significant factors affecting investments in the Notes, see the section headed "Risk Factors".

Notes	Initial Principal Amount	Interest Rate	Final Maturity Date	Issue Price
Class A Notes	€363,900,000	EURIBOR plus 0.20%	2046	100%
Class B Notes	€274,400,000	EURIBOR plus 1.00%	2046	100%
Class C Notes	€51,100,000	EURIBOR plus 1.25%	2046	100%

Arranger

UBS Investment Bank

The date of this Prospectus is 18 September 2009

RESPONSIBILITY ATTACHING TO THE PROSPECTUS

The Notes and interest thereon will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of, and will not be guaranteed by, or be the responsibility of any of the other parties referred to in this Prospectus.

Save for the information contained in the sections entitled "The Note Trustee and the Security Trustee", "Overview of Greek Leasing Market", "Characteristics of the Provisional Portfolio", "Cyprus Leasing S.A.", "The Swap Counterparty" and "Bank of Cyprus Public Company Limited", "The Account Bank, the Cash Manager, the Agent Bank and the Principal Paying Agent" the Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything which is likely to affect the import of such information or which would make misleading any statement (whether it is a statement of fact or of opinion) in this Prospectus. The delivery of this Prospectus at any time does not imply that the information herein is correct at any time subsequent to the date of this Prospectus.

The Note Trustee and the Security Trustee accept responsibility for the information contained in the section entitled "The Note Trustee and the Security Trustee". To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Note Trustee or the Security Trustee as to the accuracy or completeness of any other information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution.

Cyprus Leasing S.A. as Seller and Servicer accepts responsibility for the information contained in the sections entitled "Overview of Greek Leasing Market", "Characteristics of the Provisional Portfolio" and "Cyprus Leasing S.A." (the **Cyprus Leasing Information**). To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such Cyprus Leasing Information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Cyprus Leasing S.A. as to the accuracy or completeness of any information contained in this Prospectus (other than the Cyprus Leasing Information) or any other information supplied in connection with the Notes or their distribution.

UBS AG, London Branch as the Swap Counterparty accepts responsibility for the information contained in the section entitled "The Swap Counterparty". To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Swap Counterparty as to the accuracy or completeness of any other information contained in this Prospectus (other than the information in relation to the Swap Counterparty) or any other information supplied in connection with the Notes or their distribution.

Bank of Cyprus Public Company Limited as the Greek Account Bank, and when acting through its London Branch, the Commingling Reserve Loan Provider and the Rate Conversion Loan Provider accepts responsibility for the information contained in the section entitled "Bank of Cyprus Public Company Limited". To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Bank of Cyprus Public Company Limited as to the accuracy or completeness of any other information contained in this Prospectus (other than the information

relating to the Bank of Cyprus Public Company Limited or any other information supplied in connection with the Notes or their distribution).

Citibank N.A., London Branch as Account Bank, Cash Manager, Agent Bank and Principal Paying Agent accepts responsibility for the information contained in the sections entitled "The Account Bank, the Cash Manager, the Agent Bank and the Principal Paying Agent". To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Citibank N.A., London Branch as to the accuracy or completeness of any other information contained in this Prospectus (other than the information relating to Citibank N.A., London Branch) or any other information supplied in connection with the Notes or their distribution.

Each initial and subsequent purchaser of the Notes will be deemed, by its acceptance of such Notes, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as set forth therein and described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale and other transfer restrictions in certain cases.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT). THE NOTES ARE IN BEARER FORM AND SUBJECT TO US TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS.

This Prospectus has been filed with and approved by the Financial Regulator as required by the Prospectus (Directive 2003/71/EC) Regulations 2005.

This Prospectus does not constitute, and is not intended to be, an offer of, or an invitation by or on behalf of, the Issuer or the Arranger to subscribe for or purchase any of the Notes. Other than the approval by the Financial Regulator of this Prospectus as a prospectus in accordance with the requirements of the Prospectus Directive and relevant implementing measures in Ireland, application having been made for the Notes to be admitted to the Official List and to trading on its regulated market, no action has been, nor will be taken to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Arranger to inform themselves about and to observe such restrictions.

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

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Notes or the distribution of this Prospectus in any jurisdiction where such action is required.

The Arranger has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by or on behalf of the Arranger as to the accuracy, reasonableness or completeness of the information contained in this Prospectus. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes. Investment in the Notes may be not suitable for all recipients of this Prospectus. Any

investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Forward-Looking Statements

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Lease Receivables and the Lease Agreements, and reflect significant assumptions and subjective judgments by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the leasing industry in the Hellenic Republic. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Arranger has not attempted to verify any such statements, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Issuer, the Seller nor the Arranger assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note will in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Seller since the date of this Prospectus.

No person has been authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Prospectus. Nevertheless, if any such information is given by any broker, seller or any other person, it must not be relied upon as having been authorised by the Issuer, the Arranger or any of the other Transaction Parties. Neither the delivery of this Prospectus nor any offer, sale or solicitation made in connection herewith shall, in any circumstances, imply that the information contained herein is correct at any time subsequent to the date of this Prospectus.

Any website referred to in this Prospectus does not form part of this Prospectus.

Payments of interest and principal in respect of the Notes will be subject to any applicable withholding taxes. The Issuer will not be obliged to pay additional amounts therefor. The Issuer has the right to redeem the Notes on the occurrence of certain tax related events specified herein.

The initial and each subsequent purchaser of the Notes will be deemed by its acceptance of such Notes to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of the Notes as set forth therein and described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale and other transfer restrictions in certain cases. See the section entitled "Subscription and Sale".

Interpretation

References in this Prospectus to "€", "EUR" and "euro" are to the single currency introduced in the Member States of the European Community at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended. References in this Prospectus to "£" and "Sterling" are references to the lawful currency for the time being of the United Kingdom.

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PRINCIPAL CHARACTERISTICS OF THE NOTES

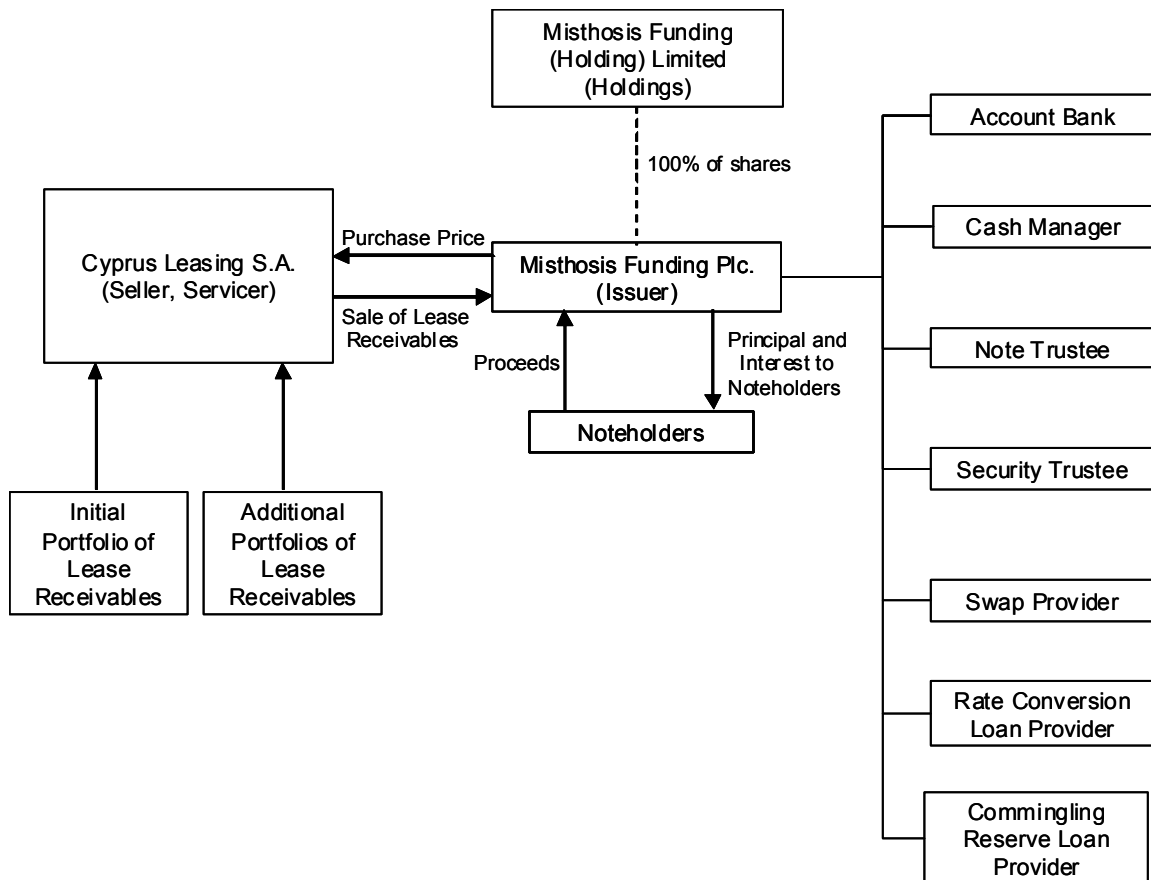
The following is a brief overview of the principal characteristics of the Notes referred to in this Prospectus. This information is subject to, and is more fully explained in, the other sections of this Prospectus.

Notes	Class A	Class B	Class C
Initial Principal Amount	€363,900,000	€274,400,000	€51,100,000
Issue price	100%	100%	100%
Interest Rate	EURIBOR + 0.20% per annum	EURIBOR + 1.00% per annum	EURIBOR + 1.25% per annum
Final Maturity Date	October 2046	October 2046	October 2046
Revolving Period ends (subject to Early Amortisation Events)	October 2011	October 2011	October 2011
Step-up Date	October 2014	N/A	N/A
First scheduled principal redemption date	January 2012	N/A	N/A
Interest Payment Dates	22 January, 22 April, 22 July and 22 October		
Form of Notes	NGN	NGN	NGN
Denomination	€100,000	€100,000	€100,000
Clearing system	Euroclear and Clearstream, Luxembourg		
Listing	Irish Stock Exchange		
ISIN	XS0450560403	XS0450561559	XS0450561716
Common Code	045056040	045056155	045056171
Expected rating – Moody's	Aaa	Unrated	Unrated

TRANSACTION DIAGRAM

Below is a transaction structure diagram. This transaction structure diagram is qualified in its entirety by the detailed information appearing elsewhere in this Prospectus. If there is any inconsistency between this transaction structure diagram and the information provided elsewhere in this Prospectus, such information shall prevail.

In addition, investors must consider the risks relating to the Notes. See the section headed "Risk Factors" below for a description of certain aspects of the issue of the Notes about which prospective investors should be aware.



TRANSACTION OVERVIEW

The following paragraphs contain a brief overview of the structure of the transaction. This overview is necessarily incomplete and prospective investors are urged to read the entire Prospectus carefully for more detailed information thereto.

On the Initial Purchase Date, and on each Additional Portfolio Purchase Date during the Revolving Period, the Seller is entitled to sell to the Issuer a portfolio of lease receivables arising under the Lease Agreements. The purchase price payable in consideration of the lease receivables will be equal to the Initial Purchase Price or the Additional Portfolio Purchase Price (as applicable) and the Deferred Purchase Price.

The lease receivables will consist of any and all claims and rights of the Seller against the Lessee under or in connection with the use of the Leased Assets under the relevant Lease Agreements originated by the Seller. Such claims and rights include the rental payments and expenses due and payable to the Lessor by the Lessee, default interest, as well as Insurance Compensation Payments or other payments under any Related Security and Ancillary Rights, but excluding RV Claims, amounts charged in respect of Greek VAT and any amounts paid or payable by the Lessee in respect of any lease receivables invoiced by the Seller prior to 12 September 2009 (the **Lease Receivables**).

The Issuer will use receipts of payments in respect of the Portfolio to make payments of, among other things, principal and interest due on the Notes subject to and in accordance with the applicable Priority of Payments provided that, during the Revolving Period, Available Principal Receipts will not be applied in redemption of the Notes but shall be applied to acquire Additional Portfolios from the Seller.

Pursuant to the Purchase Agreement, the Seller will be required to repurchase the Lease Receivables in certain circumstances. On repurchase of the Lease Receivables, the Seller will pay to the Issuer the Repurchase Price. The Seller will have no obligation to repurchase Lease Receivables after repossessing the Leased Assets upon termination of a Defaulted Lease Agreement. The Seller will sell the Leased Assets relating to a Defaulted Lease Agreement and will transfer the realisation proceeds to the Issuer pursuant to the Greek Future Claims Pledge.

Cyprus Leasing S.A., as Servicer, will, pursuant to the terms of the Servicing Agreement and the Greek Securitization Law 3156/2003 (i) service and administer the Lease Agreements, and (ii) make transfers of monies in respect of the Lease Receivables and the sale of the Leased Assets.

On or about the Closing Date the Issuer and the Swap Counterparty will enter into the Swap Agreement pursuant to which the Issuer will mitigate the effect of the floating interest rate risk on the Notes against the fixed amounts and the floating rate amounts to be received by the Issuer in respect of the Lease Receivables.

Under the Deed of Charge and as security for its obligations under (among other things) the Notes, the Issuer will grant in favour of the Security Trustee (a) an assignment by way of first fixed security of the benefit of each Lease Receivable (to the extent not covered by the Greek Security); (b) an assignment by way of first fixed security of the benefit of each relevant Transaction Document; (c) a first fixed security over the benefit of each Authorised Investment (which may take effect as a floating charge); (d) a first fixed charge over the benefit of each account and ledger of the Issuer and any other bank or other accounts in which the Issuer may at any time have or acquire any benefit (to the extent not covered by the Greek Security); and (e) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future including, without limitation, the Issuer's rights under the Greek Future Claims Pledge and uncalled capital except to the extent otherwise charged or secured under the Deed of Charge.

In addition to the security granted pursuant to the Deed of Charge, the Issuer will grant the following additional security as security for its obligations under (among other things) the Notes to the Security Trustee

and the other Secured Creditors: (a) a pledge operating by law over the Issuer's rights, title and interest in the Portfolio, the Related Security (if any) in relation to each of the Lease Receivables and the Issuer Collection Account pursuant to paragraph 18, article 10 of Greek law 3156/2003 (as it may be amended or re-enacted from time to time), and (b) a Greek law account pledge over the Issuer's right, title and interest in the Cash Reserve Account, pursuant to a Greek law account pledge agreement to be entered into on or about the Closing Date between the Seller, the Issuer and the Security Trustee. The Seller will grant a pledge over all of its rights, interest in and to the liquidation proceeds from the sale of a Leased Asset to any third party pursuant to a Greek Future Claims Pledge Agreement to be entered into between the Seller and the Issuer as security for the payments in respect of the Lease Agreements.

Each of the Secured Creditors will agree to be bound by the provisions of the Deed of Charge, including the Priorities of Payments and the limited recourse and non-petition provisions set out in the Deed of Charge.

OVERVIEW

The information set out below is an overview of the principal features of the Transaction and the issue of the Notes. This overview should be read in conjunction with, and is qualified in its entirety by references to, the detailed information presented elsewhere in this Prospectus.

The following parties are the **Transaction Parties** and each a **Transaction Party**:

THE PARTIES

Issuer/Purchaser

Misthosis Funding Plc (the **Issuer** or the **Purchaser**), a limited liability company incorporated in England and Wales under registered number 6878258 having its registered office at 35 Great St. Helen's, London EC3A 6AP. The Issuer is a special purpose entity with limited permitted activities including, amongst other things, issuing the Notes and applying the proceeds to purchase the Lease Receivables.

Holdings

Misthosis Funding (Holding) Limited (**Holdings**), a private limited liability company incorporated in England and Wales under registered number 6878254 having its registered office at 35 Great St. Helen's, London EC3A 6AP. The issued share capital of Holdings is held by the Share Trustee under the terms of a discretionary trust for one or more discretionary objects. Neither the Seller, nor any company connected with the Seller, can direct the Share Trustee and no such companies have any control, direct or indirect, over Holdings or the Issuer.

Seller

Cyprus Leasing S.A. (**Cyprus Leasing**) a limited liability company incorporated in the Hellenic Republic under registered number 37609/01/B/97/107 having its registered office at 170 Alexandras Av. 11521 Athens, Greece (acting in its capacity as the **Seller**). The Seller will pursuant to the terms of a sale and purchase agreement entered into by the Seller, the Issuer and the Security Trustee on or about the Closing Date (the **Purchase Agreement**) sell and the Issuer will purchase the Lease Receivables (as defined and described further below) on the Closing Date and on each Additional Portfolio Purchase Date.

Servicer

Cyprus Leasing, acting as the servicer (the **Servicer**), will, pursuant to the terms of the servicing agreement to be entered into on or about the Closing Date between the Issuer, the Servicer, the Data Custodian and the Security Trustee (the **Servicing Agreement**), via its network/headquarters and/or via the network of Bank of Cyprus until the occurrence of a Servicer Termination Event (i) service and administer the Lease Agreements, and (ii) make payments and transfers of monies in respect of the Lease Receivables.

In consideration of these duties, the Servicer will receive (i) the Senior Servicer Fee and (ii) the Junior Servicer Fee to be paid by the Purchaser subject to and in accordance with the applicable Priority of Payments.

Stand-by Servicer

A stand-by servicer (the **Stand-by Servicer**) will be appointed by the Issuer and the Security Trustee if (i) Bank of Cyprus loses Control of

Cyprus Leasing to an institution which does not have a long-term unsecured, unsubordinated and unguaranteed debt obligation rating from Moody's of at least Baa3 (a **Change of Control Event**) or (ii) Bank of Cyprus, or if Bank of Cyprus has lost Control over Cyprus Leasing, such other entity which now exercises Control over Cyprus Leasing, ceases to have a long-term unsecured, unsubordinated and unguaranteed debt obligation rating from Moody's of at least Baa3 (a **Controlling Shareholder Downgrade Event**).

The Stand-by Servicer will, following a Servicer Termination Event (as defined below) replace Cyprus Leasing (as Servicer) under the Servicing Agreement. As long as the Stand-by Servicer has not taken over the services of the Servicer, the Stand-by Servicer will be entitled to receive the Stand-by Servicer Stand-by Fee (payable in accordance with the relevant Priority of Payments) following its appointment as Stand-by Servicer in such an amount as may be agreed between the Issuer, the Stand-by Servicer and the Security Trustee. Unless and until a Servicer Termination Event has occurred in respect of Cyprus Leasing as Servicer, the Stand-by Servicer will act solely in a stand-by role.

Data Custodian

Structured Finance Management Limited, acting as the data custodian (the **Data Custodian**), will, pursuant to the terms of the Servicing Agreement to be entered into on or about the Closing Date between the Issuer, the Servicer, the Security Trustee and the Data Custodian agree to receive and store the Servicer Monthly Reports and the Servicer Quarterly Reports and certain Portfolio data and upon a Servicer Termination Event make the same available to the Stand-by Servicer.

Arranger

UBS Limited (**UBS**), a limited liability company incorporated in England, with its registered office at 1 Finsbury Avenue, London, EC2M 2PP, England.

Swap Counterparty

UBS AG, a limited liability company incorporated in Switzerland, acting through its London branch from its office at 100 Liverpool Street, London, EC2M 2RH, England in its capacity as swap counterparty (the **Swap Counterparty**).

Account Bank	Citibank N.A., a limited liability company incorporated in the State of New York acting through its London branch from its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England, in its capacity as account bank (the Account Bank).
Greek Account Bank	Bank of Cyprus Public Company Limited (Bank of Cyprus), a limited liability company incorporated under the laws of the Republic of Cyprus, with its registered office at 51 Stassinos Street, Ay. Paraskevi, Strovolos, 2002 Nicosia, Cyprus, in its capacity as the Greek Account Bank acting through its Greek branch located at 170 Alexandras Avenue, 11521 Athens, Greece (the Greek Account Bank).
Agent Bank	Citibank N.A., a limited liability company incorporated in the State of New York acting through its London branch from its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England, in its capacity as agent bank (the Agent Bank).
Note Trustee	Citicorp Trustee Company Limited, a limited liability company incorporated in England, acting through its office at Citigroup Centre, 14th Floor, Canada Square, Canary Wharf, London, E14 5LB, England, in its capacity as note trustee (the Note Trustee) to represent the interests of the holders of the Notes (the Noteholders).
Security Trustee	Citicorp Trustee Company Limited, a limited liability company incorporated in England, acting through its office at Citigroup Centre, 14th Floor, Canada Square, Canary Wharf, London E14 5LB, England, in its capacity as security trustee (the Security Trustee).
Cash Manager	Citibank N.A., a limited liability company incorporated in the State of New York acting through its London branch from its office at Citigroup Centre, Canada Square, Canary Wharf London, E14 5LB, England, in its capacity as cash manager (the Cash Manager).
Principal Paying Agent	Citibank N.A., a limited liability company incorporated in the State of New York, acting through its London branch from its office at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, England, in its capacity as principal paying agent (the Principal Paying Agent).
Share Trustee	SFM Corporate Services Limited, a limited liability company incorporated in England, acting through its office at 35 Great St. Helen's, London, EC3A 6AP, England, in its capacity as share trustee (the Share Trustee).
Corporate Services Provider	Structured Finance Management Limited, a limited liability company incorporated in England acting through its office at 35 Great St. Helen's, London, EC3A 6AP, England, in its capacity as corporate services provider (the Corporate Services Provider).
Rate Conversion Loan	Bank of Cyprus acting through its London Branch, in accordance with

Provider	the terms of a rate conversion reserve loan agreement (in such capacity, the Rate Conversion Loan Provider) to be entered into between the Issuer, the Rate Conversion Loan Provider and the Security Trustee on or about the Closing Date.
Commingling Reserve Loan Provider	Bank of Cyprus acting through its London Branch, in accordance with the terms of a commingling reserve loan agreement (in such capacity, the Commingling Reserve Loan Provider) to be entered into between the Issuer, the Commingling Reserve Loan Provider and the Security Trustee on or about the Closing Date.
Common Safekeeper	A common safekeeper on behalf of Euroclear and Clearstream, Luxembourg (the Common Safekeeper).
Irish Listing Agent	A&L Listing Limited, a limited liability company incorporated in the Republic of Ireland, acting through its office at International Financial Services Centre, North Wall Quay, Dublin 1, Ireland, in its capacity as Irish listing agent (the Listing Agent).
Rating Agency	Moody's Investors Service (Moody's).
Issuer Auditor	Ernst & Young.
Clearing system	Clearstream, Luxembourg and Euroclear.

THE NOTES

Notes

The €363,900,000 Class A Floating Rate Notes due 2046, the €274,400,000 Class B Floating Rate Notes due 2046 and the €51,100,000 Class C Floating Rate Notes due 2046, will be issued in accordance with the terms of the Trust Deed and on the terms of and subject to the Conditions. The issue price of each class of Notes will be 100%.

Purpose

The proceeds of the Class A Notes and the Class B Notes will be used on the Closing Date by the Issuer to pay the Initial Purchase Price for the Initial Portfolio sold and assigned by the Seller to the Issuer on the Closing Date pursuant to the terms of the Purchase Agreement. The proceeds of the Class C Notes will be used on the Closing Date to fund the Cash Reserve Fund.

Limited Recourse

The Notes will constitute limited recourse, direct and secured obligations of the Issuer. To the extent that there are no remaining assets subject to the Issuer Security granted pursuant to the Deed of Charge and the Greek Security Documents, then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid and rights to seek payment of such unpaid amounts shall be deemed to cease.

Status and Form

The Notes will be in bearer form and in the denomination of €100,000. The Notes of each class will initially be represented by a Temporary Global Note which will be delivered on the Closing Date to a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Temporary Global Note of each class of Notes will, upon customary certification as to non-U.S. beneficial ownership, be exchangeable for interests in a Permanent Global Note. Definitive Notes will be issued in certain limited circumstances. (See "Terms and Conditions of the Notes"). Each class of Notes will rank *pari passu* without preference or priority amongst themselves.

Each Global Note will be in the form of a new global note. The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with an ICSD common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Notes will all have the benefit of the security created in favour of the Security Trustee pursuant to (i) the Deed of Charge (the **English Security**) and (ii) the Greek Security Documents (the **Greek Security** and together with the English Security, the **Issuer Security**) and in the event of the Issuer Security being enforced, the Class A Notes will rank in priority to the Class B Notes and the Class C Notes and the Class B

Notes will rank in priority to the Class C Notes. Certain debts of the Issuer, including certain amounts due under the Swap Agreement will rank in priority to the Notes. For a description of the Pre-Acceleration Priority of Payments and the Post-Acceleration Priority of Payments, see the section entitled "Cashflows".

Limited resources of the Issuer The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of the Available Revenue Receipts and the Available Principal Receipts. Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations (including its obligations in respect of the Notes).

Interest Interest will be due on the Class A Notes on each Interest Payment Date at the rate equivalent to three-month Euro-zone Interbank Offered Rate (**EURIBOR**) for euro deposits or in the case of the first Interest Period, a linear interpolation of 4 month and 5 month EURIBOR for the first Interest Period plus a margin of 0.20 per cent. per annum or (on and following the Interest Payment Date falling in October 2014) 0.75 per cent. per annum (the **Class A Notes Interest Rate**) on the Principal Amount Outstanding of each Class A Note on or immediately prior to such Interest Payment Date.

Interest will be due on the Class B Notes on each Interest Payment Date at the rate equivalent to three-month EURIBOR for euro deposits with interpolation of 4 month and 5 month EURIBOR for the first Interest Period plus a margin of 1.00 per cent. per annum (the **Class B Notes Interest Rate**) on the Principal Amount Outstanding of each Class B Note on or immediately prior to such Interest Payment Date.

Interest will be due on the Class C Notes on each Interest Payment Date at the rate equivalent to three-month EURIBOR for euro deposits with interpolation of 4 month and 5 month EURIBOR for the first Interest Period plus a margin of 1.25 per cent. per annum (the **Class C Notes Interest Rate**) on the Principal Amount Outstanding of each Class C Note on or immediately prior to such Interest Payment Date.

On the Interest Payment Date falling in October 2014 the margin on the Class A Notes will be increased to 0.75 per cent. per annum (the **Subordinated Step-up Margin**). The amount of interest accruing at the Subordinated Step-up Margin in respect of the Class A Notes (the **Class A Notes Subordinated Step-up Amounts**) will be subordinated to the payment of the amounts of interest accruing at the Class A Notes Interest Rate, but will rank ahead of the interest amounts payable in respect of the Class B Notes Interest Rate and the Class C Notes Interest Rate.

Failure to pay the Class A Notes Subordinated Step-up Amounts where the Class A Notes remain outstanding will not constitute an Event of Default.

In the event that, on any Interest Payment Date, the Available Revenue Receipts to be applied on such Interest Payment Date in accordance with

the applicable Priority of Payments, after deducting the amounts ranking in priority to the payment of interest on the relevant Class of Notes (in each case, an **Interest Residual Amount**), is not sufficient to satisfy in full the aggregate amount of interest (including amounts previously deferred under Condition 15.1 and accrued interest thereon) due, subject to Condition 15.1, in relation to the Class A Notes Subordinated Step-up Amounts, on the Class B Notes or, as the case may be, on the Class C Notes on such Interest Payment Date, there shall instead be payable on such Interest Payment Date, by way of interest (including as aforesaid) on each Class A Note (but only in relation to the Class A Notes Subordinated Step-up Amounts), Class B Note or, as the case may be, Class C Note, only a pro rata share of the Interest Residual Amount attributable to the relevant class of Notes on such Interest Payment Date.

In any such event, the Issuer shall create a provision in its accounts for the shortfall equal to the amount by which the aggregate amount of interest (including as aforesaid) paid in relation to the Class A Notes Subordinated Step-up Amounts, on the Class B Notes or, as the case may be, on the Class C Notes on the relevant Interest Payment Date in accordance with Condition 15.1 falls short of the aggregate amount of interest (including as aforesaid) payable (but for the provisions of Condition 15.1) in relation to the Class A Notes Subordinated Step-up Amounts, on the Class B Notes or, as the case may be, on the Class C Notes on that date pursuant to Condition 4. Such shortfall shall itself accrue interest at the same rate as that payable in respect of the Class A Notes Subordinated Step-up Amounts, the Class B Notes or, as the case may be, Class C Notes and shall be payable together with such accrued interest on the following Interest Payment Dates, subject to the provisions of Condition 15.1.

The Class B Notes and the Class C Notes will not be assigned a rating by Moody's.

With respect to payments of interest and principal, particular attention should be paid to the risk factor descriptions as set forth in "Risk Factors".

Interest Payment Date

The first Interest Payment Date shall be 22 January 2010 and thereafter the 22 January, 22 April, 22 July and 22 October in each year or, in the event such day is not a Business Day, then the next following Business Day, unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each an **Interest Payment Date**).

Final Redemption

Unless previously redeemed in full, the Issuer will redeem the Notes at their respective Principal Amounts Outstanding on the Interest Payment Date falling in October 2046 (the **Final Maturity Date**) (as specified in Condition 6.1 (Redemption at maturity)).

Mandatory redemption in part

No principal will be paid on the Notes during the Revolving Period. On each Interest Payment Date following the termination of the Revolving

Period and prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer after the occurrence of an Event of Default, the Issuer shall apply Available Principal Receipts in redemption of the Notes, in accordance with the Pre-Acceleration Principal Priority of Payments.

On and after the service of a Note Acceleration Notice by the Note Trustee on the Issuer after the occurrence of an Event of Default, the Notes shall be redeemed in accordance with the Post Acceleration Priority of Payments.

Optional Redemption in whole for taxation or certain other reasons

The Notes will be subject to early redemption in whole (but not in part) at their Principal Amount Outstanding together with accrued but unpaid interest up to but excluding the date of redemption at the option of the Issuer with not more than 60 nor less than 30 days' notice (or, in the case of paragraph (a) below, such shorter period expiring on or before the latest date permitted by relevant law) to the Noteholders in accordance with Condition 14 (Notice to Noteholders) and to the Note Trustee, on any Interest Payment Date (as specified in Condition 6.2 (Optional redemption in whole for taxation or other reasons)):

- (a) after the date on which by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Interest Payment Date, the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any class of the Notes any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom, the Hellenic Republic or the Republic of Cyprus or any political subdivision thereof or any authority thereof or therein;
- (b) after the date on which any amount in respect of tax is required to be deducted or withheld from amounts payable to the Issuer under the Lease Receivables by reason of a change in law, or a change in the interpretation or administration thereof, which change becomes effective after the Closing Date and/or the Seller is required to pay an additional amount in respect of Tax to the Issuer as a result of a change in law or a change in the interpretation or administration thereof in accordance with the terms of the Purchase Agreement;
- (c) after the date on which the Issuer becomes subject to taxation or incurs a taxation liability in the Hellenic Republic or the Republic of Cyprus by reason of a change in law, or a change in the interpretation or administration thereof, where such change becomes effective after the Closing Date; or
- (d) after the date on which the Aggregate Discounted Balance is less than 10% of the Aggregated Discounted Balance as of 11

September 2009 (the **Initial Cut-Off Date**).

Prior to the publication of any notice of redemption as described above the Issuer shall deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that: (i) in the case where (a) above applies the event described is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such a substitution; and (ii) in the case of both (a) and (b) above the Issuer will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

Optional redemption – call date

The Class A Notes, the Class B Notes and the Class C Notes will be subject to an early redemption in whole (but not in part) at the option of the Issuer on the Interest Payment Date falling in October 2014 being the date on which the Subordinated Step-up Margin will apply to the Class A Notes (the **Step-up Date**) and on any subsequent Interest Payment Date (each a **Call Date**) at their Principal Amount Outstanding together with accrued but unpaid interest up to but excluding the date of redemption, provided that:

- (a) the Issuer has given not more than 60 nor less than 30 days' notice to the Noteholders in accordance with Condition 14 (Notice to Noteholders) and to the Note Trustee; and
- (b) the Issuer has, immediately prior to giving such notice, delivered a certificate to the Note Trustee signed by two directors, stating that it will have the necessary funds to pay all principal and interest due in respect of the Class A Notes, the Class B Notes and the Class C Notes on the relevant Interest Payment Date and to discharge all other amounts to be paid by it on the relevant Interest Payment Date.

Withholding tax

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall have no obligation to pay any additional amount. However, see "Optional Redemption in whole for taxation and other reasons" above for a description of the Issuer's obligations and right to redeem the Notes on the occurrence of certain tax-related events, including the imposition of withholding tax on payments in respect of the Notes.

Clean-up Call

The Seller will have an option (the **Clean-up Call**) to repurchase all but not part of the Lease Receivables from the Purchaser for an amount equal to the higher of (i) the Aggregate Discounted Balance of the Lease Receivables and (ii) the Principal Amounts Outstanding of the Class A Notes, the Class B Notes and the Class C Notes and all accrued interest thereon and any payments ranking in priority to item (h) of the Pre-Acceleration Available Revenue Priority of Payments less the amount (if any) standing to the credit of the Cash Reserve Account at any time when the Aggregate Discounted Balance is less than 10% of the Aggregated Discounted Balance as of the Initial Cut-Off Date.

The exercise of the Clean-up Call will result in an early repayment of the Notes pursuant to Condition 6.2.

Note Acceleration Notice

Pursuant to Condition 9.2, upon the service of a Note Acceleration Notice by the Note Trustee in accordance with Condition 9.1, all classes of the Notes then outstanding shall immediately become due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed. The security constituted by the Deed of Charge and the Greek Security Documents will become enforceable upon the occurrence of an Event of Default.

English Security

Under the Deed of Charge and as security for its obligations under (among other things) the Notes, the Issuer will grant in favour of the Security Trustee (a) an assignment by way of first fixed security of the benefit of each Lease Receivable (to the extent not covered by the Greek Security (as defined below)); (b) an assignment by way of first fixed security of the benefit of each relevant Transaction Document; (c) a first fixed security over the benefit of each Authorised Investment (which may take effect as a floating charge); (d) a first fixed charge over the benefit of each account and ledger of the Issuer and any other bank or other accounts in which the Issuer may at any time have or acquire any benefit (to the extent not covered by the Greek Security); and (e) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future except to the extent otherwise charged or secured under the Deed of Charge. The security referred to under (a) to (e) collectively the **English Security**.

Greek Security

In addition to the English Security granted pursuant to the Deed of Charge, the Issuer will grant the following additional security as security for its obligations under (among other things) the Notes to the Security Trustee: (a) a pledge operating by law over the Issuer's rights, title and interest in the Portfolio, the Related Security in relation to each of the Lease Receivables (if any) and the Issuer Collection Account pursuant to paragraph 18, article 10 of Greek law 3156/2003 (as it may be amended or re-enacted from time to time) (the **Greek Securitisation Law**) (the **Greek Law Security**), (b) a Greek law pledge over the Issuer's right, title and interest in the Cash Reserve Account pursuant to a Greek law pledge agreement to be entered into on or about the Closing Date between Bank of Cyprus, the Issuer and the Security Trustee (the **Greek**

Account Pledge) and (c) a pledge over the liquidation proceeds from the sale of a Leased Asset to any third party (other than the respective Lessee) pursuant to a Greek law pledge agreement to be entered into between the Seller, the Issuer and the Security Trustee (the **Greek Future Claims Pledge** and together with the Greek Account Pledge and the Greek Law Security, the **Greek Security** and together with the English Security, the **Issuer Security**). The security documents governing the Greek Security are referred to as the **Greek Security Documents**.

Estimated Weighted Average Life	For information on the estimated weighted average life of the Class A Notes see the section entitled "Estimated Weighted Average Life of the Class A Notes".
Rating	<p>It is expected that the Class A Notes will, when issued, be assigned an Aaa rating by Moody's.</p> <p>The Class B Notes and the Class C Notes will, when issued, not be assigned any rating.</p> <p>Moody's rating addresses the expected loss posed to investors until legal final maturity (other than in respect of the Class A Notes Subordinated Step-up Amounts, which are not covered by Moody's rating. Moody's rating should not be regarded as a recommendation by the Issuer, the Arranger or by Moody's to buy, sell or hold the Notes; such a rating is subject to revision or withdrawal at any time.</p>
Applicable law	The Notes are governed by the laws of England and Wales.
Taxation	See the sections entitled "United Kingdom Taxation" and "Greek Taxation".
Selling restrictions	See "Subscription and Sale".
Closing Date/Issue Date	18 September 2009.
Final Maturity Date	October 2046.
Listing	The Prospectus has been approved by the Irish Financial Services Regulatory Authority, as competent authority under the Prospectus Directive 2003/71/EC. The Irish Financial Services Regulatory Authority only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.

PRIORITY OF PAYMENTS AND TRANSACTION ACCOUNT

Issuer Collection Account, Transaction Account, Cash Reserve Account, Stand-by Rate Conversion Reserve Account, Swap Collateral Cash Account and Transaction Account Ledgers

On or prior to the Closing Date the Issuer will establish the issuer collection account (the **Issuer Collection Account**) and the cash reserve account (the **Cash Reserve Account**) with the Greek Account Bank and the transaction account (the **Transaction Account**), a swap collateral cash account (the **Swap Collateral Cash Account**) and the stand-by rate conversion reserve account (the **Stand-by Rate Conversion Reserve Account**) with the Account Bank. The Issuer will, as applicable, establish such additional accounts with any Eligible Bank as may be required in accordance with the terms of the Transaction Documents. The Issuer (or the Cash Manager on its behalf) will also maintain certain ledgers on the Transaction Account (the **Transaction Account Ledgers**) comprising the Principal Ledger, the Revenue Ledger, the Retained Principal Receipts Ledger, the Principal Deficiency Ledger, the Swap Payments Ledger and the Retained Profit Ledger.

Pre-Acceleration Priority of Payments

The Available Revenue Receipts will be distributed on each Interest Payment Date in accordance with the Pre-Acceleration Revenue Priority of Payments.

During the Revolving Period, the Available Principal Receipts will not be applied in redemption of the Class A Notes, the Class B Notes or the Class C Notes, but will be applied to acquire Additional Portfolios from the Seller. After expiry of the Revolving Period, but prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Available Principal Receipts will be applied towards the redemption of the Notes in accordance with the Pre-Acceleration Principal Priority of Payments.

See further the section entitled "Cashflows – Pre-Acceleration Priority of Payments".

Priority of Payments upon enforcement of the Issuer Security but prior to acceleration

Upon enforcement of the Issuer Security but prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer, all monies received or recovered by the Security Trustee or any Receiver will be held by it on trust to be distributed according to the Priority of Payments Upon Enforcement of the Issuer Security but Prior to Acceleration.

See further the section entitled "Cashflows – Priority of Payments – Upon Enforcement but Prior to Acceleration".

Post Acceleration Priority of Payments

After the service of a Note Acceleration Notice by the Note Trustee on the Issuer after the occurrence of an Event of Default, all funds available to the Issuer (including any amounts standing to the credit of the Issuer Collection Account and the Transaction Account) will be distributed according to the Post Acceleration Priority of Payments.

See further the section entitled "Cashflows – Post Acceleration Priority of Payments".

ASSETS

Purchase Agreement

Under the Purchase Agreement and the Greek Assignment Agreement, the Seller will assign to the Issuer the Lease Receivables on the Closing Date and each Additional Portfolio Purchase Date, as applicable.

On the Initial Purchase Date and on each Additional Portfolio Purchase Date, during the Revolving Period the Seller is entitled to sell to the Issuer a portfolio of Lease Receivables arising under the Lease Agreements. The Issuer must apply any amounts credited to the Retained Principal Receipts Ledger by the second Calculation Date following the date on which such amounts were first credited to the Transaction Account (and for this purpose, any amounts standing to the credit of the Retained Principal Receipts Ledger will be applied in the order in which such amounts were credited to the Retained Principal Receipts Ledger).

The purchase price payable in consideration of the Lease Receivables (as defined below) will be equal to the Initial Purchase Price or the Additional Portfolio Purchase Price, as applicable and the Deferred Purchase Price. Title in the Assets will be retained by the Seller.

The Initial Purchase Price will be an amount equal to the Aggregate Discounted Balance of the Lease Receivables as calculated on the Initial Cut-Off Date (the **Initial Purchase Price**). The Initial Purchase Price will be paid by the Issuer to the Seller on the Initial Purchase Date.

Lease Receivables

The lease receivables (the **Lease Receivables**) will consist of any and all claims and rights of the Seller against the Lessee and/or guarantor under or in connection with the use of the Leased Assets under the relevant Lease Agreements originated by the Seller up until the Final Maturity Date (including, for the avoidance of doubt, all payments due from the Lessee under the relevant Lease Agreement (and/or the Sub-lease in the case of sub-leasing agreements), (including the rental payments and expenses due and payable by the Lessee to the Lessor, default interest, as well as Insurance Compensation Payments and claims under the Related Security and Ancillary Rights, but excluding RV Claims, amounts charged in respect of Greek VAT and any amounts paid or payable by the Lessee in respect of lease receivables invoiced by the Seller prior to 12 September 2009 which shall not form part of the Portfolio).

The residual value claims (the **RV Claims**) comprise the lump sum payable at the maturity of the Lease Agreements by the Lessee, where the Lessee exercises its discretion to obtain ownership of the relevant Asset under the Lease Agreement.

The Initial Portfolio will comprise the following pools of Lease Receivables (each a **Pool**):

Pool no. 1: the aggregate of all Lease Receivables originating from Lease

Agreements where the Leased Assets are industrial vehicles (the **Industrial Vehicles Pool**);

Pool no. 2: the aggregate of all Lease Receivables originating from Lease Agreements where the Leased Assets are cars and other vehicles for non-commercial use (the **Car Pool** and together with the Industrial Vehicles Pool, the **Vehicles Pool**);

Pool no. 3: the aggregate of all Lease Receivables originating from Lease Agreements where the Leased Assets are equipment or machinery (the **Equipment Pool**); and

Pool no. 4: the aggregate of all Lease Receivables originating from Lease Agreements where the Leased Assets are commercial real estate (the **Real Estate Pool**).

All Collections in respect of the Initial Portfolio concerning Lease Receivables invoiced on or after 12 September 2009 shall form part of the Initial Portfolio and be transferred to the Issuer on the Initial Purchase Date. All Collections invoiced prior to 12 September 2009 do not form part of the Initial Portfolio.

Generally, the Seller offers three different contract types. See "Characteristics of the Provisional Portfolio" for further details on the Lease Receivables.

See the section entitled "Characteristics of the Provisional Portfolio" for further details regarding the Lease Agreements.

Related Security and Ancillary Rights

Under the Purchase Agreement and the Greek Assignment Agreement the Seller shall transfer (i) the Lease Receivables and (ii) any security granted by the Lessees pursuant to the Lease Agreements, including mortgage prenotations, personal and corporate guarantees as well as pledges on various assets of the Lessee and/or Guarantors including pledges over deposits and the ancillary rights which further cover the rights relating to Post-Dated Cheques (the **Related Security**) and (ii) certain rights related to each Lease Agreement including rights of action against the relevant Lessee, rights to amend the Lease Agreement, rights to terminate the Lease Agreement, rights to the proceeds arising from any Insurance Compensation Payments and rights against any person or entity guaranteeing the obligations (in whole or in part) of the relevant Lessee under the applicable Lease Agreement and the ancillary rights which further cover the rights for collection of Insurance Amounts (the **Ancillary Rights**).

Leased Assets

Each asset which is or has been subject to a Lease Agreement is a leased asset (a **Leased Asset**). The Leased Assets comprise (i) industrial vehicles (the **Industrial Vehicles**), (ii) cars and other vehicles for non-commercial use (the **Cars** and together with the Industrial Vehicles the **Vehicles**), (iii) machinery, printing, medical and IT equipment, furniture

and production line equipment (the **Equipment**) and (iv) commercial real estate including offices, retail outlets, hotels, factories and logistic warehouses (the **Real Estate** and together with the Vehicles and the Equipment, the **Assets**).

Repurchase by the Seller

Pursuant to the Purchase Agreement, the Seller will be required (except when the Lease Agreement is illegal, invalid, non binding or unenforceable) to repurchase the Lease Receivables in the event of a breach of the representations and warranties (including the Eligibility Criteria) made by the Seller in respect of the Lease Receivables on the relevant Purchase Date. On repurchase of the Lease Receivables, the Seller will pay to the Issuer the Repurchase Price.

Other than in respect of a breach of the representations and warranties (including the Eligibility Criteria), the Seller shall have no obligation to repurchase Lease Receivables relating to a Defaulted Lease Agreement. Where a Lease Agreement is determined to be in breach of the representations and warranties or the Eligibility Criteria by reason of the Lease Agreement (or part thereof) being determined illegal, invalid, non binding or unenforceable, the Seller will not be obliged to repurchase the relevant Lease Receivables but will pay on or before the next following Interest Payment Date an amount to the Issuer to compensate the Issuer for any loss arising as a result thereof.

Aggregate Discounted Balance

The aggregate discounted balance (the **Aggregate Discounted Balance**) of the Portfolio as of the end of any Collection Period is equal to the sum of the present values of all Lease Receivables calculated in accordance with the following formula:

$$\sum_{t=1}^n \text{Cashflows}_t \left(1 + \frac{i}{12}\right)^{-t}$$

whereby:

Cashflows are the remaining rental payments due

n = the remaining number of payments scheduled; and

i = the Discount Rate.

Eligibility Criteria

The Seller will on each Purchase Date represent and warrant that the Lease Agreements and the Lease Receivables satisfy certain criteria (the **Eligibility Criteria**) at the Cut-Off Date preceding the relevant Purchase Date.

Replenishment Criteria

The Lease Receivables have to satisfy certain replenishment criteria (the **Replenishment Criteria**) calculated on a portfolio basis throughout the Revolving Period and, for the avoidance of doubt, calculated by taking into account the Additional Portfolio to be purchased on such Purchase

Date.

Representations and Warranties

In the Purchase Agreement the Seller will make on the Closing Date and on each Purchase Date certain representations and warranties with respect to itself and the Portfolio. Certain representations and warranties will be further repeated on each Interest Payment Date.

With regards to the Eligibility Criteria, Replenishment Criteria and Representations and Warranties, see further the section entitled "Description of Certain Transaction Documents – Purchase Agreement".

SWAP AGREEMENT

Swap Agreement

On or about the Closing Date, the Issuer and the Swap Counterparty will enter into a swap agreement (the **Swap Agreement**) pursuant to which the Issuer will mitigate the Issuer's interest rate exposure arising as a result of differences between the rates of interest received under the Lease Receivables and the rate at which the Notes bear interest.

For further information with regards to the Swap Agreement, see further the section entitled "Credit Structure – Swap Agreement".

RISK FACTORS

THE PURCHASE OF CERTAIN NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW. PROSPECTIVE INVESTORS SHOULD MAKE SUCH INQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER.

The following is a summary of certain aspects of the Notes of which prospective investors should be aware. This summary is not intended to be exhaustive and prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

RISKS FACTORS RELATING TO THE NOTES

1. Liability and limited recourse under the Notes

The Notes represent obligations of the Issuer only, and do not represent obligations of the Arranger, the Security Trustee, Cyprus Leasing, Bank of Cyprus or any affiliates, the Note Trustee, the Account Bank, the Agent Bank, or the Paying Agents or any affiliate of the Issuer or any other Transaction Party (except the Issuer) or any other third person or entity. None of the Arranger, the Security Trustee, Cyprus Leasing, Bank of Cyprus or any of its affiliates, the Note Trustee, the Account Bank, the Agent Bank, the Paying Agents or any affiliate of the Issuer, any other Transaction Party (except the Issuer) or any other third person or entity, assume any liability to the Noteholders if the Issuer fails to make a payment due under the Notes.

All payment obligations of the Issuer under the Notes constitute limited recourse obligations to pay and are obligations solely of the Issuer. Therefore the Noteholders will have a claim under the Notes against the Issuer only and only to the extent of the security granted pursuant to the Deed of Charge and the Greek Security Documents which includes, *inter alia*, amounts received by the Issuer under the Portfolio and under the other Transaction Documents (including the Swap Agreement). The Issuer Security may not be sufficient to pay amounts accrued under the Notes, which may result in a shortfall, however, no accrued interest payable in relation to the Most Senior Class Outstanding shall be deferred pursuant to the Conditions. The Notes shall not give rise to any payment obligation in addition to the foregoing. The enforcement of the payment obligations under the Notes shall only be effected by the Security Trustee in accordance with the Trust Deed. If the Security Trustee enforces the claims under the Notes, such enforcement will be limited to the Issuer Security. To the extent that such assets, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of all Noteholders in full, then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid and such unpaid amount shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

2. Absence of a secondary market and market value of the Notes

There is not, at present, an active and liquid secondary market for the Notes or for similar bond instruments. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of such Notes with liquidity of investment or that it will continue for the life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold the Notes until final redemption or earlier application in full of the

proceeds of enforcement of the Issuer Security by the Security Trustee. The market price of the capital in the Notes could be subject to fluctuation in response to, among other things, variations in the value of the Portfolio, the market for similar securities, prevailing interest rates, changes in regulation and general market and economic conditions. It should not be assumed that there will be a significant correlation between the market value of the Notes and the market value of the Portfolio. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.

Upon issue, it is intended that all of the Notes will be subscribed by Bank of Cyprus. It is possible that Bank of Cyprus or any affiliate thereof (with the exception of Cyprus Leasing) may continue to hold a material proportion of each class of Notes such that no liquid secondary market develops or is maintained for each class of Notes (even if a secondary market for asset-backed securities emerges in the future).

In addition, potential investors in Notes should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a severe lack of liquidity in the secondary market for instruments similar to the Notes. As a result of the current liquidity crisis, there exist significant additional risks to the Issuer and the investors which may affect the returns on the Notes to investors.

In addition, the current liquidity crisis has stalled the primary market for a number of financial products including instruments similar to the Notes. While it is possible that the current liquidity crisis may alleviate for certain sectors of the global credit markets, there can be no assurance that the market for securities similar to the Notes will recover at the same time or to the same degree as such other recovering global credit market sectors.

3. Subordination of Class B Notes and the Class C Notes

Payments of principal and interest on the Class A Notes (including, for the avoidance of doubt, the Class A Notes Subordinated Step-up Amounts) will be made in priority to payments of principal and interest on the Class B Notes and payments of principal and interest on the Class B Notes will be made in priority to payments of principal and interest on the Class C Notes.

Payment of the Class A Notes Subordinated Step-up Amounts will rank in priority to payment of interest on the Class B Notes.

If, on any Interest Payment Date whilst any Class A Notes are still outstanding, there are insufficient funds available to the Issuer after payment of all other claims ranking in priority to the payment of interest on the Class B Notes or the Class C Notes (as the case may be), then interest on the Class B Notes or the Class C Notes will be deferred.

4. The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

1. have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
2. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

3. have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
4. understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
5. be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

5. **Market Disruption**

The Rate of Interest in respect of the Class A Notes, the Class B Notes and the Class C Notes for each Interest Period will be three-month EURIBOR plus the Margin (except the first Interest Period, which will be interpolated), determined in accordance with Condition 4.3. Condition 4.3 contains provision for the calculation of such underlying rates based on rates given by various market information sources and Condition 4.3 contains an alternative method of calculating the underlying rate should those market information any of these sources be unavailable. The market information sources might become unavailable for various reasons, including suspensions or limitations on trading, events which affect or impair the ability of market participants in general, or early closure of market institutions. These could be caused by physical threats to the publishers of the market information sources, market institutions or market participants in general, or unusual trading, or matters such as currency changes.

6. **Book-entry registration**

The Notes will be represented by Global Notes delivered to a common safekeeper for Clearstream, Luxembourg and Euroclear, and will not be held by the beneficial owners or their nominees. The Global Notes will not be registered in the names of the beneficial owners or their nominees. As a result, unless and until Notes in definitive form are issued, beneficial owners will not be recognised by the Issuer or the Security Trustee as Noteholders, as that term is used in the Trust Deed. Until such time, beneficial owners will only be able to exercise their rights in relation to the Notes indirectly, through Clearstream, Luxembourg or Euroclear (as the case may be) and their respective participating organisations, and will, subject to Condition 14, receive notices (which, so long as the Notes are admitted to trading and listed on the Official List, are always published in accordance with the relevant guidelines of the Irish Stock Exchange by a notification in writing to the Irish Stock Exchange who will in turn release this notice via the Regulatory News Service) and other information provided for under the Conditions only if and to the extent provided by Clearstream, Luxembourg or Euroclear (as the case may be) and their respective participating organisations.

7. **The Issuer's reliance on third parties**

The Issuer is a party to contracts with a number of other third parties that have agreed to perform certain services in relation to, *inter alia*, the Notes. For example, the Swap Counterparty has agreed

to enter into the Swap Agreement, the Corporate Services Provider has agreed to provide corporate services to the Issuer and the Servicer, the Cash Manager, the Agent Bank and the Paying Agents have agreed to provide servicing, cash administration, payment, administration and calculation services in connection with the Notes, the Lease Agreements and/or the Leased Assets. In the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected. No assurances can be given that the Issuer will be able to find any replacement providers on a timely basis or at all. In this regard see further *Risk of change of Servicer* below.

8. **Issuer Security**

Although the Security Trustee will hold the benefit of the Issuer Security created under the Deed of Charge and the Greek Security Documents on trust for, *inter alios*, the Noteholders, such Issuer Security will also be held on trust for certain other parties that will rank ahead of the Noteholders.

In the event that the Issuer Security is enforced, the proceeds of such enforcement may be insufficient, after payment of all other claims ranking in priority to amounts due under the Notes, to pay in full all amounts of principal and interest (and any other amounts) due in respect of the Notes. Enforcement of the Issuer Security by the Security Trustee is the only remedy available for the purpose of recovering amounts owed in respect of the Notes.

9. **Rights available to Holders of Notes of different classes**

In performing its duties as Note Trustee for the Noteholders, the Note Trustee will have regard to the interests of all Noteholders. Except where expressly provided otherwise, where there is a conflict between the interests of the holders of one class of Notes and the holders of the other class of Notes, the Note Trustee will be required to have regard only to the holders of the Most Senior Class Outstanding and will not have regard to any lower ranking class of Notes nor to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds in accordance with the relevant Priority of Payments.

10. **Rating of Notes and confirmations of rating**

The rating assigned to the Rated Notes by Moody's is based on the terms of the Transaction Documents and other relevant structural features of this transaction, including the short-term unsecured, unguaranteed and unsubordinated debt rating of the Swap Counterparty and the Account Bank and reflect only the views of Moody's. Moody's rating addresses the expected loss posed to investors until the Final Maturity Date (other than in respect of the Class A Notes Subordinated Step-up Amounts, which are not covered by Moody's rating). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by Moody's. There is no assurance that the rating will continue for any period of time or that it will not be reviewed, revised, suspended or withdrawn entirely by Moody's as a result of changes in or unavailability of information or if, in the judgement of Moody's, circumstances so warrant. A qualification, downgrade or withdrawal of the rating mentioned above may impact upon the value of the Rated Notes.

Agencies other than Moody's could seek to rate the Rated Notes and, if such unsolicited ratings are lower than the comparable rating assigned to the Rated Notes by Moody's, those shadow ratings could have an adverse effect on the value of the Rated Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "**ratings**" or "**rating**" in this Prospectus are to ratings assigned by Moody's only.

11. **Eurosystem eligibility**

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (**Eurosystem eligible collateral**) either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. It is expected that the Class B Notes and the Class C Notes will not satisfy the Eurosystem eligibility criteria. The Issuer gives no representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue or at any time prior to redemption in full, satisfy all or any of the requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Class A Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Notes constitute Eurosystem eligible collateral.

12. **Interest rate risk on the Notes / Risk of Swap Counterparty insolvency**

Investors will pay for the Notes in euro, and receive interest from the Issuer on each Interest Payment Date at the rate equivalent to three-month EURIBOR for euro deposits. The Issuer will receive interest on the Lease Receivables at rates equivalent to one-month EURIBOR, three-month EURIBOR, six-month EURIBOR or the Bank of Cyprus Base Rate.

To hedge the Issuer's interest rate exposure it will enter into the Swap Agreement (as more particularly described in 'Description of Certain Transaction Documents' below) consisting of two Swap Transactions and two Spread Option Transactions.

The Issuer will therefore be exposed to the insolvency risk of the Swap Counterparty with respect to any payments of amounts due from the Swap Counterparty under the Swap Transaction.

In addition, if the Issuer fails to make timely payments of amounts due under the Swap Agreement, then the Issuer will have defaulted under that Swap Agreement. The Swap Counterparty is obliged only to make payments under the Swap Agreement if and for so long as the Issuer makes payments under the same.

If the Swap Counterparty is not obliged to make payments, or if it becomes insolvent or otherwise defaults in its obligations to make payments of amounts equal to the full amount to be paid by it on each Interest Payment Date under the Swap Agreement, the Issuer will be exposed to fluctuations in interest rates. As a result, unless a replacement swap agreement is entered into, the Issuer may have insufficient funds to make payments due on the Notes of any class that are then outstanding.

Prospective investors' attention is drawn, however, to the fact that, in such circumstances, if the Issuer is not able to make payments due on the Notes, such non-payment could constitute an Event of Default and cause the Note Trustee to serve a Note Acceleration Notice on the Issuer in respect of the Notes.

13. **Exercise of rights by minority Noteholders**

Upon issue, it is intended that all of the Notes will be subscribed by Bank of Cyprus. An Extraordinary Resolution passed by the Class A Noteholders may bind the Class B Noteholders and the Class C Noteholders in certain circumstances and an Extraordinary Resolution Passed by the Class B Noteholders may bind the Class C Noteholders in certain circumstances – see Condition 11.

An Extraordinary Resolution of a class of Noteholders may be passed by a majority consisting of three-fourths of the Noteholders eligible to vote or (in the case of a written resolution) by Noteholders holding not less than three-fourths in aggregate Principal Amount Outstanding of the Notes.

The quorum for a meeting of Noteholders is (a) (i) one-twentieth of the Principal Amount Outstanding of the relevant class or (ii) in the case of meeting to pass an Extraordinary Resolution, eligible Noteholders holding in aggregate not less than 50% in Principal Amount Outstanding of such class or (iii) in the case of a resolution to pass a Basic Terms Modification, eligible Noteholders holding not less than in aggregate three-quarters of the Principal Amount Outstanding of the class of Notes or (b) (i) upon adjournment of a meeting other than to pass a resolution which constitutes a Basic Terms Modification, one or more eligible Noteholders shall form a quorum (whatever the Principal Amount Outstanding of the Notes so held by them) or (ii) upon adjournment of a meeting to pass a Basic Terms Modification, one or more eligible Noteholders holding or representing in aggregate not less than one-quarter of the Principal Amount Outstanding of the Notes of the relevant class.

It is possible that Bank of Cyprus or any affiliate thereof (with the exception of Cyprus Leasing) may continue to hold a sufficient proportion of the Most Senior Class Outstanding of the Notes (and of any other class of Notes) such that (i) a resolution by the Noteholders may not be passed without the approval of Bank of Cyprus or any affiliate thereof (with the exception of Cyprus Leasing) and (ii) resolutions of Noteholders may be passed by Bank of Cyprus or an affiliate thereof (with the exception of Cyprus Leasing) without approval of the other Noteholders where Bank of Cyprus or any affiliate thereof (with the exception of Cyprus Leasing) holds a sufficient proportion of the Notes to pass such resolution.

14. Reports disseminated to Noteholders

It is intended that the Cash Manager will publish the Investor Report and that the Servicer will publish the Servicer Monthly Report and the Servicer Quarterly Report for dissemination to Noteholders by publication on the Structured Finance Website available at <http://www.SF.citidirect.com> and publication through the Company Announcement Office of the Irish Stock Exchange. Other than with regard to any other notices required to be published by the Issuer pursuant to the rule of the Irish Stock Exchange relating to asset-backed securities, the Issuer is not obliged to publish any additional reports to Noteholders or at a more frequent interval.

RISK FACTORS RELATING TO THE PORTFOLIO

15. Historical and other information

The historical, financial and other information set out in particular in the section entitled "Characteristics of the Provisional Portfolio" is based on the historical experience and present procedures of Cyprus Leasing. None of the Issuer, the Swap Counterparty, the Arranger, the Security Trustee, the Note Trustee, the Paying Agents, or the Corporate Services Provider has undertaken or will undertake any investigation or review of, or search to verify, the historical information. There can be no assurances as to the future performance of the Portfolio. Any failure in the performance of the Portfolio would have an adverse effect on the Issuer's ability to make payments in respect of the Notes.

16. Risk of late payment of instalments

Whilst each Lease Agreement has due dates for scheduled payments thereunder, there is no assurance that the Lessees under those Lease Agreements will pay in time, or at all. In addition, Post-Dated Cheques that are submitted by Lessees against payment of instalments may not be

payable by the paying bank due to insufficient funds in the account on which such cheques are drawn when presented by the Lessor for payment to the Issuer. Any such failure by the Lessees to make payments under the Lease Agreements would have an adverse effect on the Issuer's ability to make payments under the Notes. The risk of late payment by Lessees is in part mitigated by the Cash Reserve. Whilst the Issuer may draw on amounts standing to the credit of the Cash Reserve Account to make payments in respect of the Notes, no assurance can be given that the Issuer will have sufficient funds to make payments in full in respect of the Notes. In addition, the Seller is not obliged to repurchase any Lease Receivables if the relevant Lease Agreement is a Defaulted Lease Agreement.

17. Seasonal variations in payments and Investment Lease portfolio

Approximately 7.5% of the Initial Portfolio is affected by seasonal cash flows. The Seller offers to these Lessees the option of deferring payment of the relevant instalment during each month of May, June, July, August, September and October. During the Revolving Period, the Seasonal Lease Agreements will be capped at 10.00% of the Additional Portfolios sold to the Issuer. Approximately 11.00% of the Initial Portfolio is affected by Lease Agreements where the Lessee has sub-leased the underlying asset to third parties (the **Investment Leases**). During the Revolving Period, the Investment Leases will be capped at 18.00% of the Additional Portfolios sold to the Issuer.

18. Risk of early repayment

Under the terms of certain of the Lease Agreements, the Lessees are entitled to terminate the Lease Agreements early, subject, where applicable, to payments of an early repayment fee or charge equal to the full amount outstanding on the Lease Agreements. The early repayment fee or charge may be subject to a reduction by the courts in circumstances where such fee or charge is construed as a penalty under Greek law. In the event that, after the termination of the Revolving Period, the Lease Agreements underlying the Portfolio are prematurely terminated or otherwise settled early or an Early Amortisation Event occurs, the principal repayment of the Notes may be earlier than expected and, therefore, the yield on the Notes may be adversely affected by a higher or lower than anticipated rate of prepayment of the Lease Receivables. The rate of prepayment of the Lease Receivables cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the leasing market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that the Lease Receivables will experience. See the section entitled "Estimated Weighted Average Life of the Class A Notes".

19. Changing characteristics of the Portfolio during the Revolving Period

During the Revolving Period, the amounts that would otherwise be used to repay the principal under the Notes will be used to purchase additional Lease Receivables from the Seller. The Initial Portfolio and any Additional Portfolios may also be prepaid or default during the Revolving Period, and therefore the characteristics of the Portfolio may change after the Closing Date, and could be substantially different at the end of the Revolving Period from the characteristics of the Initial Portfolio. These differences could result in faster or slower repayments or greater losses on the Notes.

Although each Additional Portfolio purchased on each Additional Portfolio Purchase Date is required to have a maximum remaining term to maturity and the Seller will make representations and warranties including that the Eligibility Criteria and Replenishment Criteria are satisfied which require that the Aggregate Discounted Balance of the Portfolio not exceed certain concentration limits with respect to the Lease Receivables generated under certain of the Lease Agreements for Vehicles, Equipment and Real Estate, the exact characteristics of the relevant Additional Portfolio will not be taken into account in determining the level of overcollateralisation required for the Class

A Notes, the Class B Notes or the Class C Notes as applicable which could increase the Noteholders' risk to incur delays in payment or losses on the Notes.

Because of payments on the Lease Receivables and purchase of Additional Portfolios during the Revolving Period, concentrations of Lessees in the pool may be substantially different from the concentration that exists as of the Closing Date. Such concentration or other changes of the pool could adversely affect the delinquency, or credit loss, of the Portfolio.

20. **Changing characteristics of the Portfolio due to Permitted Variations**

The Servicer may offer a Lessee a variation permitting a change to (i) the expiry date of the Lease Agreement, (ii) the spread over the relevant reference index; or (iii) fixed interest rate from a floating interest rate (a **Permitted Variation**). The number of Permitted Variations will affect the timing of the principal and interest amounts received by the Issuer and may affect the Issuer's ability to make payments of principal and interest on the Notes.

21. **Value of Leased Assets**

Whilst the Portfolio contains a variety of Assets, certain of the Assets (e.g. the Real Estate) may have a high individual value. If a number of such Assets suffered damage or were otherwise impaired any losses could impact on the Asset's value. It may also be difficult to find a purchaser for certain of the Assets. Any impact on the ability of the Issuer to realise such value could have an adverse effect on the Issuer's ability to make payments in respect of the Notes.

If a Lessee defaults on the Lease Agreement, the Issuer will receive Asset Realisation Proceeds equivalent to the value of the Asset at the time of sale. If it is difficult to find a purchaser for the Assets, this may affect the value received.

If a Lessee defaults on the Lease Agreement and the Lessor is insolvent, the Issuer will rely on the Greek Future Claims Pledge to receive value on realisation of the Assets. The Assets will be sold only following approval by the bankruptcy administrator and in accordance with the Greek Bankruptcy Law. This process may be lengthier than the sale of Assets prior to the Lessor's insolvency. The Issuer may not be able to receive all or any value from the proceeds of liquidation.

22. **Geographical and industry concentration of Lessees**

Although the Lessees under the Lease Agreements are located throughout the Hellenic Republic and the Republic of Cyprus, these lessees may be concentrated in certain locations, such as densely populated or industrial areas. Any deterioration in the economic condition of the areas in which the Lessees are located, or any deterioration in the economic conditions of other areas, may have an adverse effect on the ability of the Lessees to make payments under the Lease Agreements, which could in turn increase the risk of losses on the Lease Agreements. A concentration of Lessees in such areas may therefore result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon as a result of such uncovered losses incurred in respect of the Lease Agreements than if such concentration had not been present.

Further, although the Lessees are involved in a range of different industry sectors and the Assets derive from a cross-section of such industries, there may be a higher concentration of Lessees in a particular industry sector (subject to the requirement in the Replenishment Criteria), for the purchase of Lease Receivables after the Issue Date, relating to the maximum Aggregate Discounted Balance from Lease Agreements in respect of which the Lessee is classified in a specific industry. Deterioration in the economic conditions in such industry sector may adversely affect the ability of the Lessees to make payments under the Lease Agreements and, therefore, could increase the risk of losses on the Lease Agreements. Any such deterioration may reduce the market for any Leased

Asset. A greater concentration of Lessees in particular industry sectors may, therefore, result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon as a result of such uncovered losses incurred in respect of the Lease Agreements than if such concentration had not been present.

23. **Rights in relation to the Portfolio**

Pursuant to the Deed of Charge and the Greek Security Documents, the Issuer will grant security over its rights in and to the Lease Receivables. The Security Trustee and the Issuer will rely on the Servicer to enforce any rights under the Lease Agreements and to carry out its obligations under the Servicing Agreement.

Cyprus Leasing will undertake for the benefit of the Issuer that it will not take any steps in relation to the Lease Agreements otherwise than in accordance with its Collection and Servicing Procedures in order to perform its duties under the Servicing Agreement, and that it will lend its name to, and take such other steps as may be required by the Issuer or the Security Trustee in relation to, any action (whether through the courts or otherwise) in respect of the Lease Agreements.

Each Lease Agreement requires the Lessee to take out and maintain comprehensive vehicle, equipment or real estate insurance policies (as applicable) on the Assets for all risks as well as civil liability against third parties for any cause throughout the term of the Lease Agreement (as the case may be). Cyprus Leasing is the beneficiary of the redemptions under the insurance policies. It should be noted that there cannot be any certainty that all such insurances have in fact been taken out or maintained by the Lessee or that any proceeds from such insurances will be available to Cyprus Leasing, the Issuer or the Security Trustee.

24. **Rights of the Lessor to realise the Assets**

During the term of the Lease Agreement, the Lessor remains at all times the owner of the Assets which are the subject of the Lease Agreements. Under the Greek Financial Leasing Law, the owner of the Leased Assets is entitled to realise the Leased Assets if the Lessee is no longer entitled to use the Leased Assets. Consequently, subject to the RV Claim, the right to realise the Assets remains with the Lessor. In the event of bankruptcy of the Lessor, the bankruptcy administrator reserves the right to realise the Assets, which constitute part of the Lessor's bankruptcy estate.

25. **Potential adverse changes to the value and/or composition of the Portfolio**

No assurances can be given that the respective values of the Leased Assets to which the Portfolio relates have not depreciated or will not depreciate at a rate greater than the rate which they were expected to do so on the date of origination of the Lease Receivables. If this has happened or happens in the future, or if the vehicle, equipment or real estate markets (as the case may be) in the Hellenic Republic should experience a downturn, or if there is a general deterioration of the economic conditions in the Hellenic Republic, then any such scenario could have an adverse effect on the ability of Lessees to repay amounts under the relevant Lease Agreements and/or the likely amount to be recovered upon a sale of the Leased Assets upon default by Lessees. This could have an adverse effect on the Issuer's ability to make payments on the Notes.

Whilst the Eligibility Criteria and the Replenishment Criteria are intended to operate and the Cash Reserve Fund has been sized as at the Initial Cut-Off Date to operate so as to mitigate against such risks, no assurances can be given that circumstances in the future will not change such that the composition of the pool of the Portfolio at any time in the future may deteriorate in view of the circumstances then subsisting.

26. **Subordination**

There is no assurance that (a) the Class A Noteholders will receive the amounts they are entitled to receive pursuant to the Terms and Conditions or (b) the distributions which are made will correspond to (i) the payments originally agreed upon in the underlying Lease Agreements or (ii) realisation proceeds envisaged to be received in respect of the Assets. The risk to the Class A Noteholders that they will not receive the full principal amount of any Class A Note held by them or interest payable thereon pursuant to the Terms and Conditions is mitigated by (a) the subordination of the Class B Notes and the Class C Notes in accordance with the applicable Priority of Payments, (b) the availability of the amounts standing to the credit of the Cash Reserve Account and (c) the available excess spread in accordance with the applicable Priority of Payments.

There is no assurance that (a) the Class B Noteholders will receive the amounts they are entitled to receive pursuant to the Terms and Conditions or (b) the distributions which are made will correspond to (i) the payments originally agreed upon in the underlying Lease Agreements or (ii) realisation proceeds envisaged to be received in respect of the Assets. The risk to the Class B Noteholders that they will not receive the full principal amount of any Class B Note held by them or interest payable thereon pursuant to the Terms and Conditions is mitigated by (a) the subordination of the Class C Notes in accordance with the applicable Priority of Payments, (b) the availability of the amounts standing to the credit of the Cash Reserve Account and (c) the available excess spread in accordance with the applicable Priority of Payments.

27. **Class C Notes**

Whilst the payments received by the Issuer in respect of the Portfolio will be used to make payments to the Class A and the Class B Noteholders, the Class C Notes are not backed by the principal amount of the Lease Agreements. Payments to the Class C Noteholders are dependent upon the availability of the amounts standing to the credit of the Cash Reserve Account and the availability of excess spread in accordance with the applicable Priority of Payments.

There is no assurance that (a) the Class C Noteholders will receive the amounts they are entitled to receive pursuant to the Terms and Conditions or (b) the distributions which are made will correspond to (i) the payments originally agreed upon in the underlying Lease Agreements or (ii) realisation proceeds envisaged to be received in respect of the Assets. Further unless the Issuer does not incur any losses in respect of the Portfolio the Class C Noteholders rely on the availability of excess spread in order for them to be repaid in full. There can be no assurances that such excess spread will be available to the Issuer or that no losses are incurred in respect of the Portfolio.

The Issuer will establish the Cash Reserve Fund and credit an amount equal to the Required Cash Reserve Amount to the Cash Reserve Account on the Closing Date from the proceeds of the Class C Notes. Such amount can be used by the Issuer to make payments under the Notes with respect to interest and, following the occurrence of an Early Amortisation Event or the expiry of the Revolving Period, principal in accordance with the applicable Priority of Payments.

28. **Market for Lease Receivables**

The ability of the Issuer to redeem all the Notes in full, including after the occurrence of an Event of Default, whilst any of the Portfolio remain outstanding, may depend on whether the Lease Receivables can be sold, otherwise realised or refinanced by the Issuer or the Security Trustee so as to obtain a sufficient amount available for the distribution to enable the Issuer to redeem the Notes. There is not yet an active and liquid secondary market for lease receivables in the Hellenic Republic. No assurance can be given that the Issuer or the Security Trustee is able to sell, otherwise realise or refinance the Lease Receivables on appropriate terms should it be necessary for it to do so.

29. **Market for Leased Assets**

Cyprus Leasing has agreed to sell the relevant Leased Assets related to any Defaulted Lease Agreement comprised in the Portfolio. There is no guarantee that there will be a market for the sale of such Leased Assets, which will be in a used condition, or that such market will not deteriorate in the future.

Noteholders should also be aware that there may be a very limited market for certain of the Leased Assets and there is no guarantee that there will be a market for the sale of such Leased Assets, which are of a specialised nature and will be in a used condition, or that such market will not deteriorate in the future.

The difficulty in selling the Leased Asset depends on whether the Leased Asset presents a high value in the organised secondary market and on the rate of its physical depreciation. Assets such as real estate, automobiles or trucks maintain a satisfactory price in the secondary market and it is easier for these Assets to be sold. On the other hand, some Assets, such as computers and other specialised equipment which have no organised secondary market, depreciate very quickly due to fast technological evolution and have a low after-sale value.

Further, any deterioration in the economic condition of the areas in which the final customers are located, or any deterioration in the economic conditions of other areas, may have an adverse effect on the ability to sell the Assets, which could in turn increase the risk of losses. A concentration of customers in such areas may, therefore, result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon as a result of such uncovered losses than if such concentration had not been present.

30. **Rate Conversions**

Under the Lease Agreements providing for floating Lease Instalments (the **Floating Lease Agreements**), the calculation or adjustment of the Lease Instalments is linked to a specific reference rate and, in particular, (i) some Floating Lease Agreements provide for calculation or adjustment of the Lease Instalments linked to the EURIBOR Rate for deposits with a designated maturity of three months, and (ii) the remaining Floating Lease Agreements provide for calculation or adjustment of the Lease Instalments linked to the EURIBOR Rate for deposits with a designated maturity of one month. As of 31 December 2008 the Seller calculates the Lease Instalments or the adjustment thereof due under Floating Lease Agreements by reference to the EURIBOR Rate for deposits with a designated maturity of three months and EURIBOR Rate for deposits with a designated maturity of one month as quoted for November 2008. Where a Lessee is able to establish that the rate applied resulted in higher Lease Instalments than would have been payable in accordance with the contractually provided rate, a claim for the repayment of the amount of any excess could be made. In the event of a successful claim being made by a Lessee, the Seller has provided an indemnity to the Issuer under the Purchase Agreement for any losses which the Issuer may incur in respect of that claim. In addition, the Issuer will on the Closing Date enter into the Rate Conversion Reserve Loan Agreement with the Rate Conversion Loan Provider. Following a Rating Downgrade, the Issuer will be entitled to make drawings under the Rate Conversion Reserve Loan Agreement, which will be credited to the Stand-by Rate Conversion Reserve Account and applied in meeting any losses incurred by the Issuer arising out of such claim made by a Lessee which are not otherwise met by the Seller under the terms of its indemnity in the Purchase Agreement.

31. **The Revolving Period may end if Cyprus Leasing is unable to originate additional Lease Receivables**

During the Revolving Period, no principal will be paid to the Noteholders. Instead, on each Interest Payment Date during the Revolving Period, amounts allocable to the Retained Principal Receipts

Ledger may be used to purchase Additional Portfolios. However, where such amounts are credited to the Retained Principal Receipts Ledger during the Revolving Period, and if any amount credited to the Retained Principal Receipts Ledger has not been applied by the Issuer towards the purchase of an Additional Portfolio by the day before the second Calculation Date following the date on which such amount was first credited to the Transaction Account, then an Early Amortisation Event will occur. If an Early Amortisation Event occurs, the Revolving Period will terminate resulting in principal being repaid on the Notes on and from the following Interest Payment Date.

Cyprus Leasing does not, as of the date of this Prospectus, expect any shortage in availability of Lease Receivables that can be sold to the Issuer during the Revolving Period. However, Cyprus Leasing is not obliged to sell any Additional Portfolios during the Revolving Period. If Cyprus Leasing is unable to originate additional Lease Receivables or if it does not sell any Additional Portfolios, then the Revolving Period will terminate earlier than expected, and in such circumstances the Noteholders will receive payments of principal on the Notes earlier than expected.

32. Credit risk of the parties

The ability of the Issuer to make any principal and interest payments in respect of the Notes depends upon the ability of the parties to the Transaction Documents to perform their contractual obligations. In particular, and without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes depends on the ability of the Servicer to service the Portfolio, the ability of Cyprus Leasing to perform its obligations (including any maintenance and repurchase obligations) under the Purchase Agreement and on the maintenance of the level of interest rate protection offered by the Swap Agreement.

33. Authorised Investments

The Issuer has the right to make certain interim investments of money standing to the credit of the Transaction Account by investing them in Authorised Investments. The investments must have appropriate ratings depending on the term of the investment and the term of the investment instrument. However, it may be that, irrespective of any such rating, such investments will be irrecoverable due to bankruptcy or insolvency of the debtor under the investment or of a financial institution involved or due to the loss of an investment amount during the transfer thereof. Additionally, the return on an investment may not be sufficient to cover fully interest payment obligations due from the investing entity on the funding used to purchase such investment. In this case, the Issuer may not be able to meet all of its payment obligations. None of the Servicer, the Arranger and/or the Security Trustee will be responsible for any such loss or shortfall.

34. Collection and Servicing Procedures

Cyprus Leasing, in its capacity as Servicer, will carry out the administration, collection and enforcement of the Portfolio in accordance with the Servicing Agreement and the Greek Securitisation Law including its Collection and Servicing Procedures (see the section entitled "Description of Certain Transaction Documents - Servicing Agreement"). The Noteholders are relying on the business judgement and practices of Cyprus Leasing as they exist from time to time, in its capacity as Servicer, including enforcing claims against Lessees. Such procedures may change over time and no assurance can be given that such changes will not have an adverse effect on the Issuer's ability to make payments on the Notes.

Further, the terms of the Lease Agreements may be amended in accordance with the Collection and Servicing Procedures (but subject to compliance with the Eligibility Criteria).

35. **Reliance on Realisation Procedure Rules**

To the extent Cyprus Leasing has the duty to realise the Leased Assets in the open market, Cyprus Leasing will carry out such realisation of the Leased Assets in accordance with the Purchase Agreement.

Accordingly, the Noteholders are relying on the business judgement, the practices and the capabilities of Cyprus Leasing when realising the Leased Assets (see the section entitled "Description of Certain Transaction Agreements – Purchase Agreement").

When a Lease Agreement becomes a Defaulted Lease Agreement, the Asset is retrieved in two ways: (i) through the willing delivery of the Lessee or (ii) after juridical decisions (i.e. expulsion from real estate and repossession of the moveable assets). After the Asset is retrieved the selling process begins. When the Asset is equipment, price research is made (internet search or telephone contact with dealers) so as to find the current value of the equipment. When the Asset is real estate, an evaluation of the property is made and through information from the real estate market and relative registrations in the printed press, the appropriate price is decided. Offers from clients interested in buying the Asset will be collected. The best offer is chosen and after approval of the credit risk/recoveries department the realisation process is complete.

Monies collected from the realisation procedures by Cyprus Leasing will be paid in accordance with the Greek Future Claims Pledge into the Seller Collection Account and will be transferred to the Issuer Collection Account on a daily basis. Amounts standing to the credit of the Issuer Collection Account will be transferred to the Transaction Account by the end of the next Business Day.

36. **Servicer risks**

The Issuer will appoint a Stand-by Servicer on the occurrence of (i) a Change of Control Event or (ii) a Controlling Shareholder Downgrade Event. On appointment, the Stand-by Servicer will have a stand-by role, unless and until the occurrence of a Servicer Termination Event in respect of Cyprus Leasing as Servicer. However, in the event Cyprus Leasing is replaced as Servicer following a Servicer Termination Event, there may be losses or delays in processing payments or losses on the Portfolio due to a disruption in servicing during a transfer to the Stand-by Servicer, or due to the Stand-by Servicer being less experienced than Cyprus Leasing. Any such delay or losses during such transaction period could have an adverse effect on the ability of the Issuer to make payments in respect of the Notes.

In addition, there is no guarantee that a Stand-by Servicer providing servicing at the same level as Cyprus Leasing can be appointed by the Issuer on a timely basis or at all. Any delay or failure to make such an appointment may have an adverse effect on the Issuer's ability to make payments on the Notes. No assurance can be given that a Stand-by Servicer will not charge fees in excess of the fees to be paid to the Servicer. The payment of fees to the Stand-by Servicer will rank in priority to amounts paid to Noteholders in accordance with the relevant Priority of Payments and any increase in the level of fees paid to the Stand-by Servicer would reduce the amounts available to the Issuer to make payments in respect of the Notes.

37. **Risk of late payment by Servicer**

The Servicer has undertaken to transfer or procure to have transferred Collections as set forth in the Servicing Agreement (see the paragraph headed "Description of Certain Transaction Documents – Servicing Agreement – Collections and distribution").

If the Servicer does not promptly forward all amounts which it has collected from the relevant Lessees to the Issuer Collection Account pursuant to the Servicing Agreement, insufficient amounts may be available to the Issuer to make payments to Noteholders on any Interest Payment Date.

38. **Change of Control Event, Controlling Shareholder Downgrade Event and the solvency of Cyprus Leasing**

Various actions are triggered upon the occurrence of (i) a Change of Control Event or (ii) a Controlling Shareholder Downgrade Event (as the case may be), including the appointment of the Stand-by Servicer.

Cyprus Leasing is a member of the Bank of Cyprus Group and a subsidiary of Bank of Cyprus. Cyprus Leasing provides a warranty in the Purchase Agreement that Bank of Cyprus owns 100 per cent. of its share capital. The definition of Change of Control Event refers to when Bank of Cyprus loses Control of Cyprus Leasing to an institution which does not have a long-term unsecured, unsubordinated and unguaranteed debt obligation rating from Moody's of at least Baa3 (a **Change of Control Event**). The definition of Controlling Shareholder Downgrade Event refers to the short-term or (as the case may be) long-term unsecured, unsubordinated and unguaranteed rating of the Bank of Cyprus, or if Bank of Cyprus has lost Control over Cyprus Leasing, such other entity which now exercises Control over Cyprus Leasing, falling below Baa3 from Moody's (a **Controlling Shareholder Downgrade Event**). Cyprus Leasing does not have a rating from Moody's. Whilst the actions triggered upon (i) a Change of Control Event or (ii) a Controlling Shareholder Downgrade Event (as the case may be) are intended to safeguard against certain credit and liquidity risks relating to Cyprus Leasing (in its various capacities), there can be no assurance that credit and liquidity risks in relation to Cyprus Leasing crystallise (including without limitation in the event of insolvency of Cyprus Leasing) only following the occurrence of (i) a Change of Control Event or (ii) a Controlling Shareholder Event (as the case may be).

39. **Insurance on Leased Assets**

While the Seller has transferred the insurance relating to certain Real Estate Leased Assets to the Issuer, it is not always possible to ascertain whether an insurance policy actually exists or whether Cyprus Leasing is the beneficiary of the insurance policy. There can be no assurance that an insurance amount will be paid and therefore the Issuer may have insufficient funds to make payments due on the Notes of any class that are then outstanding. In addition, insurance relating to certain Real Estate, Vehicle and Equipment Leased Assets has not been registered as transferred to the Issuer, because the Seller does not monitor whether such insurance actually exists.

LEGAL AND OTHER CONSIDERATIONS

40. **Legal risks**

The Lease Agreements provide that, in case of termination of the Lease Agreement by the Lessor, Cyprus Leasing may seek, apart from repossession of the Leased Asset, full or partial recovery of all remaining rent that would have been payable but for early termination which has been interpreted by the Courts to be a penalty. However, the courts have taken into account general provisions of Greek law on the principal of good faith, and have ruled that the penalty payable in the event of early termination of the Lease Agreements may be reduced if it is considered to be disproportionate.

41. **Risk of non-existence of Portfolio**

In the event that any of the Portfolios have not come into existence at the time of their assignment to the Issuer under the Purchase Agreement, such assignment would not result in the Issuer acquiring ownership title in such purchased Lease Receivable. The Issuer would not receive adequate value in

return for its Purchase Price payment. This result is independent of whether the Issuer, at the time of assignment, is not aware of the non-existence and therefore acts in good faith with respect to the existence of such purchased Lease Receivable or not. This risk, however, will be mitigated by contractual representations and warranties and the contractual obligation that the Seller shall pay to the Issuer an amount equal to the deemed amount of the Aggregated Discounted Balance of such non-existent Lease Receivables as of the date of such payment.

42. **Risks relating to the insolvency of the Issuer and/or Cyprus Leasing**

(a) *Recharacterisation of fixed security interest*

There is a possibility that a court could find that certain of the fixed security interests expressed to be created by the Deed of Charge, which is governed by English law, could take effect as floating charges notwithstanding that they are expressed to be fixed charges in particular where the Security Trustee does not exercise the requisite degree of control over the relevant security granted in accordance with the Deed of Charge.

If the fixed security interests are recharacterised as floating security interests, the claims could be diverted to pay preferential creditors and certain other liabilities were a receiver, liquidator or administrator appointed in respect of the Issuer.

(b) *Appointment of an administrator*

The Issuer will enter into the Deed of Charge pursuant to which it will grant security in respect of certain of its obligations, including its obligations under the Notes. If certain insolvency proceedings are commenced in respect of the Issuer, the ability to realise the Issuer Security may be delayed and/or the value of the Issuer Security impaired. In particular, the ability to realise the security granted by the Issuer may be delayed if an administrator is appointed or in the context of a company voluntary arrangement in respect of the Issuer. In this regard, it should be noted that:

- (i) in general, an administrator may not be appointed in respect of a company if an administrative receiver is in office. Amendments were made to the Insolvency Act 1986 in September 2003 which restrict the right of the holder of a floating charge to appoint an administrative receiver, unless an exception applies. Significantly, one of the exceptions allows for the appointment of an administrative receiver in relation to certain transactions in the capital market. While it is anticipated that the requirements of this exception will be met in respect of the Deed of Charge, it should be noted that the Secretary of State for Business, Innovation and Skills may by regulation modify the capital market exception and/or provide that the exception shall cease to have effect; and
- (ii) under the Insolvency Act 1986 (as amended by the Insolvency Act 2002), certain "small" companies (which are defined by reference to certain financial and other tests) are entitled to seek protection from their creditors for a limited period for the purposes of putting together a company voluntary arrangement. The position as to whether or not a company is a small company may change from time to time and consequently no assurance can be given that the Issuer will not, at any given time, be determined to be a small company. However, certain companies are excluded from the optional moratorium provisions, including a company which is party to certain transactions in the capital market and/or which has a liability in excess of a certain amount. While the Issuer should fall within the current exceptions, it should be noted that the Secretary of State for Business, Innovation and Skills may by regulation modify these exceptions.

While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws.

(c) Greek insolvency and security issues

If Cyprus Leasing is declared bankrupt, the Lease Agreements continue to be effective post-bankruptcy (in accordance with article 28 of the Greek Bankruptcy Code). Subsequently, the prohibition of acquisition of ownership or any other *in rem* right on the Leased Asset during the term of the Lease Agreement (article 4 of Greek law 1665/1986) applies and is also binding upon the bankruptcy administrator, meaning that the bankruptcy administrator may not sell the Leased Assets whilst the respective Lease Agreements are still in place.

The above considerations apply to both movable and immovable Leased Assets.

As regards the servicing of the Lease Receivables, the Seller will continue to be legally required to issue invoices and collect VAT, even if it no longer acts as Servicer.

Furthermore, the Administrator may decide not to sell the Asset following the termination of a Lease Agreement), but to re-lease it to another client. In these circumstances, the Issuer would not receive any proceeds from the sale of the Leased Assets.

43. **Liquidation expenses**

Prior to the House of Lords' decision in the case of *Re Leyland Daf* in 2004, the general position was that, in a liquidation of a company, the liquidation expenses ranked ahead of unsecured debts and floating chargees' claims. *Re Leyland Daf* reversed this position so that liquidation expenses could no longer be recouped out of assets subject to a floating charge. However, section 176ZA of the Insolvency Act, which came into force on 6 April 2008, effectively reversed by statute the House of Lords' decision in *Re Leyland Daf*. As a result, it is now the case that the costs and expenses of a liquidation will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the Insolvency Official only, this is subject to the approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to rules 4.218A to 4.218E of the Insolvency Rules 1986. In general, the reversal of *Leyland Daf* applies in respect of all liquidations commenced on or after 6 April 2008.

Therefore, floating charge realisations upon the enforcement of the floating charge security to be granted by the Issuer would be reduced by the amount of all, or a significant proportion of, any liquidation expenses.

44. **Reliance on warranties**

If the Portfolio should partially or totally fail to conform at the Initial Cut-Off Date, the Initial Purchase Date, the Additional Cut-Off Dates or the Additional Portfolio Purchase Dates, as applicable, to the warranties given by the Seller in the Purchase Agreement, the Seller shall have 21 Business Days (or, if such Seller elects, an earlier date) after the date that the Seller became aware or was notified of such failure to cure or correct such failure. If the Seller does not cure or correct such failure prior to such time, then such Seller is required to repurchase the Lease Receivable affected by such failure on the Interest Payment Date following the expiration of such period at a price equal to the Aggregated Discounted Balance of the relevant Portfolio as of the relevant Repurchase Date. The Issuer's rights under these provisions are, however, not secured, and the Noteholders bear the risk deriving from this fact.

45. **Conflicts of interest**

Cyprus Leasing, the Security Trustee and the Swap Counterparty are acting in a number of capacities in connection with the transaction. These parties will have only those duties and responsibilities expressly agreed to by them in the relevant Transaction Document and will not, by virtue of their or any of their affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each agreement to which they are a party. The aforementioned parties in their various capacities in connection with the transaction may enter into business dealings from which they may derive revenues and profits without any duty to account therefor in connection with the transaction.

Cyprus Leasing in particular may hold and/or service claims against the Lessees other than the Portfolio. The interests or obligations of the aforementioned parties in their respective capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders.

The aforementioned parties may engage in commercial relationships, in particular, be lender, provide general banking, investment and other financial services to the Lessees and other parties. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.

46. **Implementation of Basel II Risk-Weighted Asset Framework**

A framework has been developed by the Basel Committee on Banking Supervision which places enhanced emphasis on market discipline and sensitivity to risk. A comprehensive version of the text of the framework was published in June 2006 under the title "International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Comprehensive Version)" (**Basel II** and the **Basel II Framework**). The Basel II Framework is being implemented in stages (the Basel II standard approach was implemented from 1 January 2007, and the more advanced Basel II IRB approach and advanced measurement approach for operational risks were required to be implemented from 1 January 2008). However, the Basel II Framework is not self-implementing and, accordingly, implementation in participating countries is in some cases still in development or has not yet been put into effect.

In the UK, Basel II, through the EU Capital Requirements Directive, has been implemented through the Prudential Sourcebook for Banks, Building Societies and Investment Firms (**BIPRU**) and the Capital Requirements Regulations 2006, although the most advanced approaches only became available from 1 January 2008.

The Basel Committee announced in April 2008 its intention to take steps to strengthen certain aspects of the Basel II Framework. The European Commission also published in April 2008 a consultation paper on proposed changes to the Capital Requirements Directive, and has sought technical advice on those proposals from the Committee of European Banking Supervisors.

As and when implemented (and amended), the Basel II Framework could affect risk-weighting of the Notes for investors who are subject to capital adequacy requirements that follow or are based on the Basel II Framework. Consequently, investors should consult their own advisers as to the consequences to and effect on them of the implementation of the Basel II Framework (as and when amended) and any relevant implementing measures. No predictions can be made as to the precise effects of potential changes on any investor or otherwise as a result of such implementation.

47. **Restrictions on transfer**

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Offering of the Notes will be made pursuant to exemptions from the registration provisions of the Securities Act and from state securities laws. No person is obliged or intends to register the Notes under the Securities Act or any state securities laws. Accordingly, offers and sales of the Notes are subject to the restrictions described under "Subscription and Sale".

48. **Responsibility of prospective investors**

The purchase of Notes is only suitable for investors that have adequate knowledge and experience in such structured investments and have the necessary background and resources to evaluate all risks related with the investment, that are able to bear the risk of loss of their investment (up to a total loss of the investment) without the necessity to liquidate the investment in the meantime and that are able to assess the tax aspects of such investment independently.

Furthermore, each potential investor should on the basis of its own and independent investigation and help of its professional advisors (the consultation of which the investor may deem necessary) be able to assess if the investment in the Notes is in compliance with its financial requirements, targets and situation (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's), is in compliance with its principles for investments, guidelines or restrictions (regardless of whether it acquires the Notes for itself or as a trustee) and is an appropriate investment for the purchaser (or for any beneficiary if acting as a trustee), notwithstanding the risks of such investment.

49. **No gross-up for taxes**

Should any withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or state with authority to tax or any political subdivision or any authority thereof or therein having power to tax be required to be made from any payment in respect of the Notes (as to which, in relation to the United Kingdom, see "United Kingdom Taxation" below), neither the Issuer, the Security Trustee nor any Paying Agent will be obliged to make any additional payments to Noteholders to compensate them for the reduction in the amounts that they will receive as a result of such withholding or deduction.

50. **Change of Law**

The structure of the transaction and, *inter alia*, the issue of the Notes and the rating which is to be assigned to the Rated Notes are based on the law and administrative practice in effect as at the date of this Prospectus as it affects the parties to the transaction and the Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation) and practice or tax treatment after the date of this Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes.

51. **UK Taxation position of the Issuer**

The Issuer has been advised that it should fall within the UK permanent regime for the taxation of securitisation companies (as introduced by the Taxation of Securitisation Companies Regulations 2006 SI 2006/3296 (the **Securitisation Regulations**)), and as such should be taxed only on the amount of its small cash profit which it is entitled to retain under the Transaction Documents. Investors should note, however, that the Securitisation Regulations are in short form and advisors

rely significantly upon guidance from the United Kingdom's tax authorities when advising on the scope and operation of the Securitisation Regulations, including as to whether a company falls within this regime. If the Issuer does not (or subsequently will not) satisfy the conditions of the Securitisation Regulations, then this could adversely affect the tax position of the Issuer and consequently payment on the Notes.

52. **Forecasts and Estimates**

Estimates of the weighted average life of the Class A Notes included in this Prospectus, together with any other projections, forecasts and estimates are supplied for information only and are forward-looking statements. Such projections, forecasts and estimates are speculative in nature and it can be expected that some or all of the assumptions underlying them may differ or may prove substantially different from the actual results. Consequently, the actual results might differ from the projections and such differences might be significant.

OVERVIEW OF GREEK LEASING MARKET

Although the Greek leasing market accounts for only 1% (€7.9 billion) of the European market, leasing in Greece has been increasing in prominence over the past few years and has now become the preferred choice for many companies and public entities for asset finance in Greece, particularly for real estate.

The Greek leasing market is comprised mainly of finance leases which include residual value. The majority of Lease Agreements are for private use vehicles (passenger cars) and equipment.

The main growth driver of the Greek leasing market has been real estate, particularly through the practice of sale & lease back as companies are taking advantage of tax incentives. While origination levels declined in 2008 (relative to 2007), the market is expected to grow further following new legislation allowing the direct lease or sale and lease back of public buildings.

There are 14 major leasing financiers in the market, most of which are subsidiaries of the local banks. In 2007, the main providers of leasing finance were Eurobank Leasing, Cyprus Leasing, Piraeus Leasing, Alpha Leasing, Ethniki Leasing and Emporiki Leasing. Cyprus Leasing was the second largest provider with 17.1% share of the market. The top four companies, Eurobank Leasing, Cyprus Leasing, Piraeus Leasing and Alpha Leasing control 67% of the market.

In 2007, €2.96 billion of leasing assets were originated of which €504 million was originated by Cyprus Leasing. New leasing volumes grew 3% year over year in 2007 to €3.0 billion with real estate accounting for 52.5%. In 2007, Cyprus Leasing demonstrated the highest net interest income growth out of the top 4 companies and was the most profitable in terms of return on equity. In 2008 Cyprus Leasing was the second largest provider of leasing finance originating €415 million of new contracts. The total leasing assets owned by Cyprus Leasing in 2008 was €2.56 billion.

The main types of assets are real estate, machinery, office equipment, trucks and buses and other types of vehicles. In terms of value, real estate leases account for the largest share (64.8% for Cyprus Leasing in 2007 and 57.7% for the Greek market in 2007). In terms of geographic concentration, Attica accounts for the majority of leasing arrangements (64.8% for Cyprus Leasing and 71.2% for the Greek market).

The contract length in the majority of cases is 10 years and above (64.8% for Cyprus Leasing and 56.9% for the Greek market in 2007) and there is also a significant proportion of leases which have a contract length of between four and five years (20.9% for Cyprus Leasing and 20.86% for the Greek market in 2007).

SUMMARY OF THE GREEK SECURITISATION LAW

The transactions described in this Prospectus are the subject of specific legislation enacted by the Greek Government in law 3156/2003 of the Hellenic Republic (published in Government Gazette issue no. 157/A/25.06.03) as the same may be amended or re-enacted from time to time (the **Securitisation Law**). Article 10 of the Securitisation Law contains express provisions setting out a framework for the assignment and securitisation of receivables originated by a commercial entity resident in Greece or, resident abroad and having an establishment in Greece (a **Transferor**) resulting from its business activity.

Article 10 of the Securitisation Law allows a Transferor to sell its receivables to a special purpose vehicle (an **SPV**) which must also be the issuer of bonds to be issued in connection with the securitisation of such receivables. In particular, it provides that:

- (a) the assignment of the receivables is to be governed by the assignment provisions of the Greek Civil Code, which provides that additional rights relating to the receivables including guarantees, mortgages, mortgage pre-notations and other security interests will be transferred by the Transferor to the SPV along with the transfer of the receivables;
- (b) the transfer of the receivables pursuant to the Securitisation Law does not change the nature of the receivables, and all privileges which attach to the receivables for the benefit of the Transferor are also transferred to the SPV;
- (c) a summary of the receivables sale agreement must be registered with the competent Registry of Transcription, in accordance with the procedure set out under Article 3 of law 2844/2000 of the Hellenic Republic, following which the sale of the receivables is effected and perfected and the underlying obligors of the receivables will be deemed to have received notice that there has been a sale of the receivables;
- (d) following the registration of the summary of the receivables sale agreement, the validity of the sale of the receivables is not affected by any insolvency proceedings concerning the Transferor or the SPV;
- (e) following the transfer of the receivables and the registration of the summary of the receivables sale agreement, no security interest or encumbrance can be created over the receivables other than the interest that is created pursuant to the Securitisation Law which comprises a pledge operating by law over the receivables in favour of the holders of the bonds issued in connection with the securitisation of the receivables and also the other creditors of the SPV;
- (f) the claims of the holders of the bonds issued in connection with the securitisation of the receivables and also the other creditors of the SPV from the enforcement of the pledge operating by law will rank ahead of the claims of any statutory preferential creditors;
- (g) the servicing and making of collections with respect to the receivables must be carried out by:
 - (i) a credit institution or financial institution in the European Economic Area;
 - (ii) the Transferor; or
 - (iii) a third party that had guaranteed or serviced the receivables prior to the time of transfer to the SPV;
- (h) if the SPV is not resident in Greece, the entity responsible for servicing and making collections of the receivables must be resident in Greece if the receivables are payable by consumers in Greece;

- (i) amounts collected in respect of the receivables and security created over the receivables are not available to the creditors of the person making such collections and will not form part of its estate on its liquidation;
- (j) the proceeds of the collections made in respect of the receivables must immediately upon receipt be deposited by the person making such collections in a separate bank account held with a credit institution or financial institution in the European Economic Area or with such person, if it is a credit institution (the transfer of the Collections into the Collection Account fulfils this requirement);
- (k) amounts standing to the credit of the separate bank account into which collections are deposited are also secured in favour of the holders of the bonds issued in connection with the securitisation of the receivables and the other creditors of the SPV by virtue of a pledge operating by law;
- (l) the laws relating to bank confidentiality do not apply for the purposes of the sale of the receivables by the Transferor to the SPV or for the purposes of the agreements between the SPV and its creditors, but the SPV and its creditors are obliged to comply with the provisions of Greek law relating to confidentiality; and
- (m) the Transferor can make available data relating to the obligors under the receivables to the SPV and the SPV can make such data available to its creditors, to the extent that it is necessary for the purposes of the securitisation, without having to obtain the consent of the obligors or of the Data Protection Authority of law 2472/1997 of the Hellenic Republic.

CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO

1. INTRODUCTION

As at the Closing Date, the Issuer will own the Initial Portfolio, purchased from the Seller pursuant to and in accordance with the Purchase Agreement.

All information and statistical data contained in this section are representative of the characteristics of the portfolio as of 30 June 2009 (the **Initial Provisional Portfolio**) (which, for the avoidance of doubt, may differ from the characteristics thereof at the Closing Date).

All Lease Agreements have been entered into by Cyprus Leasing and each Lease Agreement provides for a defined payment schedule, with the Lessee having the option to purchase the Leased Asset for the amount of the RV Claim at the end of the contractual term after performing all the obligations it is required to perform under such Lease Agreement. The RV Claims will not form part of the Initial Portfolio or any Additional Portfolios.

2. THE LEASE AGREEMENTS

The Lease Agreements have been entered into by Cyprus Leasing primarily with small and medium size private businesses and other individual entrepreneurs (i.e. natural persons). The Lease Agreements are based on Cyprus Leasing's standard form of (a) for Vehicle Assets and Equipment Assets, the Frame Lease Agreement which incorporates certain standard terms and conditions (the **General Terms**) and one or more Annexes of special terms, containing the description of the asset, the rental payment, and any other agreed terms or conditions (the **Special Terms**); and (b) for Real Estate Assets, a Lease Agreement entered into pursuant to a notarial deed and comprising all the terms and conditions for the lease of the respective Real Estate Asset. The Lease Agreements are substantially similar in general form and content but each is unique to the Asset included in the Lease Agreement and to the extent of its specially negotiated terms and conditions, if any.

All of the Lease Agreements are net leases which require the Lessee to maintain the Asset in good working order or condition, to bear all other costs of operating and maintaining the Asset, inclusive of payment of taxes and insurance relating thereto and are non-cancellable by the Lessee unless the Lessee has the prior written consent of the Lessor to terminate the Lease Agreement.

The Lease Receivables will be divided into the following four pools (each a **Pool**):

- (a) **Pool No. 1:** the aggregate of all Lease Receivables originating from Lease Agreements where the Leased Assets are industrial vehicles (the **Industrial Vehicles Pool**);
- (b) **Pool No. 2:** the aggregate of all Lease Receivables originating from Lease Agreements where the Leased Assets are cars and other vehicles for non-commercial use (the **Car Pool** and together with the Industrial Vehicles Pool, the **Vehicles Pool**);
- (c) **Pool No. 3:** the aggregate of all Lease Receivables originating from Lease Agreements where the Leased Assets are equipment or machinery (the **Equipment Pool**); and
- (d) **Pool No. 4:** the aggregate of all Lease Receivables originating from Lease Agreements where the Leased Assets are commercial real estate (the **Real Estate Pool**).

Generally, the Seller offers three different types of contract: (a) Equipment Lease Agreements; (b) Vehicle Lease Agreements and (c) Real Estate Lease Agreements.

Movable Assets Lease Agreements

Equipment Lease Agreements (which include the lease of any kind of professional equipment (e.g. machinery, medical equipment furniture, personal computers etc.)) and Vehicle Lease Agreements (which include the lease of cars, lorries, trucks and buses) (the **Movable Assets Lease Agreements**) include both General Terms of the Lease Agreement (substantially similar in form and content for every Lease Agreement) and Special Terms that are included in the relevant Annex of the Lease Agreement.

By virtue of the Special Terms, the type of the Leased Asset(s), the term of the Lease Agreement, the rental payment, the applicable interest rate(s) and other particular terms are stipulated.

Type of Contract

Equipment and Vehicle Lease Agreements are drafted in the form of a private contract, with the exception of Lease Agreements relating to Vehicles intended for public use, which are drafted in the form of a notarial deed.

Term of the Lease

The minimum lease term is three years.

Revolving Lease Agreements

Under the terms of Revolving Lease Agreements, the Lessor undertakes to lease Assets exclusively up to an amount determined in the relevant Lease Agreement and the Lessee may, following the approval and at the absolute discretion of the Lessor, lease new Assets, each time the Lessee repays the lease amounts corresponding to the Assets initially purchased and leased, up to the said maximum amount.

Payment of rent, interest and amortisation

Each Movable Assets Lease Agreement provides that the rent is payable either monthly or quarterly and rarely semi-annually, as agreed between the parties and specified in the Special Terms of each Lease Agreement. The applicable interest rates are one-month EURIBOR, three-month EURIBOR, six-month EURIBOR or the Bank of Cyprus Base Rate.

The Lessor may unilaterally adjust the Lease Instalments (i) in case of change in the applicable reference rates (one-month EURIBOR, three-month EURIBOR, six-month EURIBOR or the Bank of Cyprus Base Rate), (ii) in case of increase of tax and contributions payable to authorities and (iii) in case of any increase of the funding cost of the Lessor. The adjustment is binding upon the Lessee and the Guarantor and is communicated by announcement to the press, direct notification to the Lessee or by any other appropriate means.

The Seller has confirmed that adjustments of the Lease Instalments have occurred only on the following two occasions: (i) fluctuations of EURIBOR and (ii) increase of the Greek VAT (from 18% to 19%).

Default Interest rate is applicable, when the Lessee is in default of payment of any amounts. Such Default Interest is equal to ECB interest rate plus 7% (currently set at 8.75%).

Method of payment of the Lease Instalment

The Lessee may choose to pay the Lease Instalments in the following optional ways:

- (a) by direct debit from its account kept with the Bank of Cyprus to Cyprus Leasing's account held with the Bank of Cyprus;
- (b) by deposit of the Lease Instalment with Cyprus Leasing's account held with the Bank of Cyprus;
- (c) by payment (deposit or direct debit) in an account kept with the National Bank of Greece (usually applicable for customers resident in the region);
- (d) by (usually post-dated) cheques submitted to the offices of Cyprus Leasing; or
- (e) by deposit of the Lease Instalment in an account kept with Piraeus Bank.

Invoices are sent by post or are collected from the Lessor's premises at the beginning of each calendar month, usually prior to the payment of the Lease Instalment. In the event that the due for payment date precedes the scheduled delivery date of the invoice, the Lessee will receive, upon standard order, a notice by fax before the due for payment date and the original invoice will follow.

Taxes and other duties – Expenses

The Lessee bears all costs relating to the acquisition and delivery of the Leased Asset, any taxes relating to the conclusion and completion of the Lease Agreement and the operation of the Leased Assets, as well as all expenses relating to the negotiation, drafting, execution, amendment, enforcement, termination etc. of the Lease Agreement, as well as public notary, legal counsel and other expert fees.

Security

The Lessee may grant security in favour of the Lessor (usually a pledge over bank accounts or an assignment of Lease amounts/claims against third parties etc.). In many cases a third party guarantee is granted as a security.

The Guarantors waive any rights and privileges provided by Greek Civil Code. The Guarantors may enter either into the Lease Agreement or into a separate agreement for the provision of guarantee.

Sub-lease - Encumbrance of the Leased Asset

The Movable Assets Lease Agreements expressly provide that the Lessee shall not encumber or dispose of in any way the Leased Asset.

Sub-lease is subject to the Lessor's written consent.

Insurance

The Movable Assets Lease Agreements require the Lessee to insure, at its own cost, the Leased Asset(s) for its full value and against any risk as well as for third party liability for any cause with an insurance company and under insurance policies approved in writing by the Lessor. In case the Lessee does not pay the insurance premiums, the Lessor may pay them and charge the respective amount to the Lessee.

Under the Movable Assets Lease Agreements, the Lessee assigns all insurance proceeds to the Lessor and the Lessor is appointed as the sole beneficiary of such insurance proceeds.

Termination by the Lessee

The Lessee is prohibited from terminating the Movable Assets Lease Agreement. In the exceptional case that the Lessee terminates a Movable Assets Lease Agreement earlier than its expiration date upon the written consent of the Lessor, the Lessee is obliged to pay to the Lessor an amount covering all direct and consequential damages, loss of profit (including taxes), as a result of such termination as well as all the future rentals and any other amount due under the agreement.

Termination by the Lessor

The Lessor has the right to terminate the Movable Assets Lease Agreement if any of the following events occur:

- (a) breach of any term of the Lease Agreement, which is not remedied within 30 days from receipt of a Lessor's notice;
- (b) delay in payment of any amount due for more than 30 days;
- (c) non-payment of any amount due and payable to any of the Lessee's creditors;
- (d) suspension of payments by the Lessee/failure to pay its debts once due and payable;
- (e) adoption of a decision for dissolution/liquidation of the Lessee or submission of an application for compulsory administration etc. against the Lessee;
- (f) bankruptcy/liquidation/compulsory administration of the Lessee etc.;
- (g) the Lessee has without prior written consent of the Lessor: a change of control; a change of nationality; a share capital decrease; or a merger with another company;
- (h) cross-default;
- (i) deterioration of the financial condition of the Lessee;
- (j) the Lessee ceases operations;
- (k) termination of any other Lease Agreement concluded or to be concluded between the Lessor and the Lessee; or
- (l) any other event or situation which, at the reasonable discretion of the Lessor, may materially affect the ability of the Lessee to fulfil any of its obligations under the Lease Agreement.

In case of termination of the Movable Assets Lease Agreement by the Lessor, the Lessee is obliged to pay to the Lessor any amount due together with default interest. The Lessor is entitled to repossess the Leased Asset(s) at the Lessee's expense and seek payment of all rentals corresponding to the full term of the Lease Agreement (such rentals become automatically, upon termination, due and payable) together with default interest and commence legal proceedings against the Lessee.

Options before the expiration of the Lease term

The Lessee has the right, subject to the Lessor's consent after the lapse of at least 12 months as of the commencement of the Lease Agreement, to repurchase the Leased Asset. In this case, the applicable repurchase price is equal to all future Lease Instalments plus the RV Claim. The Lessee has also the obligation to pay taxes and other applicable costs and charges, due to the early termination of the Lease Agreement.

Options upon expiration of the Lease Agreement

Upon expiration of the contractual term of the Movable Assets Lease Agreement, the Lessee repurchases the Leased Asset(s) at the amount of the RV Claim. If the Lessee does not purchase the asset upon expiration of the Lease Agreement, the Lessee is required to pay compensation, which cannot be lower than the RV Claim.

Real Estate Lease Agreements

Type of Contract

The Real Estate Lease Agreements are concluded by way of notarial deed. Each notarial deed relates to Leased Assets intended for professional use e.g. offices, shops and factory premises. The material provisions of the Real Estate Lease Agreements are similar to those of the Movable Asset Lease Agreements, except as noted below.

Term of the Lease

The minimum lease term is ten years.

Payment of rent, interest and amortisation

Each Real Estate Lease Agreement provides that the Lease Instalments are payable either monthly, quarterly or (rarely) semi-annually, as agreed between the parties and specified in the Special Terms of each Lease Agreement. The applicable interest rates are one-month EURIBOR, three-month EURIBOR, six-month EURIBOR or the Bank of Cyprus Base Rate.

The Lessor may unilaterally adjust the lease amount (i) in case of change in the applicable reference rates (one-month EURIBOR, three-month EURIBOR, six-month EURIBOR or the Bank of Cyprus Base Rate), (ii) in case of increase of tax and contributions payable to authorities and (iii) in case of any increase of the funding cost of the Lessor. The adjustment is binding upon the Lessee and the Guarantor and is communicated by announcement to the press, direct notification to the Lessee or by any other appropriate means.

The Seller has confirmed that adjustments of the lease amount have occurred only on the following two occasions: (i) fluctuations of EURIBOR and (ii) increase of the Greek VAT (from 18% to 19%) in the case that Leased Properties are industrial Plants (*Viomichanostasia*).

A default interest rate is applicable when the Lessee is in default of payment of any amounts. Such default interest rate is determined with reference to the ECB rate plus 7% and currently stands at 8.75 per cent..

Expenses, safeguarding and repairs

The Lessee is required to pay any amount regarding the consumption of utilities, taxes, contributions or condominium fees imposed to the Lessor in its capacity as owner of the leased property. The Lessee is also required to bear the cost of maintaining the leased property in perfect condition.

VAT

VAT is applicable only in the case that leased properties that are industrial Plants (*Viomichanostasia*).

Security

Some (but not all) Real Estate Lease Agreements provide for the granting of different forms of security by the Lessee in favour of the Lessor (e.g. pre-notations of mortgage over the Lessee's property).

Use of the property

Under the Real Estate Lease Agreements, the Lessee is required to make good use of the leased property and use it exclusively for conducting its business. The Lessee is not permitted to modify the property without the prior written consent of the Lessor.

Insurance

The Real Estate Lease Agreements provide that the Lessee is obliged to insure the leased property for its full value and against all risks as well as for third party liability for any cause throughout the term of the Lease with an insurance company and under insurance policies approved in writing by the Lessor. The Lessee assigns to the Lessor any claim arising from the insurance contracts and mandates to the insurance company to pay any insurance amount directly to the Lessor as beneficiary.

Termination by the Lessee

The Lessee is not entitled to terminate the Lease agreement.

Termination by the Lessor

In addition to the events of termination mentioned above under Movable Assets Lease Agreements, the Lessor is also entitled to terminate the Real Estate Lease Agreement in the case of non-payment of any amount due to Bank of Cyprus or any of its subsidiaries.

Options prior and upon expiration of the Lease Agreement

The Lessee, provided that no event of default has occurred, can, with a notice 60 days prior to the expiration of the Lease Agreement, either (a) renew the lease under new rental and new terms, to be agreed by the parties or (b) repurchase the leased property by paying the RV Claim plus corresponding VAT, if applicable, as well as any costs, such as public notary and land registry costs. The Lessee may also exercise such right on the date of expiration of the lease term, following the Lessor's consent.

Prior to the expiration of the contractual term of a Real Estate Lease Agreement and after the lapse of 36 months as of the commencement of the relevant Lease, the Lessee has the right, upon the

Lessor's consent, to purchase the related Leased Asset for a price equal to the future rentals plus the RV Claim plus any applicable additional taxes, costs and charges.

3. ELIGIBILITY CRITERIA

The Seller may sell to the Issuer and the Issuer will purchase from the Seller on the Closing Date, with respect to the Initial Portfolio, and on each Additional Portfolio Purchase Date, with respect to any Additional Portfolios, only Lease Receivables which meet the Eligibility Criteria as at, respectively, the Initial Cut-Off Date (in respect of the Initial Portfolio) and the relevant additional cut-off date (in respect of the relevant Additional Portfolio). The Eligibility Criteria are set out in the Purchase Agreement (see the section entitled "Description of Certain Transaction Documents – Purchase Agreement").

4. INFORMATION AND STATISTICAL DATA OF THE PROVISIONAL PORTFOLIO

Table 1: Summary

Number of contracts	10,031
Number of debtors	5,167
Total balance (€)	717,682,366
Total net balance (€)	651,117,053
Total original balance (€)	1,030,424,703
Total net original balance (€)	963,859,390
Average net balance (€)	64,910
Largest contract (% on Net Outstanding Balance)	1.134
Largest debtor (% on Net Outstanding Balance)	2.504
WA rate (%)	5.755
WA spread (%)	2.584
WA seasoning (m)	26.608
WA remaining term (m)	124.588

Table 2: Pool type

Pool type	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
Auto	2,790	27.81	39,032,202.96	5.44	29,433,080.47	4.52	10,549.49
Equipment	2,953	29.44	66,481,858.54	9.26	66,273,959.71	10.18	22,442.93
Other vehicle	3,933	39.21	129,485,324.25	18.04	129,248,468.26	19.85	32,862.57
Real estate	355	3.54	482,682,980.13	67.26	426,161,544.36	65.45	1,200,455.05
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48

Table 3: Original balance

Original balance (€)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 20,000	3,596	35.84	21,801,540.13	3.04	18,196,918.15	2.80	5,060.32
20,001–40,000	2,678	26.70	38,958,131.49	5.43	36,344,144.42	5.58	13,571.38
40,001–60,000	1,247	12.42	31,277,154.35	4.36	29,902,780.97	4.60	23,979.78
60,001–80,000	691	6.89	24,442,814.85	3.41	23,464,822.95	3.60	33,957.78
80,001–100,000	440	4.39	19,754,788.16	2.75	18,976,287.03	2.92	43,127.93
100,001–120,000	366	3.65	20,351,107.83	2.84	20,001,124.07	3.07	54,647.88
120,001–140,000	189	1.88	13,187,157.32	1.84	12,881,066.85	1.98	68,153.79
140,001–160,000	103	1.03	8,505,934.20	1.19	8,389,149.96	1.29	81,448.06
160,001–180,000	71	0.71	6,696,400.35	0.93	6,641,200.35	1.02	93,538.03
180,001–200,000	68	0.68	6,437,317.02	0.90	6,222,863.33	0.96	91,512.70
200,001–400,000	315	3.14	45,837,980.32	6.39	44,871,327.16	6.89	142,448.66
400,001–600,000	57	0.57	15,527,280.72	2.16	15,047,565.04	2.31	263,992.37
600,001–800,000	25	0.25	11,554,365.47	1.61	11,155,809.34	1.71	446,232.37
800,001–1,000,000	19	0.19	12,880,346.81	1.79	11,636,356.64	1.79	612,439.82
1,000,001–2,000,000	66	0.66	73,335,398.07	10.22	67,153,885.21	10.31	1,017,483.11
2,000,001–3,000,000	30	0.30	62,180,855.71	8.66	55,951,599.16	8.59	1,865,053.31
3,000,001–4,000,000	21	0.21	59,081,938.92	8.23	53,480,783.61	8.21	2,546,703.98
4,000,001–5,000,000	20	0.20	78,609,228.12	10.95	69,716,658.12	10.71	3,485,832.91
5,000,001–6,000,000	12	0.12	58,396,548.89	8.14	49,568,594.29	7.61	4,130,716.19
6,000,001–7,000,000	8	0.08	46,661,715.62	6.50	39,408,254.62	6.05	4,926,031.83
7,000,001–8,000,000	4	0.04	27,797,525.64	3.87	24,199,025.64	3.72	6,049,756.41
8,000,001–9,000,000	4	0.04	25,485,936.54	3.55	21,885,936.54	3.36	5,471,484.14
9,000,001–10,000,000	1	0.01	8,920,899.35	1.24	6,020,899.35	0.92	6,020,899.35
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Max					9,355,518.03		
Average					102,724.03		

Table 4: Original net balance

Original net balance (€)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 20,000	3,786.00	37.74	24,177,394.46	3.37	19,484,744.71	2.99	5,146.53
20,001–40,000	2,567.00	25.58	38,430,968.68	5.35	36,160,118.44	5.55	14,086.53
40,001–60,000	1,222.00	12.18	31,357,549.72	4.37	29,974,064.99	4.60	24,528.69
60,001–80,000	673.00	6.71	24,116,427.57	3.36	23,285,733.74	3.58	34,599.90
80,001–100,000	422.00	4.21	19,025,880.15	2.65	18,566,700.87	2.85	43,996.92
100,001–120,000	364.00	3.63	20,568,163.59	2.87	20,194,280.70	3.10	55,478.79
120,001–140,000	181.00	1.80	12,872,493.16	1.79	12,712,014.00	1.95	70,232.12
140,001–160,000	100.00	1.00	8,167,100.83	1.14	8,053,352.87	1.24	80,533.53
160,001–180,000	73.00	0.73	6,879,817.28	0.96	6,768,864.81	1.04	92,724.18
180,001–200,000	65.00	0.65	6,253,405.65	0.87	6,101,650.84	0.94	93,871.55
200,001–400,000	313.00	3.12	45,900,115.25	6.40	44,925,499.79	6.90	143,531.95
400,001–600,000	56.00	0.56	15,662,183.75	2.18	15,167,117.87	2.33	270,841.39
600,001–800,000	32.00	0.32	16,705,625.22	2.33	14,822,178.92	2.28	463,193.09
800,001–1,000,000	18.00	0.18	13,226,673.47	1.84	11,826,453.47	1.82	657,025.19
1,000,001–2,000,000	69.00	0.69	86,376,339.56	12.04	76,699,834.84	11.78	1,111,591.81
2,000,001–3,000,000	29.00	0.29	70,080,702.17	9.76	62,915,402.17	9.66	2,169,496.63
3,000,001–4,000,000	22.00	0.22	71,967,116.18	10.03	60,947,486.18	9.36	2,770,340.28
4,000,001–5,000,000	19.00	0.19	86,069,383.32	11.99	76,078,488.72	11.68	4,004,130.99
5,000,001–6,000,000	10.00	0.10	53,946,213.63	7.52	47,632,752.63	7.32	4,763,275.26
6,000,001–7,000,000	7.00	0.07	48,111,431.16	6.70	41,012,931.16	6.30	5,858,990.17
7,000,001–8,000,000	1.00	0.01	7,385,238.33	1.03	7,385,238.33	1.13	7,385,238.33
8,000,001–9,000,000	2.00	0.02	10,402,142.75	1.45	10,402,142.75	1.60	5,201,071.37
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Max					8,645,160.54		
Average					96,088.07		

Table 5: Outstanding balance

Outstanding balance (€)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 20,000	6,400	63.80	53,344,112.47	7.43	46,946,148.43	7.21	7,335.34
20,001–40,000	1,743	17.37	49,343,162.35	6.87	47,193,979.31	7.25	27,076.29
40,001–60,000	705	7.02	34,242,481.35	4.77	33,401,244.46	5.13	47,377.65
60,001–80,000	353	3.52	24,407,758.09	3.40	23,643,778.74	3.63	66,979.54
80,001–100,000	197	1.96	17,650,224.00	2.46	17,285,530.40	2.65	87,743.81
100,001–120,000	111	1.11	12,095,123.00	1.69	11,932,898.94	1.82	107,503.59
120,001–140,000	72	0.72	9,287,975.41	1.29	9,098,854.32	1.40	126,372.98
140,001–160,000	60	0.60	9,021,321.00	1.26	8,760,575.97	1.35	146,009.60
160,001–180,000	46	0.46	7,761,361.86	1.08	7,564,669.53	1.16	164,449.34
180,001–200,000	38	0.38	7,227,076.79	1.01	7,082,729.76	1.09	186,387.63
200,001–400,000	98	0.98	26,816,572.54	3.74	26,423,904.74	4.06	269,631.68
400,001–600,000	25	0.25	12,267,618.02	1.71	11,173,505.18	1.72	446,940.21
600,001–800,000	21	0.21	14,976,766.85	2.09	13,741,416.85	2.11	654,353.18
800,001–1,000,000	22	0.22	20,135,627.16	2.81	19,006,595.48	2.92	863,936.16
1,000,001–2,000,000	56	0.56	79,396,336.21	11.06	71,256,312.82	10.94	1,272,434.16
2,000,001–3,000,000	28	0.28	70,883,118.05	9.88	65,164,662.74	10.01	2,327,309.38
3,000,001–4,000,000	17	0.17	58,669,255.13	8.17	50,776,625.13	7.80	2,986,860.30
4,000,001–5,000,000	21	0.21	94,601,072.86	13.18	86,288,132.86	13.25	4,108,958.71
5,000,001–6,000,000	7	0.07	38,913,607.47	5.42	32,785,652.87	5.04	4,683,664.70
6,000,001–7,000,000	6	0.06	38,160,275.44	5.32	30,206,814.44	4.64	5,034,469.07
7,000,001–8,000,000	4	0.04	29,560,620.49	4.12	25,362,120.49	3.90	6,340,530.12
8,000,001–9,000,000	1	0.01	8,920,899.35	1.24	6,020,899.35	0.92	6,020,899.35
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Max					8,920,899.35		
Average					71,546.44		

Table 6: Net Outstanding balance

Outstanding balance— net balance (€)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 20,000	6,542	65.21	57,019,525.56	7.94	48,996,216.86	7.52	7,489.49
20,001–40,000	1,654	16.48	48,266,949.90	6.73	46,776,142.96	7.19	28,280.62
40,001–60,000	690	6.88	34,385,487.42	4.79	33,526,578.82	5.15	48,589.24
60,001–80,000	333	3.32	23,545,060.28	3.28	23,024,697.95	3.54	69,143.24
80,001–100,000	193	1.92	17,561,864.83	2.45	17,264,112.73	2.65	89,451.36
100,001–120,000	108	1.08	11,830,283.78	1.65	11,786,860.61	1.81	109,137.60
120,001–140,000	70	0.70	9,258,949.49	1.29	9,019,421.70	1.39	128,848.88
140,001–160,000	58	0.58	8,814,305.97	1.23	8,737,211.46	1.34	150,641.58
160,001–180,000	44	0.44	7,782,746.65	1.08	7,430,582.21	1.14	168,876.87
180,001–200,000	37	0.37	7,138,752.68	0.99	7,036,252.68	1.08	190,168.99
200,001–400,000	98	0.98	27,562,043.88	3.84	26,871,373.88	4.13	274,197.69
400,001–600,000	28	0.28	15,370,365.51	2.14	13,675,767.01	2.10	488,420.25
600,001–800,000	22	0.22	17,344,866.91	2.42	15,448,086.91	2.37	702,185.77
800,001–1,000,000	26	0.26	27,340,195.95	3.81	23,851,787.72	3.66	917,376.45
1,000,001–2,000,000	51	0.51	80,793,424.45	11.26	73,050,202.30	11.22	1,432,356.91
2,000,001–3,000,000	32	0.32	93,614,004.93	13.04	82,061,824.93	12.6	2,564,432.03
3,000,001–4,000,000	17	0.17	71,987,113.03	10.03	60,783,423.03	9.34	3,575,495.47
4,000,001–5,000,000	17	0.17	83,323,388.07	11.61	76,145,433.47	11.69	4,479,143.15
5,000,001–6,000,000	6	0.06	37,413,712.56	5.21	33,400,251.56	5.13	5,566,708.59
6,000,001–7,000,000	4	0.04	29,944,085.68	4.17	24,845,585.68	3.82	6,211,396.42
7,000,001–8,000,000	1	0.01	7,385,238.33	1.03	7,385,238.33	1.13	7,385,238.33
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Max					7,385,238.33		
Average					64,910.48		

Table 7: Original term

Original term (m)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 36	2,105	20.97	29,569,221.78	4.12	26,485,287.13	4.07	12,582.08
37–48	1,429	14.25	22,624,078.73	3.15	19,543,671.44	3.00	13,676.47
49–60	5,599	55.82	142,902,688.45	19.91	139,111,229.61	21.37	24,845.73
61–72	283	2.82	16,909,332.58	2.36	16,819,608.66	2.58	59,433.25
73–84	173	1.72	11,372,156.17	1.58	11,322,552.72	1.74	65,448.28
85–96	86	0.86	11,478,573.89	1.60	11,468,543.79	1.76	133,355.16
97–120	123	1.23	45,629,790.08	6.36	41,500,773.21	6.37	337,404.66
121–144	38	0.38	47,347,821.06	6.60	41,846,319.75	6.43	1,101,218.94
145–168	7	0.07	7,167,004.91	1.00	7,167,004.91	1.10	1,023,857.84
169–192	115	1.15	166,930,180.18	23.26	143,297,175.97	22.01	1,246,062.40
193–216	12	0.12	20,913,642.10	2.91	19,677,591.26	3.02	1,639,799.27
217–240	56	0.56	177,278,721.60	24.70	157,638,140.00	24.21	2,814,966.79
≥ 241	5	0.05	17,559,154.35	2.45	15,239,154.35	2.34	3,047,830.87
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Max					300.00		
Weighted average					149.20		

Table 8: Remaining term

Remaining term (m)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 36	6,426	64.06	96,300,256.95	13.42	86,566,559.09	13.30	13,471.30
37–48	1,689	16.83	58,962,645.57	8.22	57,986,458.16	8.91	34,331.83
49–60	1,357	13.53	63,753,637.32	8.88	63,021,470.38	9.68	46,441.76
61–72	215	2.14	17,768,550.30	2.48	17,011,636.50	2.61	79,123.89
73–84	62	0.62	17,629,031.63	2.46	17,324,751.53	2.66	279,431.48
85–96	43	0.43	29,546,607.95	4.12	24,128,985.43	3.71	561,139.20
97–120	67	0.67	51,082,944.39	7.12	45,154,137.39	6.93	673,942.35
121–144	43	0.43	69,562,323.54	9.68	60,775,818.53	9.33	1,413,391.13
145–168	53	0.53	93,546,565.95	13.02	80,868,015.12	12.42	1,525,811.61
169–192	13	0.13	27,430,899.11	3.82	25,840,899.11	3.97	1,987,761.47
193–216	21	0.21	66,928,096.54	9.33	58,585,469.54	9.00	2,789,784.26
217–240	41	0.41	121,254,775.15	16.90	109,936,820.55	16.88	2,681,385.87
≥ 241	1	0.01	3,916,031.48	0.55	3,916,031.48	0.60	3,916,031.48
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Max					275.00		
Weighted average					124.59		

Table 9: Seasoning

Seasoning (m)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 3	451	4.50	18,100,934.75	2.52	17,695,076.30	2.72	39,235.20
4–6	510	5.08	44,708,846.80	6.23	43,807,677.11	6.73	85,897.41
7–9	674	6.72	45,070,295.96	6.28	44,299,796.14	6.80	65,726.70
10–12	615	6.13	39,682,623.61	5.53	36,547,988.05	5.61	59,427.62
13–18	1,280	12.76	94,014,439.27	13.10	89,452,120.29	13.74	69,884.47
19–24	1,237	12.33	110,598,318.17	15.41	102,696,314.95	15.77	83,020.46
25–30	1,320	13.16	108,312,804.53	15.09	99,745,549.25	15.32	75,564.81
31–36	1,302	12.98	75,962,812.64	10.58	65,412,652.70	10.05	50,240.13
37–48	1,644	16.40	94,587,544.00	13.19	81,936,904.28	12.59	49,839.97
49–60	833	8.30	51,177,692.63	7.13	42,338,987.29	6.50	50,827.12
≥ 61	165	1.64	35,466,053.52	4.94	27,183,986.44	4.17	164,751.43
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Min					0.00		
Max					113.00		
Weighted average					26.61		

Table 10: Industry concentration

Industry concentration	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
Agriculture, hunting and forestry	50	0.50	7,355,728.96	1.02	7,355,628.96	1.13	147,112.58
Construction	1,336	13.32	97,312,035.27	13.56	88,198,719.59	13.55	66,017.01
Education	38	0.38	952,588.69	0.13	931,988.69	0.14	24,526.02
Electricity, gas and water supply	4	0.04	109,288.40	0.02	109,288.40	0.02	27,322.10
Financial intermediation	2	0.02	2,451,860.08	0.34	1,961,860.08	0.30	980,930.04
Health and social work	1,814	18.08	39,675,560.66	5.53	38,627,638.23	5.92	21,294.18
Hotels and restaurants	212	2.11	42,144,190.96	5.87	35,222,935.17	5.41	166,145.92
Manufacturing	253	2.52	35,819,701.29	4.99	32,825,809.61	5.04	129,746.28
Mining and quarrying	23	0.23	968,603.02	0.13	968,603.02	0.15	42,113.17
Other community, social and personal service activity	3,223	32.14	144,076,911.54	20.08	134,946,640.83	20.73	41,869.89
Public administration and defence; compulsory social security	9	0.09	1,647,512.48	0.23	1,647,512.49	0.25	183,056.94
Real estate, renting and business activities	543	5.41	171,178,255.18	23.85	149,998,540.46	23.04	276,240.41
Transport, storage and communication	372	3.71	23,660,203.96	3.30	22,237,703.86	3.42	59,778.77
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	2,152	21.45	150,329,925.39	20.95	136,084,183.41	20.90	63,236.14
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48

Table 11: Payment frequency

Payment frequency	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
Monthly	9,428	93.99	630,065,614.33	87.80	571,105,008.44	87.72	60,575.41
Quarterly	592	5.90	67,991,799.57	9.47	62,537,092.38	9.60	105,636.98
Semi-annual	11	0.11	19,624,951.98	2.73	17,474,951.98	2.68	1,588,632.00
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48

Table 12: Fixed vs. floating

Fixed vs. floating	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
Fixed	514	5.12	9,040,758.42	1.26	9,034,320.45	1.39	17,576.50
Floating	9,517	94.88	708,641,607.46	98.74	642,082,732.35	98.61	67,466.93
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48

Table 13: Index details

Index details	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
BOC rate	579	5.77	34,608,034.02	4.82	34,125,535.86	5.24	58,938.75
Fixed rate	514	5.12	9,040,758.42	1.26	9,034,320.45	1.39	17,576.50
One-month Euribor rate	8,375	83.50	589,869,407.71	82.19	530,997,737.95	81.55	63,402.71
Six-month Euribor rate	10	0.10	19,312,379.21	2.69	17,162,379.21	2.64	1,716,237.92
Three-month Euribor rate	553	5.51	64,851,786.52	9.04	59,797,079.33	9.18	108,132.15
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48

Table 14: Current rate

Current rate (%)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 4.5	944	9.41	130,715,675.86	18.21	120,472,896.16	18.50	127,619.59
4.6–5.0	1,097	10.94	103,356,249.88	14.40	92,115,030.06	14.15	83,969.95
5.1–5.5	871	8.68	128,463,227.24	17.90	110,732,552.90	17.01	127,132.67
5.6–6.0	672	6.70	85,491,906.28	11.91	76,856,070.48	11.80	114,369.15
6.1–6.5	1,002	9.99	78,722,593.47	10.97	70,779,485.13	10.87	70,638.21
6.6–7.0	941	9.38	42,887,003.54	5.98	41,175,479.52	6.32	43,757.15
7.1–7.5	1,074	10.71	63,162,757.46	8.80	57,372,399.24	8.81	53,419.37
7.6–8.0	1,255	12.51	35,038,668.90	4.88	33,065,741.82	5.08	26,347.20
8.1–8.5	865	8.62	17,207,969.98	2.40	16,709,452.65	2.57	19,317.29
8.6–9.0	591	5.89	16,645,594.50	2.32	15,952,267.13	2.45	26,991.99
9.1–9.5	183	1.82	3,644,595.11	0.51	3,644,595.11	0.56	19,915.82
9.6–10.0	315	3.14	7,687,219.65	1.07	7,656,114.63	1.18	24,305.13
≥ 10.1	221	2.20	4,658,904.01	0.65	4,584,967.97	0.70	20,746.46
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Weighted average					5.75		

Table 15: Spread range

Spread range (%)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 1.00	765	7.63	44,670,902.74	6.22	42,090,902.74	6.46	55,020.79
1.01–1.50	417	4.16	54,869,569.35	7.65	50,753,181.95	7.79	121,710.27
1.51–2.00	1,766	17.61	168,756,268.34	23.51	152,680,652.65	23.45	86,455.64
2.01–2.50	720	7.18	111,404,200.44	15.52	102,983,506.48	15.82	143,032.65
2.51–3.00	1,228	12.24	112,896,652.04	15.73	98,704,346.38	15.16	80,378.13
3.01–3.50	722	7.20	90,363,798.91	12.59	76,024,939.09	11.68	105,297.70
3.51–4.00	1,106	11.03	50,830,161.82	7.08	48,215,551.50	7.41	43,594.53
4.01–4.50	930	9.27	33,798,423.24	4.71	31,544,184.23	4.84	33,918.48
4.51–5.00	905	9.02	24,458,236.28	3.41	23,195,261.82	3.56	25,630.12
5.01–5.50	1,262	12.58	23,222,455.85	3.24	22,550,371.89	3.46	17,868.76
5.51–6.00	151	1.51	1,576,561.66	0.22	1,545,456.74	0.24	10,234.81
≥ 6.01	59	0.59	835,135.21	0.12	828,697.34	0.13	14,045.72
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Weighted average					2.58		

Table 16: Original LTV

Original LTV (%)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 10.0	37	0.37	236,424.10	0.03	226,424.10	0.03	6,119.57
10.1–20.0	21	0.21	2,658,186.06	0.37	2,142,983.07	0.33	102,046.81
20.1–30.0	29	0.29	5,095,903.73	0.71	4,886,790.58	0.75	168,510.02
30.1–40.0	50	0.50	9,655,010.64	1.35	8,139,886.37	1.25	162,797.73
40.1–50.0	159	1.59	28,999,799.14	4.04	24,293,485.44	3.73	152,789.22
50.1–60.0	194	1.93	53,475,432.93	7.45	45,105,464.75	6.93	232,502.40
60.1–70.0	346	3.45	47,951,165.89	6.68	43,303,235.92	6.65	125,153.86
70.1–80.0	839	8.36	104,448,718.50	14.55	97,909,274.95	15.04	116,697.59
80.1–90.0	1,990	19.84	157,688,435.84	21.97	147,257,305.90	22.62	73,998.65
90.1–100.0	6,365	63.45	307,471,013.02	42.85	277,849,925.69	42.67	43,652.78
≥ 100.1	1	0.01	2,276.03	0.00	2,276.03	0.00	2,276.03
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Max					103.62		
Weighted average					82.84		

Table 17: Current LTV

Current LTV (%)	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
≤ 10.0	666	6.64	2,483,076.71	0.35	2,335,584.38	0.36	3,506.88
10.1–20.0	761	7.59	12,260,133.13	1.71	11,415,385.32	1.75	15,000.51
20.1–30.0	1,035	10.32	22,399,415.90	3.12	20,217,559.98	3.11	19,533.87
30.1–40.0	1,119	11.16	35,019,628.31	4.88	30,922,965.24	4.75	27,634.46
40.1–50.0	1,385	13.81	68,415,652.70	9.53	60,301,846.79	9.26	43,539.24
50.1–60.0	1,220	12.16	92,819,721.13	12.93	79,921,598.56	12.27	65,509.51
60.1–70.0	1,308	13.04	98,802,391.25	13.77	92,677,452.82	14.23	70,854.32
70.1–80.0	1,221	12.17	150,414,599.90	20.95	138,507,012.63	21.27	113,437.36
80.1–90.0	985	9.82	147,564,340.27	20.56	135,666,649.99	20.84	137,732.64
90.1–100.0	328	3.27	75,265,451.93	10.49	66,913,042.44	10.28	204,003.18
≥ 100.1	3	0.03	12,237,954.65	1.71	12,237,954.65	1.88	4,079,318.22
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Max					100.53		
Weighted average					68.27		

Table 18: Max 10 debtors

Max 10 debtors	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
12037	4	0.04	16,303,302.58	2.27	16,303,302.58	2.50	4,075,825.64
6669	2	0.02	13,175,050.57	1.84	12,063,089.57	1.85	6,031,544.79
1105	550	5.48	12,498,791.69	1.74	11,579,571.73	1.78	21,053.77
3629	4	0.04	14,840,452.52	2.07	11,040,452.52	1.70	2,760,113.13
9490	2	0.02	9,295,397.82	1.30	9,295,397.82	1.43	4,647,698.91
14534	2	0.02	8,799,215.29	1.23	8,799,215.29	1.35	4,399,607.65
2150	654	6.52	11,767,309.47	1.64	8,361,059.48	1.28	12,784.49
11570	3	0.03	8,421,470.56	1.17	7,710,804.56	1.18	2,570,268.19
7897	1	0.01	7,385,238.33	1.03	7,385,238.33	1.13	7,385,238.33
2617	4	0.04	7,437,821.16	1.04	7,007,006.78	1.08	1,751,751.70
Other	8,805	87.78	607,758,315.89	84.68	551,571,914.14	84.71	62,643.03
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48
Average debtor balance					126,014.53		

Table 19: Arrears bucket

Arrears bucket	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
Arrears less than 30 days	945	9.42	85,016,011.55	11.85	78,180,449.06	12.01	82,730.63
Arrears multiple less than 0.2	9	0.09	436,717.32	0.06	421,717.32	0.06	46,857.48
Current	9,077	90.49	632,229,637.01	88.09	572,514,886.42	87.93	63,073.14
TOTAL	10,031	100.00	717,682,365.88	100.00	651,117,052.80	100.00	64,910.48

Table 20: MRA distribution (where available)

MRA distribution	Number of contracts	Number of contracts (%)	Outstanding balance (€)	Outstanding balance (%)	Net outstanding balance (€)	Net outstanding balance (%)	Average net outstanding balance (€)
1-2	10	0.45	10,968,029.37	3.34	10,968,029.37	3.94	1,096,802.94
2-3	297	13.45	56,240,392.13	17.14	50,530,673.18	18.16	170,136.95
3-4	554	25.09	21,525,059.65	6.56	18,805,839.69	6.76	33,945.56
4-5	22	1.00	34,890,775.98	10.63	29,440,475.98	10.58	1,338,203.45
5-6	659	29.85	35,371,182.55	10.78	26,596,777.25	9.56	40,359.30
6-7	9	0.41	33,530,361.95	10.22	29,267,960.95	10.52	3,251,995.66
7-8	616	27.90	62,463,869.05	19.03	49,457,440.17	17.78	80,288.05
8-9	5	0.23	25,873,024.03	7.88	23,373,024.03	8.40	4,674,604.81
9-10	36	1.63	47,299,036.68	14.42	39,745,025.89	14.30	1,104,028.50
TOTAL	2,208	100.00	328,161,731.39	100.00	278,185,246.51	100.00	125,989.69
Weighted average					5.91		

The Initial Portfolio will be selected in accordance with the Eligibility Criteria from the Initial Provisional Portfolio; accordingly, the Initial Provisional Portfolio does not necessarily reflect the composition of the Initial Portfolio as a consequence of some Lease Agreements (i) having been early repaid by the relevant Lessee, (ii) having at least one unpaid instalment and (iii) having been classified by the Seller as Lease Agreements in Arrears or Defaulted Lease Agreements. The amounts, where relevant, are in Euro.

On each Additional Portfolio Purchase Date during the Revolving Period, the Seller may sell to the Issuer and, subject to fulfilment of certain conditions, the Issuer may purchase an Additional Portfolio from the Seller. Although any Additional Portfolios must satisfy the Eligibility Criteria and certain Replenishment Criteria, there can be no assurances that such Additional Portfolios will have the same characteristics as the Actual Provisional Portfolio described in the preceding tables.

CREDIT STRUCTURE

1. GENERAL

The following is a summary of the credit structure underlying the Notes. Such summary should be read in conjunction with information appearing elsewhere in this Prospectus.

The Notes will not be obligations of any party other than the Issuer and will not be guaranteed by any such party. None of the parties to the transaction nor anyone other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

2. NOTES

On or around the Closing Date the Issuer will issue the €363,900,000 Class A Notes, the €274,400,000 Class B Notes and the €51,100,000 Class C Notes.

The Notes constitute the direct and unsubordinated obligations of the Issuer. The Class A Notes rank *pari passu* without preference or priority amongst themselves. The Class B Notes rank below the Class A Notes but in priority to the Class C Notes with respect to payment of interest and principal and *pari passu* without preference or priority amongst themselves with respect to payment of interest and principal. The Class C Notes rank below the Class A Notes and the Class B Notes with respect to payments of interest and principal and *pari passu* without preference or priority amongst themselves with respect to principal and interest.

It is expected that the Class A Notes will, when issued, be assigned a public rating by Moody's (see the section entitled "Rating of the Notes"). The Class B Notes and the Class C Notes are not expected to be assigned a rating by Moody's.

3. USE OF ISSUE PROCEEDS FROM THE NOTES

The proceeds of the Class A Notes and the Class B Notes (which are expected to amount to €638,300,000) will be used on the Closing Date to pay the Initial Purchase Price for the purchase of the Initial Portfolio.

The proceeds of the Class C Notes will be used on the Closing Date to fund the Cash Reserve Fund and (see the section entitled "Use of Proceeds").

4. PRIORITY OF PAYMENTS

Payments in respect of the Notes will be made in accordance with the applicable Priority of Payments. For a detailed description thereof see the section entitled "Cashflows".

5. SELLER COLLECTION ACCOUNT AND ISSUER COLLECTION ACCOUNT

Monies collected by Cyprus Leasing (other than the Asset Realisation Proceeds) will be paid into the Seller's collection account (the **Seller Collection Account**) and will be transferred to the Issuer Collection Account on a daily basis. Amounts standing to the credit of the Issuer Collection Account will be transferred to the Transaction Account by the end of the next Business Day.

The Asset Realisation Proceeds will be deposited by the Seller into the Issuer Collection Account.

6. BANK ACCOUNTS

On or prior to the Closing Date, the Issuer (or the Cash Manager on its behalf) will open the following accounts:

- (a) a issuer collection account (the **Issuer Collection Account**) with the Greek Account Bank;
- (b) a cash reserve account (the **Cash Reserve Account**) with the Greek Account Bank;
- (c) a transaction account (the **Transaction Account**) with the Account Bank;
- (d) a swap collateral cash account (the **Swap Collateral Cash Account**) with the Account Bank; and
- (e) a stand-by rate conversion reserve account (the **Stand-by Rate Conversion Reserve Account**) with the Account Bank.

The Issuer shall maintain the Transaction Account Ledgers on the Transaction Account.

For further detail regarding the Issuer Collection Account, the Transaction Account, the Cash Reserve Account, the Swap Collateral Cash Account and the Stand-by Rate Conversion Reserve Account and the relevant ledgers see the sections entitled "Description of Certain Transaction Documents – Bank Account Agreement", "Greek Bank Account Agreement" and "Cash Management Agreement".

7. SWAP AGREEMENT

On the Closing Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty. The Swap Agreement will mitigate the Issuer's interest rate exposure arising as a result of differences between the rates of interest received under the Lease Receivables and the rate at which the Notes bear interest.

For further detail regarding the Swap Agreement see the sections entitled "Description of Certain Transaction Documents – Swap Agreement" below.

8. RATE CONVERSION RESERVE LOAN AGREEMENT

The Rate Conversion Loan Provider will, pursuant to the terms of the Rate Conversion Reserve Loan Agreement, make a rate conversion reserve loan (the **Rate Conversion Reserve Loan**) to the Issuer.

The proceeds of the Rate Conversion Reserve Loan will be used by the Issuer to fund the Stand-by Rate Conversion Reserve Account.

A drawing will be made under the Rate Conversion Reserve Loan Agreement by the Issuer on the Calculation Date immediately following the date (the **Rating Downgrade Date**) on which Bank of Cyprus' short-term unsecured, unsubordinated and unguaranteed debt rating falls below P-1 by Moody's (the **Rating Downgrade**).

The amount drawn will correspond to the aggregate Rate Conversion Reserve Required Amounts on the relevant Calculation Date for each of the Lease Agreements in respect of which one or more Rate Conversion(s) has occurred at any time.

The amounts drawn under the Rate Conversion Reserve Loan Agreement will constitute a borrowing under it (the **Rate Conversion Reserve Loan**). Once drawn the Rate Conversion Reserve Loan will

be paid into the Stand-by Rate Conversion Reserve Account and such amount together with any other amounts standing to the credit of the Stand-by Rate Conversion Reserve Account will constitute a fund (the **Rate Conversion Reserve Fund**).

On each subsequent Calculation Date a further drawing shall be made in the event that the aggregate Rate Conversion Reserve Required Amounts on such Calculation Date exceed the amount of the Rate Conversion Reserve Fund.

Rate Conversion Reserve Required Amount means on each Calculation Date, in the case of a Lease Agreement in respect of which one or more Rate Conversion(s) has occurred at any time, an amount representing the excess in interest paid by the Lessee as a result of this Rate Conversion from the date when the first Rate Conversion has occurred, to the earlier of (a) the date of the most recent effective payment under the Lease Agreement and (b) the date on which the rate of interest charged under the Lease Agreement reverts to the Contractual Rate of 1 month EURIBOR, plus any applicable default interest (as defined below), less any indemnity payment made by the Seller under the Purchase Agreement in respect of any claim which the Lessee has in respect of the Rate Conversion and applicable default interest. The Rate Conversion Reserve Required Amount will be calculated on the last Business Day of each Relevant Collection Period by the Servicer as set out below:

$$\sum_{i=1}^n [(a_i - b_i) - I_i] * (1 + d)^k$$

where:

"i" refers to each successive Relevant Collection Period following the occurrence of the first Rate Conversion.

"a_i- b_i" refers to the excess interest payment made by the Lessee in each Relevant Collection Period (each an "Excess Payment").

"a_i" equals the actual interest collections invoiced to the Lessee calculated on the basis of the 1 month or 3 months EURIBOR as applied to the relevant Lease Agreement during the Relevant Collection Period based on the quotes of November 2008.

"b_i" equals the amount of interest that would have been charged under the relevant Lease Agreement on the basis of the Contractual Rate of 1 month or 3 months EURIBOR during the Relevant Collection Period.

"I_i" is any indemnity payment (excluding the portion of it corresponding to default interest payment) made by the Seller under the Receivables Sale Agreement in respect of an Excess Payment made by the Lessee during such Relevant Collection Period.

"d" is the maximum default interest rate (expressed as an annual rate) established under Greek law between the Closing Date and the Calculation Date on which the Rate Conversion Reserve Required Amount is being calculated.

"k" is the time period, expressed in years, during which "d" is applied and is the time between the Calculation Date during the immediately preceding Relevant Collection Period and the date on which the Rate Conversion Reserve Required Amount is calculated except in the case of the first Relevant Collection Period where this will be the time between the Closing Date and the date on which the Rate Conversion Reserve Required Amount is first calculated.

Rate Conversion means the conversion by the Seller of the Contractual Rate charged in respect of a Lease Agreement to a rate determined or adjusted alternatively to what was agreed between the parties.

Relevant Collection Period means the quarterly period commencing on and including the 1st day of January, April, July and October of each year, except that the first Relevant Collection Period will be the period from and including the date on which the first Rate Conversion has occurred under the relevant Lease Agreement to the Closing Date.

If, following a Rating Downgrade Date and for so long as such Rating Downgrade is continuing, an amount is claimed by virtue of a final (*telesidiki*) decision in respect of a Rate Conversion, an amount equal to the amount of such claim will be withdrawn from the Stand-by Rate Conversion Reserve Account and applied by the Issuer in satisfying such claim.

Interest on the Rate Conversion Reserve Loan will be paid by the Issuer on each Interest Payment Date or, following enforcement of the Security, on any Business Day from Interest Available Revenue Receipts subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments, as applicable. Interest or other income earned by the Issuer on the amounts standing to the credit of the Stand-by Rate Conversion Reserve Account will be transferred to the Transaction Account on every Calculation Date and will form part of the Available Revenue Receipts.

Prior to the Rating Downgrade Date, a commitment fee of €1,000 per annum will be payable by the Issuer in respect of the Rate Conversion Reserve Loan in accordance with item (xiv) of the Pre-Enforcement Revenue Priority of Payments (the **Rate Conversion Commitment Fee**).

The principal amount of the Rate Conversion Reserve Loan will be repaid in full (but the Rate Conversion Reserve Facility Commitment, as defined below, will not be affected) on the Interest Payment Date following the date on which Bank of Cyprus' short-term unsecured, unsubordinated and unguaranteed debt rating increases to P-1 by Moody's (the **Rating Upgrade**), from Available Revenue Receipts or Available Principal Receipts, as the case may be, subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

All amounts outstanding under the Rate Conversion Reserve Loan are additionally repayable from amounts standing to the credit of the Stand-by Rate Conversion Reserve Account if the Seller makes an indemnity payment under the Purchase Agreement to the Issuer in respect of any final (*telesidiki*) claim which a Lessee has in respect of a Rate Conversion. In this situation, the Issuer shall make a repayment of the Rate Conversion Reserve Loan in an amount equal to the difference between the Rate Conversion Reserve Required Amount in respect of the relevant Lease Agreement prior to such indemnity payment and the Rate Conversion Reserve Required Amount in respect of such Lease Agreement immediately after this indemnity payment.

All amounts outstanding under the Rate Conversion Reserve Loan will be due and payable on the Final Maturity Date or on such earlier date as the Notes are repaid in full, subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

The Rate Conversion Reserve Facility Commitment (or, if drawn, the Rate Conversion Reserve Loan) will be cancelled (and/or, as the case may be, the principal amount of the Rate Conversion Reserve Loan repaid) in full on the earlier of:

- (a) the date falling twenty years after the Final Maturity Date; and

- (b) the date on which:
- (i) prior to the enforcement of the Security, the Security Trustee or, if all Notes have been redeemed in full, the Issuer, is satisfied (in each case in its absolute discretion) that the Issuer has no further actual or contingent liabilities in respect of any claims by any Lessee in respect of any Rate Conversion;
 - (ii) following the enforcement of the Security, the date on which the Security Trustee or, if all the liabilities owing by the Issuer to the Secured Parties under the Transaction Documents have been discharged in full and the Security released, the Issuer is satisfied (in each case in its absolute discretion) that no further withdrawals from the Stand-by Rate Conversion Reserve Account are required to be made by the Cash Manager in respect of amounts that Lessees may claim on the grounds of any Rate Conversion in accordance with the Cash Management Agreement.

Rate Conversion Reserve Facility Commitment means an amount equal to the aggregate Rate Conversion Reserve Required Amounts for each of the Lease Agreements in respect of which a Rate Conversion has occurred, as calculated by the Servicer on each Calculation Date.

For further detail regarding the Rate Conversion Reserve Loan Agreement see the sections entitled "Description of Certain Transaction Documents – Rate Conversion Reserve Loan Agreement" below.

9. **COMMINGLING RESERVE LOAN AGREEMENT**

The Commingling Reserve Loan Provider will, pursuant to the terms of the Commingling Reserve Loan Agreement, make a commingling reserve loan (the **Commingling Reserve Loan**) to the Issuer.

For further detail regarding the Commingling Reserve Loan Agreement see the sections entitled "Description of Certain Transaction Documents – Commingling Reserve Loan Agreement" below.

10. **AUTHORISED INVESTMENTS**

From time to time, in accordance with and subject to the terms of the Cash Management Agreement, certain of the Issuer's funds may be invested in Authorised Investments.

DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS

The following is a description of the principal terms of the Purchase Agreement, the Servicing Agreement, the Trust Deed, the Deed of Charge, the Cash Management Agreement, the Corporate Services Agreement, the Bank Account Agreement, the Greek Bank Account Agreement, the Agency Agreement, the Rate Conversion Reserve Loan Agreement, the Commingling Reserve Loan Agreement, the Swap Agreement, the Greek Assignment Agreement, and the Greek Future Claims Pledge Agreement and is qualified in its entirety by the actual terms of such Transaction Documents. It does not purport to be complete and investors should read the full terms of such Transaction Documents for a better understanding of its contents. Copies of the other Transaction Documents are available at the specified offices of the Principal Paying Agent during normal business hours.

1. PURCHASE AGREEMENT

General

On or prior to the Closing Date, Cyprus Leasing, the Issuer and the Security Trustee will enter into a purchase agreement (the **Purchase Agreement**) pursuant to which on the Closing Date and on each Additional Portfolio Purchase Date or Revised Purchase Date (as applicable) during the Revolving Period, the Issuer will purchase Lease Receivables from the Seller. The sale by the Seller to the Issuer of the Initial Portfolio and each Additional Portfolio will be given effect by a Greek law assignment on the Closing Date and on each Additional Portfolio Purchase Date or Revised Purchase Date (as applicable).

Title in the Assets will be retained by the Seller. The Lease Receivables to be purchased by the Issuer will be selected by the Seller. The Seller will first select those Lease Receivables which meet the Eligibility Criteria, the Representations and Warranties and, if applicable, the Replenishment Criteria in accordance with the Selection Procedure.

If any of the Lease Receivables do not satisfy the Eligibility Criteria, the Representations and Warranties and/or the Replenishment Criteria, as applicable, the Seller is required to repurchase such Lease Receivable against payment of the Repurchase Price (see further "Repurchase" below).

Consideration

The consideration for the sale of the Initial Portfolio will be the Issuer paying to the Seller an amount equal to the Initial Purchase Price on the Closing Date.

The consideration for the sale of any Additional Portfolio will be the Issuer paying to the Seller an amount equal to the Additional Portfolio Purchase Price on the relevant Additional Portfolio Purchase Date.

During the Revolving Period the Seller will use its best efforts to offer to sell Lease Receivables to the Issuer, provided that the Seller shall not be obliged to sell Additional Portfolios to the Issuer, if in the Seller's opinion it would adversely affect the business of the Seller.

The Issuer shall use amounts standing to the credit of the Retained Principal Receipts Ledger to fund the purchase of Additional Portfolios, provided that the Additional Portfolio Purchase Price payable in respect of such Additional Portfolios shall not be greater than the amount standing to the credit of the Retained Principal Receipts Ledger which is available to be applied to pay such Additional Portfolio Purchase Price.

Revised Purchase Date

If the amount standing to the credit of the Retained Principal Receipts Ledger is less than the amount required to pay the full Additional Portfolio Purchase Price of an Additional Portfolio, the Issuer will, not later than the following Business Day (or if the date on which the Issuer receives the relevant Transfer Notice is also a Purchase Date, on the same day), advise the Seller that the Issuer intends to accept and purchase only a part of (in an amount equal to the amount standing to the credit of the Retained Principal Receipts Ledger) or none of such Additional Portfolio on the Additional Portfolio Purchase Date.

If the Issuer, or the Cash Manager on its behalf, advises the Seller that the Issuer does not intend to purchase the entire proposed Additional Portfolio offered under a Transfer Notice, but confirms that it will purchase from the Seller an Additional Portfolio with a smaller Aggregate Discounted Balance, the Seller may, on such Additional Portfolio Purchase Date or, as applicable, on the Revised Purchase Date deliver a revised Transfer Notice for the purpose of making a new offer to the Issuer. The sale of such Additional Portfolio will take place on such Revised Purchase Date.

Conditions to sale

The sale of the Initial Portfolio and any Additional Portfolio to the Issuer will in all cases also be subject to certain conditions as at the Closing Date and the relevant Additional Portfolio Purchase Date or Revised Purchase Date (as applicable). The conditions include that:

- (a) the Issuer pays the Initial Purchase Price or the Additional Portfolio Purchase Price, as applicable;
- (b) a Transfer Notice attaching the relevant Portfolio Schedule is certified by an authorised signatory of the Seller to be true and accurate in all material respects;
- (c) no Early Amortisation Event has occurred and is continuing as of the Purchase Date; and
- (d) the relevant Purchase Date will fall within the Revolving Period.

Representations and Warranties

Pursuant to the Purchase Agreement, the Seller will make the following representations and warranties (the **Representations and Warranties**) to the Issuer and the Security Trustee on the Closing Date and on each Additional Portfolio Purchase Date or Revised Purchase Date (as applicable):

- (a) the particulars of the Portfolio which are the subject of the offer are true and accurate as of the relevant Cut-Off Date in all material respects and that the identifying number stated therein enables each Lease Agreement to be identified in the Records of the Seller;
- (b) it owns the Lease Receivables to be transferred on that Purchase Date;
- (c) each of the Lease Agreements and Lease Receivables meet the Eligibility Criteria as of the respective Cut-Off Date;
- (d) the Lease Receivables satisfy the Replenishment Criteria;
- (e) the Lease Receivables have been selected on the relevant Cut-Off Date in good faith, in accordance with the Selection Procedure, subject to the Eligibility Criteria and the Replenishment Criteria;

- (f) prior to entering into each Lease Agreement, the Seller carried out all investigations, searches and other actions and made such enquiries as to the status and creditworthiness of each Lessee and each guarantor (if any) thereunder as described in the Credit Policy of the Seller as amended from time to time;
- (g) it has not altered any of the Lease Receivables' legal existence or otherwise waived, altered or modified any provision in relation to any Lease Receivable, in particular, it has not extinguished or affected any of the Lease Receivables by challenge, termination, set-off or any other means, unless in accordance with the provisions of the Servicing Agreement;
- (h) all Lease Receivables are separately identifiable on the Seller's systems or (in relation to Related Security or Ancillary Rights) records by way of "flagging" or otherwise to unambiguously indicate that each Lease Receivable assigned to the Issuer on such Purchase Date has been assigned to the Issuer;
- (i) Cyprus Leasing has maintained and is in possession of all Records in respect of the Portfolio and the corresponding Lease Agreements and such Reports are accurate and complete in all material respects and to the best of the knowledge, information and belief of Cyprus Leasing, are sufficient to enable each Lease Agreement to be enforced against the relevant Lessee and as the case may be, guarantor thereunder;
- (j) it is the legal and beneficial owner of the relevant Leased Asset and any such Leased Asset is free of any encumbrances and not subject to any retention of title arrangement or any option to acquire on, over or affecting such Leased Asset, other than the RV Claim;
- (k) the assignment of the Lease Receivables pursuant to the Purchase Agreement and the Greek Assignment Agreement will be effective to assign full, unencumbered beneficial title to the Lease Receivables to the Issuer and no further act, condition or thing will be required to be done in connection with such assignment in order to enable the Issuer to require payment of the Lease Receivables to the Issuer, or to enforce any such right in court, other than the delivery to each relevant obligor of a notification;
- (l) it has performed in all material respects all its obligations which have fallen due under or in connection with the Lease Agreements and so far as it is aware, no Lessee has threatened or commenced any legal action which has not been resolved against it for any failure to perform any such obligation;
- (m) no Lease Agreement and no Lease Receivables contravenes in any material respect Greek law or any rules or regulations;
- (n) as of the relevant Cut-off Date no Lease Agreement has been terminated, repudiated or rescinded by it or any relevant Lessee;
- (o) since entering into the Lease Agreements, it has administered the Lease Agreements in accordance with the Credit and Collection Procedures;
- (p) no litigation, arbitration or administrative proceedings or regulatory investigation of, or before, any court, arbitral body or regulatory agency which would (if being contested) be reasonably likely to be adversely determined and, if adversely determined, be reasonably likely to have a Material Adverse Effect on the ability of the Cyprus Leasing to assign the Lease Receivables to the Issuer have (to the best of its knowledge and belief) been started or threatened against it; and

- (q) no litigation, arbitration or administrative proceedings of or before any court, tribunal or governmental body have been commenced or are pending or threatened against Cyprus Leasing or any of its assets or revenues which may have a Material Adverse Effect on any Lease Receivables to be assigned to the Issuer,
- (r) each Lease Receivable will be a financial asset within the meaning of generally accepted accounting practice (as defined in section 50 of the Finance Act 2004),

(together the **Lease Warranties**).

Pursuant to the terms of the Purchase Agreement the Seller will further make the following representations and warranties to the Issuer and the Security Trustee on the Closing Date, each Additional Portfolio Purchase Date and on each Interest Payment Date:

- (a) it is duly incorporated and validly existing under the laws of the Hellenic Republic;
- (b) it has full power and authority to own its property and assets and conduct its business as currently conducted by it to the extent necessary to permit the Seller to enter into the Transaction Documents and to perform its obligations thereunder;
- (c) it has the power, authority and capacity to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of the relevant Transaction Documents, as well as the transactions contemplated thereunder;
- (d) no Insolvency Event has occurred in respect of Cyprus Leasing;
- (e) it has its centre of main interests, as that term is used in Article 3(1) of the EU Insolvency Regulation, in the Hellenic Republic and has no establishment outside the Hellenic Republic;
- (f) the obligations expressed to be assumed by it in the relevant Transaction Documents are legal, valid, binding and enforceable obligations subject to any laws from time to time in effect relating to bankruptcy, insolvency, reorganisation or any other laws or procedures affecting generally the enforcement of creditors' rights and by the general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and are enforceable against it in accordance with their respective terms;
- (g) it has obtained and maintains in effect all authorisations, approvals, licences and consents required in connection with its business to originate and manage contracts of the type eligible to be sold to the Issuer under the Transaction Documents pursuant to any requirement of law and any regulatory direction applicable to Cyprus Leasing in the Hellenic Republic;
- (h) the entry into, performance by it of, and the transactions contemplated by the relevant Transaction Documents do not and will not conflict in any material respect with, result in any breach of any of the terms and provisions of or constitute (with or without notice or lapse of time) a default under:
 - (i) any existing law, court order or regulation applicable to it;
 - (ii) its constitutional documents; or

- (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument;
 - (i) it has entered into the relevant Transaction Documents in good faith for its benefit and on arms' length commercial terms;
 - (j) the relevant Transaction Documents to which it is a party has been duly executed by it;
 - (k) it has complied in all material respects with the terms of the Transaction Documents to which it is a party;
 - (l) it is a company which is and has, since incorporation, been resident for tax purposes solely in the Hellenic Republic and will not be treated as resident outside the Hellenic Republic (and not resident in the Hellenic Republic) for the purposes of any double tax treaty to which the Hellenic Republic is party;
 - (m) its most recent audited financial statements delivered in accordance with the Purchase Agreement (i) were prepared in accordance with the laws of the Hellenic Republic and the accounting principles applicable in the Hellenic Republic consistently applied, (ii) disclosed all liabilities (contingent or otherwise) and all its unrealised or anticipated losses required (in each case) to be disclosed in accordance with the accounting principles applicable in the Hellenic Republic and (iii) save as disclosed therein, give a true and fair view of its assets and liabilities and results of operation as of the date of which they were drawn up;
 - (n) since the later of (i) the Closing Date and (ii) the date of its most recent audited financial statements there has been no material adverse change in its financial position or prospects which might reasonably be expected to have a Material Adverse Effect;
 - (o) the Bank of Cyprus owns at least 51% of its share capital; and
 - (p) its issued share capital is in excess of the minimum required by Greek leasing law,
- (together the **Corporate Warranties**).

Eligibility Criteria

As noted above, pursuant to the terms of the Purchase Agreement, the Seller will represent and warrant on each Purchase Date that the Lease Agreements and the Lease Receivables satisfy certain criteria (collectively the **Eligibility Criteria**) at the Cut-Off Date preceding any Purchase Date. The Eligibility Criteria are set out in the Purchase Agreement and include that:

- (a) the purchase price (including VAT) for the Leased Asset has been paid in full to the relevant supplier or seller of the real estate;
- (b) the underlying Lease Agreement (i) has been duly executed by the Seller, (ii) is legal, valid and binding and enforceable in accordance with its terms and (iii) is governed by and subject to the laws of the Hellenic Republic;
- (c) the underlying Lease Agreement has been entered into in the ordinary course of the Seller's business and on arm's length terms and the Seller is the sole lessor;
- (d) the relevant Lease Receivable, (including any Related Security (which is any security granted by the Lessees pursuant to the Lease Agreements, including mortgage prenotations,

personal and corporate guarantees as well as pledges on various assets of the Lessee and/or guarantors including pledges over deposits) and Ancillary Rights (which are certain rights relating to each Lease Agreement including rights of action against the relevant Lessee, rights to amend the Lease Agreement, rights to terminate the Lease Agreement (or the Frame Lease Agreement as the case may be), rights to the proceeds arising from any Insurance Compensation Payments and rights against any person or entity guaranteeing the obligations (in whole or in part) of the relevant Lessee under the applicable Lease Agreement; the ancillary rights further cover the rights relating to Post-Dated Cheques, as well as the rights for collection of Insurance Amounts) is assignable, the Seller can dispose of the Lease Receivables free from third party rights and the relevant Lease Agreement does not contain any restriction on assignment or where there is a restriction, consent to assignment has been obtained;

- (e) none of its Related Security and/or Ancillary Rights consists of:
 - (i) stocks or loan capital (**Securities**), interests in, or in dividends or other rights arising out of Securities, or rights to allotments of or to subscribe for, or options to acquire, Securities, other than:
 - (A) Securities which are issued or raised by a body corporate not incorporated in the United Kingdom, are not registered in a register kept in the United Kingdom and, in the case of shares, are not paired with shares issued by a body corporate incorporated in the United Kingdom; and
 - (B) interests in, or in dividends or other rights arising out of Securities, or rights to allotments of or to subscribe for, or options to acquire, Securities of the kind referred to at (A) above;
 - (ii) units under a unit trust scheme; or
 - (iii) any estate, interest, right or power in or over land in the United Kingdom (or the benefit of an obligation, restriction or condition affecting the value of any such estate, interest, right or power);
- (f) the Related Security and/or Ancillary Rights are transferred to the Issuer pursuant to the Purchase Agreement by way of collateral only and for no consideration;
- (g) none of the Related Security and/or Ancillary Rights consists of shares;
- (h) when the Leased Assets being the subject of the corresponding Lease Agreement is a vehicle and is existing, it is in good and substantial repair and condition and complies with Presidential Decree 237/1986;
- (i) at least one Lease Instalment has been paid in respect of the underlying Lease Agreement and at least one Lease Instalment is not yet due;
- (j) there is no material breach, default or violation of any obligation under the associated Lease Agreement (for this purpose a Lease Agreement shall be deemed to be in material default where it is a Lease Agreement in Arrears or the Lease Agreement has an Arrear Multiple which is less than 0.20);
- (k) the Lease Receivables are free and clear of any Encumbrance;
- (l) the relevant Lessee is not part of the Bank of Cyprus Group;

- (m) the relevant Lessee is not an employee of any company within the Bank of Cyprus Group;
- (n) the Lessee is obliged under the terms of the Lease Agreement and under law 1665/1985 (article 5) to take out insurance against all risks (including third party liability insurance) in respect of the Leased Asset or Cyprus Leasing has taken out such insurance;
- (o) the related Lease Agreement is not a Defaulted Lease Agreement;
- (p) the Seasonal Lease Agreements account for no more than 10.00% of the Portfolio;
- (q) Lease Agreements where the Lessee has sub-leased the Leased Asset to a sub-lessee (the **Investment Lease Agreements**) account for no more than 18.00% of the Portfolio;
- (r) the Lease Receivable is denominated in Euro;
- (s) the Lessee is not entitled to (and has not exercised) any right of rescission, counterclaim, contest, challenge or other defence (deriving from the Lease Agreement) in respect of such Lease Receivable;
- (t) to the best of the Seller's knowledge, the related Lease Agreement is not void or voidable at the instance of the Lessee by reason of fraud, undue influence, duress, misrepresentation or for any other reason;
- (u) the Lease Agreement gives rise to monthly, quarterly, semi-annual or annual instalments (save for certain Lease Agreements in respect of which the underlying assets are Real Estate, which provide for the payment of monthly instalments only between May and November of each year only (the **Seasonal Lease Agreements**));
- (v) the Lease Agreements provide for a floating rate of interest linked to either one-month, three-months or six-months EURIBOR or the Bank of Cyprus Base Rate (as the case may be) plus a margin;
- (w) the Lease Agreements require the Lessees to pay the Lease Instalments under the relevant Lease Agreement regardless of whether the Leased Asset does not operate properly, is destroyed, lost or stolen or cannot be used for any other reason whatsoever or is otherwise unavailable to the Lessee;
- (x) the Lease Agreements do not provide one or more Lease Instalments having a negative principal component as set out in the relevant scheduled amortisation profile;
- (y) no Lease Agreement has an outstanding principal balance which exceeds the originally financed amount;
- (z) the Lease Agreements that are indexed to one-month EURIBOR exceed 70.00% of the Aggregate Discounted Balance following the purchase of such Lease Agreements;
- (aa) the Lease Agreements that are indexed to three-month EURIBOR exceed 5.00% of the Aggregate Discounted Balance following the purchase of such Lease Agreements;
- (bb) the Lease Agreements indexed to six-month EURIBOR do not exceed 1.00% of the Aggregate Discounted Balance following the purchase of such Lease Agreements;
- (cc) the Lease Agreements indexed to the Bank of Cyprus Base Rate do not exceed 12.00% of the Aggregate Discounted Balance following the purchase of such Lease Agreements;

- (dd) in the case of a Lease Agreement which has a remaining term which is above the Weighted Average Remaining Term as at the Cut-Off Date, the Weighted Average Remaining Term of all the Lease Receivables in the Portfolio following the purchase of such Lease Receivable would be less than twelve months greater than the Weighted Average Remaining Term of the Initial Portfolio as at the Cut-Off Date;
- (ee) the Leased Asset under the Lease Agreement has an initial Discounted Balance below or equal to €370,000 if it is in Pool no. 1, €260,000 if it is in Pool no. 2, €700,000 if it is in Pool no. 3 and €9,500,000 if it is in Pool no. 4;
- (ff) the Lease Agreement relates to either a Vehicle, Equipment or Real Estate;
- (gg) the Lease Agreement does not need to be filed, recorded or enrolled with any court and no stamp, registration or similar tax is required to be paid, other than under article 4 paragraph 2 of Greek law 1665/1986;
- (hh) the Lease Agreements have been filed in accordance with article 4 paragraph 2 of Greek law 1665/1986;
- (ii) the Lease Agreement does not permit the Lessee to terminate in the event of the insolvency of the Lessor or the Bank of Cyprus;
- (jj) at origination of the Lease Agreement, the relevant Lessee is resident or incorporated in the Hellenic Republic or in the Republic of Cyprus;
- (kk) the relevant Lessee is an individual exercising commercial business or a company with full legal capacity;
- (ll) the Lease Receivables have been originated by the Seller;
- (mm) following the purchase of the relevant Lease Receivable, the weighted average ratio calculated at the most recent Cut-Off Date, between (a) the Aggregate Discounted Balance of the RV Claim divided by (b) the Aggregate Discounted Balance of all Lease Receivables, is equal to at least 10.00%;
- (nn) the Weighted Average Interest Rate of all the Lease Receivables is equal to or greater than 2.00 per cent. above EURIBOR for the current Interest Period;
- (oo) the Weighted Average MRA Rating, where available, is equal to or lower than 7.00. For avoidance of any doubts, in case the MRA Rating is not available, the specific Lease Receivables will be excluded from the calculation of the Weighted Average MRA Rating;
- (pp) the Aggregate Discounted Balance of all the Lease Receivables in the Portfolio which were previously subject to restructuring for payment of the Lease Instalments shall not exceed 5.00 per cent. of the Aggregate Discounted Balance of all Receivables in the Portfolio;
- (qq) the original loan to value (**LTV**) of the Leased Asset is not greater than 100.00%
- (rr) the Aggregate Discounted Balance of all Lease Receivables for which the relevant Lessee is designated as falling in the relevant real estate activities and construction (under NACE list) industry sectors in the Portfolio shall not exceed 36.00% of the aggregate outstanding principal balance of all Lease Agreements in the Portfolio;

- (ss) the Aggregate Discounted Balance of all the Lease Receivables for which the relevant Lessee is designated as falling in the hotels and restaurants (under NACE list) industry sector in the Portfolio shall not exceed 10.00% of the aggregate outstanding principal balance of all Lease Agreements in the Portfolio;
- (tt) the Aggregate Discounted Balance of all the Lease Receivables for which the relevant Lessee is in any one geographic region shall not exceed 70.00 per cent. of the aggregate outstanding principal balance of all Lease Receivables in the Portfolio;
- (uu) no withholding taxes apply to any payments under the Lease Agreements; and
- (vv) no Real Estate Asset is located outside Greece.

Replenishment Criteria

Under the Purchase Agreement, the Seller will represent on each relevant Purchase Date that the Lease Receivables satisfy certain criteria (the **Replenishment Criteria**) calculated on a portfolio basis throughout the Revolving Period (including on the Closing Date) and, for the avoidance of doubt, calculated by taking into account the Additional Portfolio to be purchased on such Purchase Date. For the avoidance of doubt the Issuer will only purchase an Additional Portfolio to the extent the Replenishment Criteria are satisfied on the relevant Purchase Date:

- (a) The ratio of the Aggregated Delinquent Balance of Lease Agreements within each Pool divided by the Aggregated Discounted Balance of such Pool (the **Pool Delinquency Ratio**) will not exceed the percentages set out below:

	Pool Delinquency Ratio
Pool no. 1 (Industrial Vehicles Pool)	4.70%
Pool no. 2 (Car Pool)	4.70%
Pool no. 3 (Equipment Pool)	7.60%
Pool no. 4 (Real Estate Pool)	2.00%

- (b) The ratio of Aggregated Defaulted Balance of Lease Agreements within each Pool divided by the Aggregated Discounted Balance of such Pool (the **Pool Default Ratio**) will not exceed the percentages set out below:

	Pool Default Ratio
Pool no. 1 (Industrial Vehicles Pool)	3.70%
Pool no. 2 (Car Pool)	3.70%
Pool no. 3 (Equipment Pool)	5.60%
Pool no. 4 (Real Estate Pool)	4.90%

- (c) The ratio of the Aggregated Discounted Balance of each Pool divided by the Aggregated Discounted Balance of the Portfolio (the **Pool Concentration**) will not exceed the percentages set out below:

	Pool Concentration
Pool no. 1 (Industrial Vehicles Pool)	25.00%
Pool no. 2 (Car Pool)	10.00%
Pool no. 3 (Equipment Pool)	15.00%
Pool no. 4 (Real Estate Pool)	75.00%

- (d) The weighted average interest rate of all Lease Receivables within a Pool (calculated by the Servicer) (the **Weighted Average Interest Rate**) will exceed EURIBOR during the relevant Interest Period with the percentages set out below (the **Minimum Spread**):

	Minimum Spread
Pool no. 1 (Industrial Vehicles Pool)	2.70%
Pool no. 2 (Car Pool)	1.70%
Pool no. 3 (Equipment Pool)	2.30%
Pool no. 4 (Real Estate Pool)	2.00%

- (e) The concentration of the top 1 Largest Lessee measured in respect of the respective contribution to the Aggregated Discounted Balance of the Portfolio (the **Lessee Concentration**) will not exceed 2.70%.
- (f) The concentration of the (i) top 1, (ii) top 1 to 5, (iii) top 1 to 10 and (iv) top 1 to 20 Lessees measured in respect of the Lessee Concentration) will not exceed the percentages set out below:

	Lessee Concentration
Top 1 Lessee	2.70%
Top 1 to 5 Lessees	10.00%
Top 1 to 10 Lessees	16.00%
Top 1 to 20 Lessees	25.00%

Repurchase

Pursuant to the terms of the Purchase Agreement, the Seller will be required to repurchase the Lease Receivables sold pursuant to the Purchase Agreement if any breach of a Lease Warranty, made by the Seller in relation to that Lease Receivable, by reference to the facts and circumstances then subsisting at the relevant date on which such Lease Warranty was given, which has a Material Adverse Effect in relation to the Lease Receivable and that breach has not been cured in all material respects within 21 Business Days after the date on which the Seller became aware or (if earlier) was notified by the Servicer or the Issuer of the relevant breach of the Lease Warranties. Then the relevant Lease Receivables must be repurchased by the Seller on the next following Interest Payment Date.

Where a Lease Receivable causes a breach of the Replenishment Criteria, the Seller shall only be required to repurchase those Lease Receivables (randomly selected) that would ensure the satisfaction of the Replenishment Criteria as at the relevant Purchase Date.

However, where a breach of the Lease Warranties or any of them (including the Eligibility Criteria) occurs by reason of the Lease Agreement (or part thereof) being determined illegal, invalid, non binding or unenforceable, the Seller will not be obliged to repurchase the relevant Lease Receivables, but will on or before the next following Interest Payment Date pay an amount, calculated by the Servicer in accordance with the Servicing Agreement, required to compensate the Issuer for any loss suffered by the Issuer as a result of such breach.

If a Lease Receivable has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is otherwise due to be repurchased pursuant to the Purchase Agreement, the Seller shall not be obliged to repurchase the Issuer's rights, title, interest and benefit in to and under such Lease Receivables but shall instead indemnify the Issuer and the Security Trustee against any loss and all liabilities suffered by reason of any warranty or representation relating to or otherwise affecting such Lease Receivables being untrue or incorrect by reference to the facts subsisting at the date on which the relevant warranty or representation was given.

Repurchase Price

On repurchase of the Lease Receivables, the Seller will pay to the Issuer the Repurchase Price. The **Repurchase Price** will be an amount equal to the Aggregate Discounted Balance of the Lease Receivables to be repurchased by the Seller as of, where such repurchase occurs on an Interest Payment Date, such Interest Payment Date or where such repurchase does not occur on an Interest Payment Date on the Interest Payment Date immediately following the date on which such repurchase is to take place, as if the relevant Lease Receivable had not been retransferred.

Clean-up Call

The Seller has an option (the **Clean-up Call**) to repurchase the Lease Receivables from the Issuer at any time when the Aggregate Discounted Balance is less than 10% of the greater of (i) the Aggregated Discounted Balance of the Lease Receivables as of the Initial Cut-Off Date and (ii) the Principal Amount Outstanding of the Class A Notes, the Class B Notes and the Class C Notes as of the Closing Date provided that the conditions set out in Condition 6.2 for redemption of the Notes are fulfilled.

Realisation Services

The Seller has a duty to realise, sell or procure to sell the relevant Leased Assets related to any Defaulted Lease Agreement in the Portfolio in accordance with the Realisation Procedure Rules.

Rate Conversion

Where a Lease Agreement has been subject to a Rate Conversion until the Closing Date and the Lessee is able to establish that the rate applied at the relevant time resulted in higher Lease Instalments than would have been payable in accordance with the contractually provided rate, a claim for the repayment of the amount of any excess could be made. In the event of a successful claim being made by a Lessee, the Seller has provided an indemnity to the Issuer under the Purchase Agreement for any losses which the Issuer may incur in respect of that claim.

Applicable law and jurisdiction

The Purchase Agreement will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Purchase Agreement.

2. SERVICING AGREEMENT

On or prior to the Closing Date the Issuer, the Note Trustee, the Security Trustee, Cyprus Leasing and the Data Custodian will enter into a servicing agreement (the **Servicing Agreement**) pursuant to which Cyprus Leasing will be instructed to act as Servicer to (i) service and administer the Lease Agreements and (ii) make transfers of monies in respect of the Lease Receivables (the **Collection and Servicing Activities**).

Collection and Servicing Activities

General

The Servicer shall when carrying out the Collection and Servicing Activities act in accordance with the collection and servicing procedures of Cyprus Leasing in accordance with the principles of a prudent vehicle lessor, equipment lessor or real estate lessor (as the case may be), as amended from time to time in accordance with the terms and conditions of the Transaction Documents (the **Collection and Servicing Procedures**) using the same degree of skill and attention that the Servicer exercises with respect to comparable vehicle, equipment or real estate Lease Agreements (as the case may be) that the Servicer administers for itself or others. The Servicer will also carry out certain collection tasks on behalf of the Issuer.

Description of Servicing Functions

The duties of the Servicer in respect of the Collection and Servicing Activities will be set out in the relevant section of the Servicing Agreement and the Servicer will agree, amongst other things, to:

- (a) administer the Lease Agreements and in particular to collect all Collections;
- (b) endorse all Post-Dated Cheques as they mature to the order of the Issuer, deposit them with the Issuer Safety Deposit Box, collect them and transfer such monies when applicable to the Issuer Collection Account;
- (c) deal with early repayments and any Permitted Variations;
- (d) (re)calculate the Lease Receivables and/or the Lease Maturity Date in accordance with the Servicer's Collection and Servicing Procedures and subject to the terms of the relevant Lease Agreement;

- (e) prepare and publish the financial and other reporting on the performance of the Portfolio including the Servicer Quarterly Report and the Servicer Monthly Report;
- (f) procure that all asset records (e.g. originals of the Lease Agreements) and Vehicle, Equipment or Real Estate documents (as the case may be) (to the extent retained by the Seller and/or the Servicer) related to the relevant Lease Agreement are kept in safe custody for the benefit of the Issuer and the Trustee and are separately identifiable from its own asset records;
- (g) give access to its records to the Issuer or the Security Trustee or the Note Trustee (or any agent) upon request;
- (h) deal with any Lease Agreements in Arrears in accordance with the terms of the Servicing Agreement;
- (i) deal with (and, if necessary repossess and return) any Defaulted Lease Agreements in accordance with the terms of the Servicing Agreement;
- (j) operate computer systems which should, *inter alia*, record on an asset-by-asset basis the amounts due by each Lessee under each Lease Agreement or other obligor and the correspondence details of each obligor; and
- (k) perform other tasks incidental to the above.

Description of Servicing Standard

In accordance with the terms of the Servicing Agreement, the Servicer shall when carrying out the Collection and Servicing Activities:

- (a) comply with the Servicer's Collection and Servicing Procedures, as well as with the Servicing Procedures for Post-Dated Cheques; and
- (b) at all times devote or procure that there is devoted to the performance of its obligations, exercise of its discretions and its exercise of the rights of the Issuer and where so permitted the Security Trustee in respect of the Lease Receivables at least the same amount of (i) time and attention, (ii) the same level of skill, care and diligence in the performance of those obligations and discretions as it would if it were administering receivables which it beneficially owned and, in any event, will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions hereunder and consider the interest of the Issuer and the Security Trustee (acting on behalf of the Secured Creditors) at all times whilst carrying out the services hereunder but the Servicer shall not be required to do or cause to be done anything which it is prevented from doing by any regulatory direction or any requirement of law.

In addition, the Servicer shall service and administer the assets forming part of the Portfolio in compliance with the Lease Agreements, the Purchase Agreement and certain general covenants of the Servicer (including covenants as to the compliance with any applicable laws in rendering the services owed by the Servicer).

Collections and distribution

Amounts standing to the credit of the Seller Collection Account representing Collections will be transferred by the Servicer on behalf of the Issuer to the Issuer Collection Account held in the name of the Issuer at the Greek Account Bank on a daily basis.

Bank of Cyprus Base Rate

The Lease Agreements provide for a floating rate of interest linked to either one-month, three-months or six-months EURIBOR or the Bank of Cyprus Base Rate (as the case may be) plus a margin. As long as the Servicer is Cyprus Leasing (or any entity of the Bank of Cyprus Group), the Servicer is entitled to vary the interest rate based on the Bank of Cyprus Base Rate but will not be permitted to vary the rate below the Minimum Rate.

Rate Conversion

In relation to a Lease Agreement in respect of which a Rate Conversion has occurred up until the Closing Date, the Servicer will apply the Contractual Rate within 7 Business Days of a Rating Downgrade Date, or within 7 Business Days of the date on which the Contractual Rate becomes higher than the applicable rate after the Rate Conversion or within 7 Business Days of the date on which an Lessee raises a claim in respect of a Rate Conversion.

Contractual Rate means the contractually agreed rate based on which the interest component of the Lease Instalments under a Lease Agreement is calculated. Performance by Third Parties

The Servicer is permitted to delegate some or all of its duties to other entities, including its affiliates and subsidiaries, although the Servicer will remain liable for the performance of any duties that it delegates to another entity.

Allocation of Collections

Where two or more Lease Agreements from a Lessee are included in the Portfolio or the Lease Agreements from a Lessee are included in the Portfolio and other lease agreements from the same Lessee are not included in the Portfolio, in a Collection Period amounts received from the Lessee will be applied in the following order:

- (a) *firstly*, to the applicable invoice relating to such payment;
- (b) *secondly*, where payments are not identified as relating to a specific invoice, and after notification to the Lessee, to the relevant invoice at the direction of the Lessee provided that such directions are received within 10 Business Days of such payment,;
- (c) *thirdly*, where no such allocation is specified by the relevant Lessee within 10 Business Days of such payment, to the oldest invoice then outstanding until the outstanding balance of such invoice has been reduced to zero and thereafter to the next oldest invoices in order until the outstanding balance of such invoices has been reduced to zero; and
- (d) *fourthly*, in all other cases *pari passu* and *pro rata* between all outstanding invoices of the Lessee including, for the avoidance of doubt, Lease Receivables sold and assigned to the Issuer and Lease Receivables not sold to the Issuer.

Additionally, any Collections received and allocated to the Lease Agreements included in the Portfolio should, unless the relevant invoice specifies otherwise, first be applied and allocated to Lease Interest Collections and then to Lease Principal Collections.

Under the Real Estate Lease Agreements it is provided that the Lessor may allocate the Collections at its discretion (the Lessee waives his rights under 422 and 423 of the Greek Civil Code).

Servicer Reports

On the 11th of January, April, July and October of each year the Servicer shall, using information provided to it by the Seller, pursuant to the Servicing Agreement, prepare and deliver to the Issuer, the Security Trustee, the Note Trustee, the Principal Paying Agent, the Cash Manager and the Account Bank and, upon its appointment only, the Stand-by Servicer with the Servicer Quarterly Report.

On the 11th of each month the Servicer shall, using information provided to it by the Seller, pursuant to the Servicing Agreement, prepare and deliver to the Issuer, the Security Trustee, the Note Trustee, the Principal Paying Agent, the Cash Manager and the Account Bank and, upon its appointment only, the Stand-by Servicer with the Servicer Monthly Report.

If the information given in the Servicer Monthly Report or the Servicer Quarterly Report is not sufficient for the Issuer, the Security Trustee, the Principal Paying Agent, the Cash Manager or the Account Bank and, upon their appointment only, the Stand-by Servicer in order to perform their respective tasks (including the preparation of any reports or provisions of other information) under the Servicing Agreement or the other Transaction Documents, the Servicer has undertaken to give such assistance as reasonably requested by the relevant party.

Each Servicer Monthly Report and each Servicer Quarterly Report shall:

- (a) be in electronic form and substantially in the format set forth in the Servicing Agreement;
- (b) cover the Collection Period(s) immediately preceding the relevant Interest Payment Date; and
- (c) summarise the status of the assets forming part of the Portfolio.

Delivery of information to Data Custodian

By no later than the fifth Business Day after each Interest Payment Date, the Servicer shall deliver to the Data Custodian a CD-Rom setting out individual details of the Lease Agreements and related Lease Receivables substantially in the format set forth in the Servicing Agreement.

Permitted Variations

The Servicer may amend the terms of the Lease Agreements with the relevant Lessees subject to certain conditions set out in the Servicing Agreement and provided that the Lease Agreements are not Defaulted Lease Agreements.

The Servicing Agreement provides, amongst others, that, prior to the earlier of (i) the service of a notice terminating the Revolving Period or (ii) an Event of Default or (iii) the appointment of the Stand-By Servicer:

- (a) if the amendment provides for a new expiry date of the relevant Lease Agreement, such expiry date will not fall after October 2041, being 5 years before the Final Maturity Date, provided that, if the relevant expiry date is postponed for a period longer than one year, such amendment will not be agreed for Lease Agreements having an aggregate outstanding principal balance greater than 20 per cent. of the Purchase Price of the Initial Portfolio;
- (b) if the amendment provides for the reduction of the spread over the relevant reference index applicable to the Lease Agreements, such reduction will not be agreed for Lease Agreements having an aggregate outstanding principal balance greater than 10 per cent. of the Purchase

Price of the Initial Portfolio provided that the weighted average spread over EURIBOR (determined under Condition 4.3) on the Portfolio, following such reduction, is at least equal to 1.50 per cent.;

- (c) if the amendment provides for the switch from a floating interest rate to a fixed interest rate, such amendment will not be agreed for Lease Agreements having an aggregate outstanding principal balance greater than 5 per cent. of the Purchase Price of the Initial Portfolio.

In this latter case, prospective Noteholders should be aware that the Issuer will not enter into any swap transaction in order to hedge the potential interest rate exposure of the Issuer in relation to such fixed interest rate Lease Agreements.

Servicer fee

In accordance with the Pre-Acceleration Revenue Priority of Payments, the Issuer shall pay on each Interest Payment Date to the Servicer a fee calculated as (a) 0.70% of Collections per annum divided by (b) 12 and multiplied by (c) the Collections received in the immediately preceding three Collection Periods (the **Servicer Fee**). The Servicer Fee will be divided into a Senior Servicer Fee and a Junior Servicer Fee.

Appointment of Stand-by Servicer

Following the occurrence of (i) a Change of Control Event or (ii) a Controlling Shareholder Downgrade Event, a suitable Stand-by Servicer will be appointed by the Issuer and the Security Trustee. The Stand-by Servicer will have to satisfy and meet the requirements and standards as set out in the Servicing Agreement.

Following the occurrence of a Servicer Termination Event, the Stand-by Servicer will take over the services of the Servicer under the Servicing Agreement.

The Stand-by Servicer will be responsible for carrying out the Collection and Servicing Activities in accordance with the provisions of the Servicing Agreement. In consideration of these duties, once the Stand-by Servicer has taken over the services, the Stand-by Servicer will receive the Senior Servicer Fee and the Junior Servicer Fee to be paid by the Purchaser on each Interest Payment Date according to the applicable Priority of Payments.

Following the appointment of the Stand-by Servicer but as long as the Stand-by Servicer has not taken over the services of the Servicer, the Stand-by Servicer will receive the Stand-by Servicer Stand-By Fee to be paid by the Purchaser on each Interest Payment Date according to the applicable Priority of Payments.

When the Stand-by Servicer is appointed as the new Servicer, if the Commingling Reserve has not been funded within 10 Business Days, the Stand-by Servicer will notify the Lessees within three weeks that the Lessees must henceforth deposit the Lease Instalments into a new bank account at an eligible bank to be established in the name of the Issuer. If during the time between when the Stand-by Servicer becomes the Servicer and when a Lessee is notified, a Lessee continues to pay the Lease Instalments into the Seller Collection Account, the new Servicer will instruct the previous Servicer to pay such Lease Instalments into the new bank account in the name of the Issuer.

Applicable law and jurisdiction

The Servicing Agreement will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Servicing Agreement.

3. TRUST DEED

On the Closing Date, the Issuer and the Note Trustee will enter into a trust deed (the **Trust Deed**) pursuant to which the Issuer and the Note Trustee will agree that the Notes are subject to the provisions in the Trust Deed. The Conditions and the forms of the Notes are constituted by and, set out in the Trust Deed.

The Note Trustee will agree to hold the benefit of the Issuer's covenant to pay on trust for itself and the Noteholders.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed between the Issuer and the Note Trustee together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under or in connection with the Trust Deed and the other Transaction Documents.

Retirement of Note Trustee

The Note Trustee from time to time may retire at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs occasioned by such retirement. The retirement of the Note Trustee shall not become effective unless there remains a trustee (being a trust corporation) in office after such retirement. The Issuer will agree in the Trust Deed that, in the event of the sole trustee or the only trustee under the Trust Deed giving notice of its retirement, it shall use its best endeavours to procure a new trustee to be appointed.

Applicable law and jurisdiction

The Trust Deed will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Trust Deed.

4. DEED OF CHARGE

On the Closing Date, the Issuer, each of the Secured Creditors (other than the Noteholders) and the Security Trustee will enter into a security deed (the **Deed of Charge**). The Security Trustee shall hold the benefit of the Issuer Security for the Secured Creditors from time to time on the terms of the Deed of Charge and the Greek Security Documents and shall deal with the Issuer Security and apply all payments, recoveries or receipts in respect of the Issuer Security in accordance with the Conditions and the Deed of Charge.

As continuing security for the payment or discharge of the Secured Liabilities, the Issuer will create in favour of the Security Trustee, for itself and on trust for the Secured Creditors, in accordance with the terms of the Deed of Charge:

- (a) an assignment by way of first fixed security of the benefit of each Lease Receivable (to the extent not covered by the Greek Security);
- (b) an assignment by way of first fixed security of the benefit of each relevant Transaction Document;
- (c) a first fixed security over the benefit of each Authorised Investment (which may take effect as a floating charge);

- (d) a first fixed charge over the benefit of the Issuer Collection Account, the Cash Reserve Account, the Stand-by Rate Conversion Reserve Account, the Swap Collateral Cash Account, the Swap Collateral Securities Account and the Transaction Account and ledgers of the Issuer and any other bank or other accounts in which the Issuer may at any time have or acquire any benefit (to the extent not covered by the Greek Security); and
- (e) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future except to the extent otherwise charged or secured under the Deed of Charge.

Each of the Secured Creditors (other than the Security Trustee and the Noteholders) will agree to be bound by the provisions of the Deed of Charge and, in particular, will agree to be bound by the Priority of Payments, the limited recourse and non-petition provisions set out in the Deed of Charge.

Only the Issuer Security shall be available to satisfy the Issuer's obligations under the Notes. Accordingly, recourse against the Issuer in respect of such obligations shall be limited to the Issuer Security and the claims of the Secured Creditors against the Issuer under the Transaction Documents may only be satisfied to the extent of the Issuer Security. If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

Applicable law and jurisdiction

The Deed of Charge will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Deed of Charge.

5. GREEK DOCUMENTS

Greek Assignment Agreement

On or prior to the Closing Date, the Seller, the Issuer and the Security Trustee will enter into a Greek assignment agreement (the **Greek Assignment Agreement**) pursuant to which the Seller will assign all of its interest in and to the Lease Receivables and any related rights (including the Related Security and the Ancillary Rights) to the Issuer. The Greek Assignment Agreement will be subject to the terms and conditions of the Purchase Agreement.

The Greek Assignment Agreement will be governed by Greek law.

Greek Future Claims Pledge Agreement

On or prior to the Closing Date, but with effect from Closing Date, the Seller, the Issuer and the Security Trustee will enter into a Greek future claims pledge agreement (the **Greek Future Claims Pledge Agreement**) pursuant to which the Seller will grant a pledge over all its interest in and to the liquidation proceeds from the sale of a Leased Asset to any third party (the **Liquidation Proceeds**). The Greek Future Claims Pledge will create a first rank priority of the Issuer over the Liquidation Proceeds, which the Issuer will be entitled to collect irrespective of the declaration of the Seller into bankruptcy or any other similar status.

The Greek Future Claims Pledge Agreement is governed by Greek law.

Greek Law Pledge Agreement

On or prior to the Closing Date, but with effect from the Closing Date, the Issuer and the Security Trustee will enter into a Greek law pledge (the **Greek Account Pledge**) over the Issuer's right, title and interest in the Cash Reserve Account pursuant to a Greek law pledge agreement to be entered into on or about the Closing Date between the Issuer, the Greek Account Bank and the Security Trustee (the **Greek Law Pledge Agreement**).

The Greek Law Pledge Agreement is governed by Greek law.

6. CASH MANAGEMENT AGREEMENT

General

On or prior to the Closing Date, Citibank N.A., London Branch as the cash manager (the **Cash Manager**), the Issuer and the Security Trustee will enter into a cash management agreement (the **Cash Management Agreement**) pursuant to which the Cash Manager will provide certain cash management and bank account operation services to the Issuer in respect of the Portfolio.

Cash Management Services

The Cash Management Services in respect of the transaction include but are not limited to:

- (a) maintaining the Transaction Account Ledgers as discussed below (under "Description of Certain Transaction Documents - Bank Account Agreement");
- (b) administering the Priority of Payments including calculating amounts payable by the Issuer thereunder (see "Cashflows" below); and
- (c) preparing and assisting the Servicer in preparing and delivering to the Issuer, the Security Trustee and Moody's the Investor Reports and the Payments Reports in respect of the Portfolio, the administration of the Issuer Collection Account, Cash Reserve Account, the Transaction Account and any other Account and the cash management services related thereto.

Transaction Account Ledgers

In addition to the Issuer Collection Account, the Cash Reserve Account, the Swap Collateral Cash Account, the Stand-by Rate Conversion Reserve Account and the Transaction Account, the Issuer will, as applicable, establish such additional accounts as may be required in accordance with the terms of the Transaction Documents. The Issuer (or the Cash Manager on its behalf) shall maintain the following ledgers on the Transaction Account (the **Transaction Account Ledgers**):

(a) **Principal Ledger**

Principal Receipts will be credited to the Principal Ledger in accordance with the Bank Account Agreement and the Servicing Agreement. The Issuer will apply amounts standing to the credit of the Principal Ledger in accordance with the Pre-Acceleration Principal Priority of Payments or the Post Acceleration Priority of Payments (as applicable).

(b) **Revenue Ledger**

Revenue Receipts will be credited to the Revenue Ledger in accordance with the Bank Account Agreement and the Servicing Agreement. The Issuer will apply amounts standing to the credit of the Revenue Ledger in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post Acceleration Priority of Payments (as applicable).

(c) **Retained Principal Receipts Ledger**

On each Interest Payment Date falling in the Revolving Period, an amount equal to all Available Principal Receipts and after paying items (a) to (j) but excluding item (h) of the Pre-Acceleration Revenue Priority of Payment, an amount equal to all Available Revenue Receipts shall be paid into the Retained Principal Receipts Fund and credited to the Retained Principal Receipts Ledger. Amounts standing to the credit of the Retained Principal Receipts Fund shall be used by the Issuer for the purchase of Additional Portfolios from the Seller.

(d) **Principal Deficiency Ledgers**

There will be two Principal Deficiency Ledgers, namely: (i) a principal deficiency ledger in respect of the Class A Notes (the **Class A Notes Principal Deficiency Ledger**) and (ii) a principal deficiency ledger in respect of the Class B Notes (the **Class B Notes Principal Deficiency Ledger**). Deficiencies arising from Losses on the Portfolio or the application of Principal Receipts and/or amounts applied as Available Revenue Receipts to cure any Income Deficits will be debited:

- (i) *firstly*, to the Class B Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class B Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class B Notes (taking into account any Principal Deficiency Amount previously debited to such Class B Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Acceleration Revenue Priority of Payments); and
- (ii) *secondly*, to the Class A Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class A Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class A Notes (taking into account any Principal Deficiency Amount previously debited to such Class A Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Acceleration Revenue Priority of Payments).

The Class A Notes Principal Deficiency Ledger will record as a credit Available Revenue Receipts applied pursuant to item (h) of the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, become Available Principal Receipts). The Class B Notes Principal Deficiency Ledger will record as a credit Available Revenue Receipts applied pursuant to item (n) of the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, become Available Principal Receipts).

(e) **Swap Payments Ledger**

The Swap Payments Ledger will record payments (other than payments of amounts in respect of Swap Collateral) made by the Swap Counterparty under the Swap Agreement to the Issuer and any payment or provision made under the relevant Priority of Payments in respect of the Swap Agreement shall be debited to the Swap Payments Ledger.

(f) **Retained Profit Ledger**

The Issuer's retained profit will be credited in the Retained Profit Ledger in accordance with the Pre-Acceleration Revenue Priority of Payments. Any dividends paid out of such amounts to Holdings shall be debited from such ledger.

Cash Reserve Account

The Issuer (or the Cash Manager on its behalf) shall establish and maintain the Cash Reserve Account with the Greek Account Bank. The Issuer (or the Cash Manager on its behalf) shall maintain the following ledgers on the Cash Reserve Account: (i) a Liquidity Cash Reserve Ledger, (ii) a Credit Cash Reserve Ledger and (iii) a Commingling Ledger. On the Closing Date the Issuer will deposit an amount equal to 78.95 per cent. of the Required Cash Reserve Amount in the Credit Cash Reserve Ledger and an amount equal to 21.05 per cent. of the Required Cash Reserve Amount in the Liquidity Cash Reserve Ledger. The Commingling Ledger will only be funded if the Controlling Shareholder's short-term unsecured, unsubordinated and unguaranteed debt rating falls below P2 by Moody's.

Amounts standing to the credit of the Liquidity Cash Reserve Ledger and the Credit Cash Reserve Ledger will be applied on each Calculation Date, up to but excluding the Calculation Date immediately preceding the Final Maturity Date, as follows:

- (i) *firstly*, amounts standing to the credit of the Credit Cash Reserve Ledger shall be used by the Issuer as Available Revenue Receipts; and
- (ii) *secondly*, if after applying the Available Revenue Receipts, such amounts are insufficient to pay items (a) to (h) of the Pre-Acceleration Revenue Priority of Payments, amounts standing to the credit of the Liquidity Cash Reserve Ledger shall be used by the Issuer as Available Revenue Receipts to pay items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments.

Amounts standing to the credit of the Commingling Ledger shall be used by the Issuer as Available Revenue Receipts.

In accordance with the provisions of the Pre-Acceleration Revenue Priority of Payments, the Cash Manager will, on each Interest Payment Date, credit the Cash Reserve Account such that the balance standing to the credit of the Cash Reserve Account is equal to the sum of the Required Cash Reserve Amount and (if required) the Commingling Reserve Required Amount.

On the Business Day before each Interest Payment Date, amounts standing to the credit of the Cash Reserve Account will be transferred to the Transaction Account.

Authorised Investments

The Cash Manager may invest moneys standing from time to time to the credit of the Transaction Account in Authorised Investments as determined by the Issuer or by the Servicer subject to, *inter alia*, the following provisions:

- (a) such Authorised Investment shall be made in the name of the Issuer;
- (b) any costs properly and reasonably incurred in making and changing Authorised Investments will be reimbursed to the Cash Manager by the Issuer; and
- (c) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Transaction Account.

Authorised Investments means:

- (a) any Euro denominated debt securities; and
- (b) Euro demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper),

provided that in all cases either such investments (i) have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date or (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) on or before the next following Interest Payment Date, and the short-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised financial institution) or if the relevant investments have a rating which is distinct from the rating of the issuing or guaranteeing entity then the rating of those investments, are rated at least P-1 by Moody's.

Reporting

The Cash Manager has agreed to prepare and deliver on or prior to each Calculation Date to, *inter alios*, the Issuer, the Security Trustee, the Note Trustee, the Seller, the Arranger and Moody's, a report substantially in the form set out in the Cash Management Agreement (the **Investor Report**) containing details of, *inter alia*, the Portfolio, amounts received by the Issuer from any source during the preceding three Collection Periods, amounts paid by the Issuer during such Collection Periods and amounts paid by the Issuer on the immediately preceding Interest Payment Date. The first Investor Report will be available by no later than five Business Days immediately following the Interest Payment Date falling in January 2009. The Investor Reports will be available on the Cash Manager's website, currently at www.sf.citidirect.com. The Cash Manager's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wanting to access the website will be required to certify that they are Noteholders or otherwise entitled to access the information posted thereon.

On or prior to two Business days before each Interest Payment Date, the Cash Manager has agreed to prepare the report on payments (the **Payment Report**) in respect of the preceding three Collection Periods and make it available to the Issuer, the Greek Account Bank, the Account Bank, the Principal Paying Agent, the Servicer, the Swap Counterparty, the Security Trustee and the Note Trustee, subject to the timely receipt by the Cash Manager of the information listed in Schedule 1 to the Cash Management Agreement from the Servicer or any other parties to the Transaction Documents. The first Payment Report will be available by no later than five Business Days immediately following the Interest Payment Date falling in January 2009.

In the event of the Cash Manager not receiving or receiving with delay (in whole or in part) the information of any amount necessary for it to prepare the Payment Report in respect of any Calculation Date but has evidence that the amounts standing to the credit of the Transaction Account are sufficient to pay the Interest (but excluding, for the avoidance of doubt, any Class A Notes Subordinated Step-up Amounts) on the Class A Notes and any other amount ranking in priority

thereto (the amount of which it is aware of) pursuant to the Pre-Acceleration Revenue Priority of Payments, the Cash Manager shall:

- (a) promptly inform the Issuer, the Arranger, the Security Trustee and the Note Trustee;
- (b) nonetheless prepare a Payment Report on or prior to the relevant Calculation Date based on the assumption that such amounts (being any amount coming from the relevant missing report) are equal to zero, save for (i) the fees due and payable on the next following Interest Payment Date to the Servicer which shall be assumed to be equal to the amount specified in the last available Servicer Quarterly Report, and (ii) any amounts to be received or paid by the Swap Counterparty which shall be calculated on the basis of the notional amount specified in the last available Servicer Quarterly Report; and
- (c) carry out, together with the Issuer, the Note Trustee, the Security Trustee, the Greek Account Bank, the Account Bank and the Principal Paying Agent, any activity which may be deemed reasonably necessary or appropriate for the purpose of any amounts, including the Cash Reserve Fund, standing to the credit of the Cash Reserve Account, being distributed in or towards payments of any interest amount in respect of the Most Senior Class of Notes and any other payment ranking in priority thereto, or *pari passu* therewith, on the relevant Interest Payment Date.

The Payment Report will contain, *inter alia*, details of:

- (a) the calculation of the Principal Amount Outstanding (before and after the succeeding Interest Payment Date) under the Notes, together with interest under the Notes due and payable on the succeeding Interest Payment Date;
- (b) the Available Revenue Receipts and the Available Principal Receipts relating to such Collection Periods; and
- (c) the payments made during the preceding Collection Periods and to the Cash Manager's knowledge required to be paid in the succeeding Collection Periods to any third party creditor of the Issuer.

In the absence of the Cash Manager notifying the Issuer, the Security Trustee, the Note Trustee, the Greek Account Bank and the Account Bank of any errors in any Payment Report prior to the relevant Interest Payment Date, such Payment Report shall be treated as constituting an instruction from the Issuer to the Greek Account Bank, the Account Bank and/or the Principal Paying Agent to make the payments and transfers referred to therein.

Termination

In certain circumstances the Issuer or the Security Trustee will have the right to terminate the appointment of the Cash Manager and to appoint a substitute cash manager (the identity of which will be subject to the Security Trustee's written approval). Any substitute cash manager will have substantially the same rights and obligations as the Cash Manager.

Applicable law and jurisdiction

The Cash Management Agreement will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Cash Management Agreement.

7. CORPORATE SERVICES AGREEMENT

On or prior to the Closing Date, *inter alia*, the Issuer, the Corporate Services Provider and the Security Trustee will enter into a corporate services agreement (the **Corporate Services Agreement**) pursuant to which the Corporate Services Provider will provide the Issuer and Holdings with certain corporate and administrative functions against the payment of a fee. Such services include, *inter alia*, the performance of all general book-keeping, secretarial, registrar and company administration services for the Issuer and Holdings (including the provision of directors), the providing of the directors with information in connection with the Issuer and Holdings and the arrangement for the convening of shareholders' and directors' meetings.

Applicable law and jurisdiction

The Corporate Services Agreement will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Corporate Services Agreement.

8. BANK ACCOUNT AGREEMENT

General

On or prior to the Closing Date, *inter alia*, the Issuer, the Account Bank and the Security Trustee will enter into a bank account agreement (the **Bank Account Agreement**) pursuant to which the Account Bank will provide the Issuer with certain banking functions including the establishment and operation of the Transaction Account, the Stand-by Rate Conversion Account and the Swap Collateral Cash Account and the Transaction Account Ledgers.

Applicable law and jurisdiction

The Bank Account Agreement will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Bank Account Agreement.

9. GREEK BANK ACCOUNT AGREEMENT

On or prior to the Closing Date, *inter alia*, the Issuer, the Greek Account Bank and the Security Trustee will enter into a Greek bank account agreement (the **Greek Bank Account Agreement**) pursuant to which the Greek Account Bank will provide the Issuer with certain banking functions including the establishment and operation of the Issuer Collection Account and the Cash Reserve Account.

The Greek Bank Account Agreement will be governed by Greek law.

10. ISSUER SAFETY DEPOSIT BOX AGREEMENT

On or prior to the Closing Date, *inter alia*, the Issuer, the Greek Account Bank and the Security Trustee will enter into an Issuer safety deposit box agreement (the **Issuer Safety Deposit Box Agreement**) pursuant to which the Greek Account Bank will provide the Issuer with the Issuer Safety Deposit Box. The Servicer will deposit the Post-Dated Cheques into the Issuer Safety Deposit Box until such time that the Post-Dated Cheques will need to be presented for payment.

The Issuer Safety Deposit Box Agreement will be governed by Greek law.

11. AGENCY AGREEMENT

General

On or prior to the Closing Date, the Issuer, the Note Trustee, the Principal Paying Agent, the Agent Bank and the Security Trustee will enter into an agency agreement (the **Agency Agreement**) pursuant to which provision will be made for, among other things, payment of principal and interest in respect of the Notes.

Applicable law and jurisdiction

The Agency Agreement will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Agency Agreement.

12. RATE CONVERSION RESERVE LOAN AGREEMENT

The Rate Conversion Loan Provider will, pursuant to the Rate Conversion Reserve Loan Agreement, make a Rate Conversion Reserve Loan to the Issuer.

A drawing will be made under the Rate Conversion Reserve Loan Agreement by the Issuer on the Calculation Date immediately following the Rating Downgrade Date. The amount drawn will correspond to the aggregate Rate Conversion Reserve Required Amounts for each of the Lease Agreements in respect of which one or more Rate Conversion(s) has occurred. On each subsequent Calculation Date a further drawing shall be made in the event that the aggregate Rate Conversion Reserve Required Amounts on such Calculation Date exceed the amount of the Rate Conversion Reserve Fund.

Interest on the Rate Conversion Reserve Loan will be paid by the Issuer on each Interest Payment Date from Available Revenue Receipts, subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments or, following enforcement of the Security, on any Business Day from Available Revenue Receipts and Available Principal Receipts in accordance with the Post-Enforcement Priority of Payments. Interest or other income earned by the Issuer on the amounts standing to the credit of the Stand-by Rate Conversion Reserve Account will be transferred to the Transaction Account on every Calculation Date and will form part of the Available Revenue Receipts.

Amounts drawn down under the Rate Conversion Reserve Loan Agreement will be partially repaid by the Issuer on each Interest Payment Date from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, or following enforcement of the Security on any Business Day from Available Revenue Receipts and Available Principal Receipts in accordance with the Post-Enforcement Priority of Payments.

The principal amount of the Rate Conversion Reserve Loan will be repaid in full (but the Rate Conversion Reserve Facility Commitment, will not be affected) on the Interest Payment Date following the date of a Rating Upgrade, from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, or following enforcement of the Security on any Business Day from Available Revenue Receipts and Available Principal Receipts in accordance with the Post-Enforcement Priority of Payments.

All amounts outstanding under the Rate Conversion Reserve Loan are additionally repayable from amounts standing to the credit of the Stand-by Rate Conversion Reserve Account if the Seller makes an indemnity payment under the Receivables Sale Agreement to the Issuer in respect of any final (*telesidiki*) claim which a Lessee has in respect of a Rate Conversion. In this situation, the Issuer

shall make a repayment of the Rate Conversion Reserve Loan in an amount equal to the difference between the Rate Conversion Reserve Required Amount in respect of the relevant Lease Agreement prior to such indemnity payment and the Rate Conversion Reserve Required Amount of such Lease Agreement after this indemnity payment.

All amounts outstanding under the Rate Conversion Reserve Loan will be due and payable on the Final Maturity Date or on such earlier date as the Notes are repaid in full, subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

Applicable law and jurisdiction

The Rate Conversion Reserve Loan Agreement will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Rate Conversion Reserve Loan Agreement.

13. COMMINGLING RESERVE LOAN AGREEMENT

The Commingling Reserve Loan Provider will, pursuant to the terms of the Commingling Reserve Loan Agreement, make a commingling reserve loan (the **Commingling Reserve Loan**) to the Issuer.

The Commingling Reserve Loan will be for an amount of 3 per cent. of the Principal Amount Outstanding of the Class A Notes and the Class B Notes at the next Interest Payment Date as calculated on any relevant Calculation Date and will be fully drawn by the Issuer on the Calculation Date immediately following the date on which the Controlling Shareholder's short-term unsecured, unsubordinated and unguaranteed debt rating falls below P-2 by Moody's. If after 10 Business Days, the Commingling Reserve Ledger is not funded, Cyprus Leasing will agree to notify within 30 days from the date of such downgrade of the Controlling Shareholder each individual borrower to pay directly into an Eligible Account in the name of the Issuer.

Interest on the Commingling Reserve Loan will be paid by the Issuer on each Interest Payment Date from Available Revenue Receipts subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments or, following enforcement of the Security, on any Business Day from Available Revenue Receipts and Available Principal Receipts in accordance with the Post-Enforcement Priority of Payments.

The Commingling Reserve Loan may be repaid from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments or from Available Revenue Receipts and Available Principal Receipts in accordance with the Post Enforcement Priority of Payments, as applicable.

In addition, prior to the delivery of a Note Acceleration Notice, on each Interest Payment Date the Issuer shall apply any amounts standing to the credit of the Cash Reserve Account recorded on the Commingling Ledger in excess of the Commingling Reserve Required Amount towards partially redeeming the Commingling Reserve Loan.

A commitment fee of €5,000 will be payable by the Issuer in respect of the Commingling Reserve Loan in accordance with the Pre-Enforcement Revenue Priority of Payments.

All amounts outstanding under the Commingling Reserve Loan will be due and payable on the Final Maturity Date or on such earlier date as the Notes are repaid in full.

Applicable law and jurisdiction

The Commingling Reserve Loan Agreement will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Commingling Reserve Loan Agreement.

14. SWAP AGREEMENT

General

On or around the Issue Date, the Issuer will enter into two swap transactions with the Swap Counterparty (collectively, the **Swap Transactions** and **Swap Transaction** means any one of those as the context requires) and two spread option transactions (collectively, the **Spread Option Transactions** and **Spread Option Transaction** means any one of those as the context requires). These Swap Transactions and Spread Option Transactions are intended to mitigate the Issuer's interest rate exposure arising as a result of differences between the rates of interest received under the Lease Receivables and the rate at which the Notes bear interest.

Each Swap Transaction and Spread Option Transaction is documented as a confirmation under a 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the **ISDA Master Agreement**), the schedule to the ISDA Master Agreement (the **Schedule**) and the credit support annex thereto (the **Credit Support Annex**), each as published by the International Swaps and Derivatives Association, Inc., (**ISDA**), and governed by English law (collectively, the **Swap Agreement**). The Swap Agreement is entered into between the Issuer and the Swap Counterparty.

The Swap Transactions

One of the two Swap Transactions to be entered into by the Issuer is intended to mitigate the interest rate risk derived from the Lease Agreements that provide for a floating rate of interest linked to one month EURIBOR. Under this Swap Transaction, the Issuer shall receive an amount calculated by reference to a rate equal to three month EURIBOR on each Interest Payment Date and shall pay an amount calculated by reference to a rate equal to the arithmetic average of EURIBOR determined for one month deposits in Euro for each TARGET2 Settlement Day in the three consecutive Collection Periods ending immediately preceding the relevant Interest Payment Date.

The second of the two Swap Transactions to be entered into by the Issuer is intended to mitigate the interest rate risk derived from the Lease Agreements that provide for a floating rate of interest linked to three month EURIBOR. Under this Swap Transaction, the Issuer shall receive an amount calculated by reference to a rate equal to three month EURIBOR on each Interest Payment Date and shall pay an amount calculated by reference to a rate equal to the arithmetic average of EURIBOR determined for three month deposits in Euro for each TARGET2 Settlement Day in the three consecutive Collection Periods ending immediately preceding the relevant Interest Payment Date.

The Spread Option Transactions

Under one Spread Option Transaction, the Issuer shall receive an amount determined by reference to a rate equal to three month EURIBOR minus the arithmetic average of EURIBOR determined for one month deposits in Euro for each TARGET2 Settlement Day in the three consecutive Collection Periods ending immediately preceding the relevant Interest Payment Date minus a spread provided that the resulting rate is greater than zero.

Under the other Spread Option Transaction, the Issuer shall receive an amount determined by reference to a rate equal to three month EURIBOR minus the arithmetic average of EURIBOR determined for three month deposits in Euro for each TARGET2 Settlement Day in the three

consecutive Collection Periods ending immediately preceding the relevant Interest Payment Date minus a spread provided that the resulting rate is greater than zero.

Ratings Downgrades

Pursuant to the terms of the Swap Agreement, if the relevant ratings of the Swap Counterparty (or any guarantor under an Eligible Guarantee, as such term is defined in the Swap Agreement) are downgraded by Moody's below the ratings specified in the Swap Agreement (in accordance with the requirements of Moody's) for the Swap Counterparty and where applicable, as a result of the downgrade, the then current rating of the Notes would or may, as applicable, be adversely affected (a **Swap Counterparty Ratings Downgrade**), and the Swap Counterparty fails to take measures to cure the Swap Counterparty Ratings Downgrade (such as arranging for its obligations to be transferred or procuring another entity with the requisite ratings to become a guarantor) or posting collateral in accordance with the Credit Support Annex) within the relevant time period specified in the Swap Agreement, then, in accordance with the terms specified under the Swap Agreement, such failure may constitute a Termination Event under the Swap Agreement with the Issuer being entitled to terminate the Swap Transactions (a **Swap Counterparty Downgrade Event**).

Deduction or withholding

If withholding taxes are imposed on payments made by the Swap Counterparty under the Swap Agreement, the Swap Counterparty shall always be obliged to gross up these payments. If withholding taxes are imposed on payments made by the Issuer to the Swap Counterparty under the Swap Agreement, the Issuer shall not be obliged to gross up those payments.

The Swap Counterparty will be entitled, under certain circumstances, to terminate the Swap Transaction in respect of which (i) it is obliged to gross up payments following any withholding or deduction for or on account of any taxes or (ii) it receives a payment in respect of which an amount is required to be deducted or withheld for or on account of any taxes.

To the extent that the Issuer obtains any tax credit, allowance, set off or repayment from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to such payment (a **Tax Credit**), it will pay to the Swap Counterparty as soon as practical after receipt of the same so much of the cash benefit (as calculated below) relating thereto which it has received as will leave the Issuer in substantially the same (but in any event no worse) position as it would have been in if no such deduction or withholding had been required. Any such amount in respect of a Tax Credit obtained by the Issuer will be paid directly to the Swap Counterparty and outside of the applicable Priority of Payments.

Return of Excess Swap Collateral

On the Closing Date, the Issuer will open the Swap Collateral Cash Account with the Account Bank.

If the Swap Counterparty is required to transfer collateral in the form of securities in accordance with the Credit Support Annex, the Issuer will open a swap collateral securities account with the Custodian of a type appropriate to the form of the collateral.

The Issuer's obligation to return, from time to time, any Excess Swap Collateral to the Swap Counterparty will be met, from time to time, by utilising monies and/or securities standing to the credit of the Swap Collateral Cash Account and the Swap Collateral Securities Account. The Issuer will make these payments and/or will return collateral to the Swap Counterparty as they fall due which may include days other than the Interest Payment Dates. These payments and/or return of collateral will be made directly to the Swap Counterparty and outside of the applicable Priority of Payments.

Termination of the Swap Transactions

Under the terms of the Swap Agreement, the Swap Counterparty may terminate the Swap Transactions in a limited number of circumstances that may include the following:

- (a) at the option of one party to the Swap Agreement, if there is a failure by the other party to pay any amounts due under the Swap Agreement and any applicable grace period has expired;
- (b) with certain limited exceptions, at the option of the Issuer, if a breach of the Swap Agreement by the Swap Counterparty is not remedied within the applicable grace period;
- (c) at the option of the Issuer, if there is a credit support related default as a result of certain actions by the Swap Counterparty (or its guarantor);
- (d) at the option of the Issuer, if the Swap Counterparty (or any party guaranteeing the swap counterparty's credit support obligations) has made a material misrepresentation under the Swap Agreement;
- (e) at the option of one party, if certain insolvency events occur with respect to the other party;
- (f) at the option of the Issuer, the merger of the Swap Counterparty without an assumption of its obligations under the Swap Agreement;
- (g) at the option of one party, if a change in law results in the obligations of the other party becoming illegal;
- (h) at the option of the Swap Counterparty, if withholding taxes are imposed on payments made by the Swap Counterparty under the Swap Agreement due to a change in law;
- (i) at the option of the Swap Counterparty, if withholding taxes are imposed on payments made by the Swap Counterparty due to the Issuer merging with or being acquired by another entity;
- (j) at the option of the Swap Counterparty, if the Notes are redeemed, purchased or otherwise extinguished in full as a result of a mandatory redemption in whole pursuant to Condition 6.2 (*Optional redemption in whole for taxation or other reasons*) or 6.3 (*Optional redemption – Call Date*) under "Terms and Conditions of the Notes";
- (k) at the option of the Swap Counterparty, if there is an amendment by the Issuer to the Transaction Documents which results in the Swap Counterparty paying more or receiving less under the Swap Agreement than it would otherwise have been required to pay or entitled to receive;
- (l) at the option of the Issuer, if there is a Swap Counterparty Ratings Downgrade and the Swap Counterparty fails to comply with the requirements of the ratings downgrade provisions contained in the Swap Agreement (and as outlined above); and
- (m) at the option of the Swap Counterparty, the Note Trustee serves a Note Acceleration Notice on the Issuer in accordance with Condition 9.1.

If the Swap Transactions are terminated for any reason, the Swap Counterparty or the Issuer may be required to pay an amount to the other party as a result of the termination. Following such a termination any payments by the Issuer to the Swap Counterparty will be made in accordance with

the applicable Priority of Payments other than the payments which are specifically excluded from such Priority of Payments.

Any amount paid by the Swap Counterparty to the Issuer upon termination of the Swap Transactions in respect of any termination payment will not form part of the Available Revenue Receipts or Available Principal Receipts to the extent such amount will be utilised by the Issuer, on any day, to pay the premium due to the replacement swap counterparty for entering into swap transactions reflecting, as closely as reasonably possible, the economic, legal and credit terms of the terminated Swap Transactions.

Transfer

The Swap Counterparty may, subject to certain conditions set out in the Swap Agreement, transfer all or substantially all of its rights and obligations with respect to the Swap Agreement to any other entity that could lawfully perform the obligations owing to the Issuer under the Swap Agreement (or its replacement, as applicable). Such conditions include, but are not limited to the following:

- (i) the transferee entity must be an entity that has the required rating as set out in the Swap Agreement or whose present and future obligations owing to the Issuer under the Swap Agreement (or its replacement, as applicable) are guaranteed pursuant to an Eligible Guarantee (as defined in the Swap Agreement) provided by a guarantor with the Second Trigger Required Ratings (as defined in the Swap Agreement); and
- (ii) the transferee must contract on terms that are, in all material respects, no less beneficial for the Issuer than the terms of the Swap Agreement immediately before such transfer.

See "*The Swap Counterparty*" below.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed. The terms and conditions set out below will apply to the Notes in global form.

The €363,900,000 class A asset backed floating rate notes due 2046 (the **Class A Notes**), €274,400,000 class B asset backed floating rate notes due 2046 (the **Class B Notes**) and the €51,100,000 class C asset backed floating rate notes due 2046 (the **Class C Notes** and together with the Class A Notes and the Class B Notes, the **Notes**) in each case of Misthosis Funding Plc (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) dated 18 September 2009 (the **Closing Date**) and made between the Issuer and Citicorp Trustee Company Limited (in such capacity, the **Note Trustee**) as trustee for the Noteholders (as defined below). Any reference in these terms and conditions (**Conditions**) to a **class** of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes or the Class C Notes, as the case may be, or to the respective holders thereof.

The security for the Notes is constituted by a deed of charge and assignment (the **Deed of Charge**) dated the Closing Date and made between, among others, the Issuer and Citicorp Trustee Company Limited (in such capacity, the **Security Trustee**).

Pursuant to an agency agreement (the **Agency Agreement**) dated the Closing Date and made between the Issuer, Citibank N.A., London Branch as principal paying agent (the **Principal Paying Agent** which expression includes its successors and, together with such additional or other paying agents, if any, appointed from time to time pursuant to the Agency Agreement, the **Paying Agents**), Citibank N.A., London Branch as agent bank (the **Agent Bank**) and the Note Trustee, provision is made for the payment of principal, premium (if any) and interest in respect of the Notes of each class.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and the master definitions and construction schedule (the **Master Definitions and Construction Schedule**) dated on or about the Closing Date and made between, *inter alia*, the Issuer, the Paying Agents and the Note Trustee.

Copies of the Trust Deed, the Deed of Charge, the Bank Account Agreement, the Master Definitions and Construction Schedule, the Purchase Agreement, the Servicing Agreement and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of the Principal Paying Agent. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above. These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

1. FORM, DENOMINATION AND TITLE

1.1 Each class of the Notes is initially represented by a temporary global note (each, a **Temporary Global Note**) in bearer form in the aggregate principal amount on issue of €363,900,000 for the Class A Notes, €274,400,000 for the Class B Notes and €51,100,000 for the Class C Notes. Each Temporary Global Note has been deposited on behalf of the subscribers of the relevant class of Notes with a common safekeeper (the **Common Safekeeper**) for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and Euroclear Bank S.A/N.V. (**Euroclear** and together with Clearstream, Luxembourg, the **Clearing Systems**) on the Closing Date. Upon deposit of the Temporary Global Notes, the Clearing Systems credited each subscriber of Notes with the principal

amount of Notes of the relevant class equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in each Temporary Global Note are exchangeable on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests recorded in the records of the Clearing Systems in a permanent global note (each, a **Permanent Global Note**) representing the same class of Notes (the expressions **Global Notes** and **Global Note** meaning, respectively, (i) all the Temporary Global Notes and the Permanent Global Notes or the Temporary Global Note and the Permanent Global Note of a particular class, or (ii) any of the Temporary Global Notes or Permanent Global Notes, as the context may require). The Permanent Global Notes have also been deposited with the Common Safekeeper for the Clearing Systems. Title to the Global Notes will pass by delivery.

Interests in a Global Note will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

For so long as the Notes are represented by a Global Note and the Clearing Systems so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000.

- 1.2 If, while any of the Notes are represented by a Permanent Global Note, (i) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Note Trustee is then in existence or (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Interest Payment Date (as defined below) be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form, then the Issuer will issue Notes of the relevant class in definitive form (**Definitive Notes**) in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Conditions and the Transaction Documents will be amended in such manner as the Note Trustee and the Security Trustee require to take account of the issue of Definitive Notes.
- 1.3 Definitive Notes, if issued, will only be printed and issued in the denomination of €100,000. No Definitive Notes will be issued with a denomination above €100,000. Such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons, principal coupons and, if necessary, talons attached.
- 1.4 **Noteholders** means each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding (as defined in **Condition 6.5 (Principal Amount Outstanding)**) of the Notes of any class (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of the Notes standing to the account of any person shall be conclusive and binding for all purposes) and such person shall be treated by the Issuer, the Note Trustee, the Security Trustee and all other persons as the holder of such Principal Amount Outstanding of such Notes for all purposes (including for the purposes of any quorum or voting requirements, or the rights to demand a poll at meetings of Noteholders), other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, the Note Trustee, the Security Trustee and all other persons, solely in the bearer of the relevant Global Note in accordance with and subject to the terms of the Global Note and the Trust Deed and for which purpose **Noteholders** means the bearer of the relevant Global Note; and related expressions shall be construed accordingly.
- 1.5 (a) **Class A Noteholders** means Noteholders in respect of the Class A Notes;

- (b) **Class B Noteholders** means Noteholders in respect of the Class B Notes; and
- (c) **Class C Noteholders** means Noteholders in respect of the Class C Notes.

2. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND SECURITY

2.1 Status and relationship between the Notes

- (a) The Class A Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)**, unconditional obligations of the Issuer. The Class A Notes rank *pari passu* without preference or priority amongst themselves.
- (b) The Class B Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)** and **Condition 15 (Subordination by Deferral)**, unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority amongst themselves but junior to the Class A Notes as provided in these Conditions and the Transaction Documents.
- (c) The Class C Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)** and **Condition 15 (Subordination by Deferral)**, unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority amongst themselves but junior to the Class A Notes and the Class B Notes as provided in these Conditions and the Transaction Documents.
- (d) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee in any such case (except where expressly provided otherwise) to have regard only to:
 - (i) the interests of the Class A Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of:
 - (A) the Class A Noteholders; and
 - (B) the Class B Noteholders and/or the Class C Noteholders; or
 - (ii) subject to paragraph (i) above, the interests of the Class B Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of:
 - (A) the Class B Noteholders; and
 - (B) the Class C Noteholders.
- (e) The Trust Deed contains provisions limiting the powers of the Class B Noteholders and/or the Class C Noteholders to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the Class A Noteholders and also, in the case of a request or direction or an Extraordinary Resolution of the Class C Noteholders, the Class B Noteholders. Except in certain circumstances the Trust Deed contains no such limitation on the powers of the Class A Noteholders or, by reference to the effect on the interests of the Class C Noteholders, the Class B Noteholders, the exercise of which will be binding on the Class B Noteholders and/or, as the case may be, the Class C Noteholders, irrespective of the effect thereof on their interests.

2.2 Security

- (a) The security constituted by the Deed of Charge is granted to the Security Trustee on trust for the Noteholders and certain other creditors of the Issuer, upon and subject to the terms and conditions of the Deed of Charge.
- (b) The Noteholders will share in the benefit of the security constituted by the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

3. COVENANTS

3.1 Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or (ii) have any subsidiaries (as defined in the Companies Act 1985), any subsidiary undertakings (as defined in the Companies Act 2006) or any employees or premises;
- (c) **Disposal of assets:** transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (d) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders or issue any further shares;
- (e) **Indebtedness:** incur any financial indebtedness or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (f) **Merger:** consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (g) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the 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 its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (h) **Bank accounts:** have an interest in any bank account other than the Bank Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to it;
- (i) **Corporation tax:** prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296); or
- (j) **VAT:** apply to become part of any group for the purposes of sections 43 to 43D of the Value Added Tax Act 1994 and the VAT (Groups: eligibility) Order (S.I. 2004/1931) with any other company or group of companies, or such act, regulation, order, statutory instrument or

directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same.

3.2 Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of the Transaction Documents, the Issuer shall, so long as any Note remains outstanding:

- (a) maintain its books and records, accounts and financial statements separate from any other person or entity and use separate stationery, invoices and cheques;
- (b) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its affiliates (if any);
- (c) pay its own liabilities out of its own funds;
- (d) not commingle its assets with those of any other entity; and
- (e) observe all formalities required by its memorandum and articles of association (including maintaining adequate capital for its operations).

3.3 The Issuer will provide the Paying Agents with copies of the following documents, which will be available for collection during normal business hours at the specified office for the time being of the Principal Paying Agent:

- (a) the memorandum and articles of association of the Issuer and Holdings;
- (b) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to herein;
- (c) the Master Definitions Schedule;
- (d) the Purchase Agreement;
- (e) the Deed of Charge;
- (f) the Trust Deed;
- (g) the Bank Account Agreement;
- (h) the Greek Bank Account Agreement;
- (i) the Subscription Agreement;
- (j) the Cash Management Agreement;
- (k) the Servicing Agreement;
- (l) the Swap Agreement;
- (m) the Agency Agreement;
- (n) the Corporate Services Agreement;
- (o) the Issuer Safety Deposit Box Agreement;

- (p) the Rate Conversion Reserve Loan Agreement;
- (q) the Commingling Reserve Loan Agreement;
- (r) the Greek Assignment Agreement;
- (s) the Greek Law Pledge Agreement; and
- (t) the Greek Future Claims Pledge Agreement.

4. INTEREST

4.1 Interest Accrual

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the due date for redemption unless, upon due presentation in accordance with **Condition 5 (Payments)**, payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

4.2 Interest Payment Dates

The Notes bear interest on their respective Principal Amounts Outstanding from and including the Closing Date payable quarterly in arrear on the 22 October, 22 January, 22 April and 22 July in each year (each an **Interest Payment Date**) in respect of the Interest Period (as defined below) ended immediately prior thereto. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. The first payment shall be due on 22 January 2010. The period from and including the Closing Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date is called an **Interest Period**.

4.3 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 on the basis of the following provisions:

- (a) On each Interest Determination Date (as defined below), Citibank N.A., London Branch (in such capacity, the **Agent Bank**) will determine the Screen Rate (as defined below) at approximately 11.00 a.m. (Brussels time) on that Interest Determination Date. If the Screen Rate is unavailable, the Agent Bank will request the principal Euro-zone (as defined below) office of each of the Reference Banks (as defined below) to provide the Agent Bank with the rate at which deposits in Euro are offered by it to prime banks in the Euro-zone interbank market for three months at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question and for a Representative Amount (as defined below).
- (b) The Rate of Interest for the Interest Period in respect of each class of the Notes shall be the Screen Rate plus the Margin (as defined below) applicable to the relevant class of Notes or, if the Screen Rate is unavailable, and at least two of the Reference Banks provide such rates, the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) as established by the Agent Bank of such rates, plus the applicable Margin.

- (c) If fewer than two rates are provided as requested, the Rate of Interest for that Interest Period will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the first day of such Interest Period for loans in Euro to leading European banks for a period of three months commencing on the first day of such Interest Period and for a Representative Amount, plus the applicable Margin. If the Rate of Interest cannot be determined in accordance with the above provisions, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that preceding Interest Period).
- (d) In these Conditions (except where otherwise defined), the expression:
- (i) **Banking Day** means, in respect of any city, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city;
 - (ii) **Business Day** means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and a TARGET2 Settlement Day;
 - (iii) **Euro-zone** means the region comprised of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25th March, 1957) as amended;
 - (iv) **Interest Determination Date** means the second TARGET2 Settlement Day before the commencement of the Interest Period for which the rate will apply;
 - (v) **Margin** means:
 - (A) in relation to the Class A Notes,:
 - I. (prior to the Interest Payment Date falling in October 2014), 0.20 per cent. per annum; or
 - II. (on and following the Interest Payment Date falling in October 2014) 0.75 per cent per annum.
 - (B) in relation to the Class B Notes, a margin of 1.00 per cent. per annum; and
 - (C) in relation to the Class C Notes, a margin of 1.25 per cent. per annum;
 - (vi) **Reference Banks** means the principal Euro-zone office of each of three major banks engaged in the Euro-zone interbank market selected by the Agent Bank, provided that, once a Reference Bank has been selected by the Agent Bank, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such;
 - (vii) **Representative Amount** means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time;

- (viii) **Screen Rate** means the rate for three month deposits in Euro which appears on the EURIBOR01 page of the Reuters screen service (or such other page as may replace that page on that service) or, in the case of the first Interest Period, a linear interpolation of the rates for 4 and 5 month deposits in Euro which appear as aforesaid; and
- (ix) **TARGET2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System launched on 19 November 2007 is open.

4.4 **Determination of Rate of Interest and Interest Amounts**

The Agent Bank shall, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date, but in no event later than the third Business Day thereafter, determine the respective amounts (the **Interest Amounts**) payable in respect of interest on the aggregate Principal Amount Outstanding of each class of the Notes for the relevant Interest Period. The Interest Amounts shall be determined by applying the relevant Rate of Interest to such aggregate Principal Amount Outstanding, multiplying the sum by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure downwards to the nearest cent.

4.5 **Publication of Rate of Interest and Interest Amounts**

The Agent Bank shall cause the Rates of Interest and the Interest Amounts for each Interest Period and the relative Interest Payment Date to be notified to the Issuer, the Trustee, each of the Clearing Systems and to any stock exchange or other relevant authority on which the Notes are at the relevant time admitted to trading and/or listed and to be published in accordance with **Condition 14 (Notice to Noteholders)** as soon as possible after their determination and in no event later than the second Business Day thereafter. The Interest Amounts and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

4.6 **Determination by the Note Trustee**

The Note Trustee, or an appointee thereof, shall, if the Agent Bank defaults at any time in its obligation to determine the Rates of Interest and Interest Amounts in accordance with the above provisions, determine the Rates of Interest and Interest Amounts, the former at such rates as, in its absolute discretion (having such regard as it shall think fit to the procedure described above, it shall deem fair and reasonable in all the circumstances and the latter in the manner provided in **Condition 4.4 (Determination of Rate of Interest and Interest Amounts)**) and the determinations shall be deemed to be determinations by the Agent Bank.

4.7 **Notifications, etc. to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4**, whether by the Reference Banks (or any of them), the Agent Bank or the Note Trustee, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Note Trustee, the Agent Bank, the Paying Agents and all Noteholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Reference Banks (or any of them), the Agent Bank or, if applicable, the Note Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this **Condition 4**.

4.8 Agent Bank

The Issuer shall procure that, so long as any of the Notes remains outstanding, there is at all times an Agent Bank for the purposes of the Notes and the Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Rates of Interest and the Interest Amounts for any Interest Period, the Issuer shall, subject to the prior written approval of the Note Trustee, appoint the Euro-zone office of another major bank engaged in the Euro-zone interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

5. PAYMENTS

5.1 Payments in respect of Notes

Payments in respect of principal, premium (if any) and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with **Condition 14 (Notice to Noteholders)** for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal, premium or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers which reflect such customers' interest in the Notes) and such records shall be *prima facie* evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered *pro rata* in the records of the relevant Clearing Systems but any failure to make such entries shall not affect the discharge referred to above.

5.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

5.3 Payments subject to Applicable Laws

Payments in respect of principal, premium (if any) and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

5.4 Payment only on a Presentation Date

A holder shall be entitled to present a Global Note for payment only on a Presentation Date and shall not, except as provided in **Condition 4 (Interest)**, be entitled to any further interest or other payment if a Presentation Date is after the due date.

Presentation Date means a day which (subject to **Condition 8 (Prescription)**):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Global Note is presented for payment; and

- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In this **Condition 5.4, Business Day** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and **TARGET2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System launched on 19 November 2007 is open.

5.5 Principal Paying Agent

The name of the Principal Paying Agent and its initial specified office are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a person appointed to perform the obligations of the Principal Paying Agent;
- (b) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange and competent authority; and
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with **Condition 14 (Notice to Noteholders)**.

6. REDEMPTION

6.1 Redemption at maturity

Unless previously redeemed in full, the Issuer will redeem the Notes at their respective Principal Amounts Outstanding on the Interest Payment Date falling in October 2046 (the **Final Maturity Date**).

6.2 Optional redemption in whole for taxation or other reasons

If the Issuer at any time satisfies the Note Trustee that:

- (a) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Interest Payment Date, the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any class of the Notes any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by United Kingdom, the Hellenic Republic or the Republic of Cyprus or any political sub-division thereof or any authority thereof or therein having power to tax;
- (b) any amount in respect of tax is required to be deducted or withheld from amounts payable to the Issuer under the Lease Receivables by reason of a change in law, or a change in the

interpretation or administration thereof, which change becomes effective after the Closing Date and/or the Seller is required to pay an additional amount in respect of Tax to the Issuer as a result of a change in law or a change in the interpretation or administration thereof in accordance with the terms of the Purchase Agreement, which change becomes effective after the Closing Date;

- (c) the Issuer has become subject to taxation or incurred a taxation liability in the Hellenic Republic or the Republic of Cyprus by reason of a change in law, or a change in the interpretation or administration thereof, which change becomes effective after the Closing Date; or
- (d) the Aggregate Discounted Balance is less than 10% of the Aggregated Discounted Balance as of the Initial Cut-Off Date,

then the Issuer shall inform the Note Trustee accordingly and shall, in the case of **sub-paragraph (a) above**, in order to avoid the event described therein, use its reasonable endeavours to appoint a Paying Agent incorporated in another jurisdiction (approved in writing by the Note Trustee and on terms acceptable to the Note Trustee) or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes. If the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described above is continuing and that, in the case of the relevant event described in **sub-paragraph (a) above**, the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such a substitution, then the Issuer may, on any Interest Payment Date and having given not more than 60 nor less than 30 days' notice (or, in the case of an event described in **sub-paragraph (a) above**, such shorter period expiring on or before the latest date permitted by relevant law) to the Noteholders in accordance with **Condition 14 (Notice to Noteholders)** and to the Note Trustee, redeem all, but not some only, of the Notes at their respective Principal Amounts Outstanding together with accrued but unpaid interest up to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this **Condition 6.2**, the Issuer shall deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that: (i) in the case of an event arising within **subparagraph (a)**, that the event described above is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such a substitution; and (ii) in the case of **subparagraphs (a) and (d)**, the Issuer will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

6.3 Optional redemption – call date

On the Interest Payment date falling in October 2014 on which the margin on the Class A Notes is increased pursuant to **Condition 4.3 (Rate of Interest)** (the **Step-up Date**) and on any Interest Payment Date falling hereafter (each a **Call Date**) and provided that:

- (a) the Issuer has given not more than 60 not less than 30 day's notice to the Noteholders in accordance with **Condition 14 (Notice to Noteholders)** and to the Note Trustee; and
- (b) the Issuer has, immediately prior to giving such notice, delivered a certificate to the Note Trustee signed by two directors, stating that it will have the necessary funds to pay all principal and interest due in respect of the Class A Notes, the Class B Notes and the Class C

Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date,

the Issuer may redeem all, but not some only, of the Class A Notes, the Class B Notes and the Class C Notes at their respective Principal Amounts Outstanding together with accrued but unpaid interest up to but excluding the date of redemption.

6.4 Mandatory redemption in part

On each Interest Payment Date following the termination of the Revolving Period and prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Issuer shall apply Available Principal Amounts in redemption of the Notes in accordance with the Pre-Acceleration Principal Priority of Payments.

On and after the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Issuer shall redeem the Notes in accordance with the Post-Acceleration Priority of Payments.

For the avoidance of doubt the Notes will be redeemed, subject to and in accordance with the relevant Priority of Payments on each Interest Payment Date, provided that no amount shall be applied to redeem the Notes during the Revolving Period.

6.5 Principal Amount Outstanding

The **Principal Amount Outstanding** of a Note on any date shall be its original principal amount less the aggregate amount of all principal payments in respect of such Note which have become due and payable and received by the relevant Noteholder since the Closing Date except if and to the extent that any such payment has been improperly withheld or refused.

6.6 Notice of redemption

Any such notice as is referred to in **Condition 6.2 (Optional redemption in whole for taxation or other reasons)** or **Condition 6.3 (Optional redemption – call date)** above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above.

6.7 No purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

6.8 Cancellation

All Notes redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

7. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law. In that event, but without limitation to the Issuer's obligations under **Condition 6.2(a)**, the Issuer or, as the case may be, the relevant Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

8. PRESCRIPTION

Claims in respect of principal and interest on the Notes will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

In this **Condition 8**, the **Relevant Date**, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the moneys payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such moneys having been received, notice to that effect is duly given to the relevant Noteholders in accordance with **Condition 14 (Notice to Noteholders)**.

9. EVENTS OF DEFAULT

9.1 The Note Trustee in its absolute discretion may, and if so directed in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding and thereafter the Class C Notes while they remain outstanding (the **Most Senior Class Outstanding**) or if so directed by an Extraordinary Resolution of the Most Senior Class Outstanding (subject, in each case, to being indemnified and/or secured and/or pre-funded to its satisfaction, against all Liabilities for which it may become liable or which it may incur by so doing), but, in the case of the happening of any of the events described in sub-paragraph (d), only if the Note Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Most Senior Class Outstanding, give notice (a **Note Acceleration Notice**) to the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed, in any of the following events (each, an **Event of Default**):

- (a) an Insolvency Event occurs with respect to the Issuer; or
- (b) the Issuer defaults in the payment of any interest on the Class A Notes (excluding Class A Notes Subordinated Step Up Amounts), any interest on the Class B Notes or any interest on the Class C Notes when the same becomes due and payable, and such default continues for a period of five Business Days, provided that a deferral of interest in accordance with **Condition 15 (Subordination by Deferral)** shall not constitute a default in the payment of such interest for the purposes of this Condition; or
- (c) the Issuer defaults in the payment of principal on any Note when due and payable; or
- (d) the Issuer fails to perform or observe any of its other obligations under these Conditions, the Trust Deed or any Transaction Document to which it is a party and (except in any case where the Note Trustee or, in the case of the Deed of Charge and the Greek Security Documents, the Security Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of thirty days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee or, as the case may be, the Security Trustee on the Issuer of notice requiring the same to be remedied.

9.2 General

Upon the service of a Note Acceleration Notice by the Note Trustee in accordance with **Condition 9.1 above**, all classes of the Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amounts Outstanding, together with accrued interest

as provided in the Trust Deed. The security constituted by the Deed of Charge and the Greek Security Documents will become enforceable upon the occurrence of an Event of Default.

9.3 Restriction

Except in the case of an Event of Default referred to in Condition 9.1(b) or 9.1(c), the Note Trustee will not be entitled to direct the Security Trustee to dispose of any of the assets comprised in the security constituted by the Deed of Charge and the Greek Security Documents unless a financial adviser selected by the Note Trustee (and if the Note Trustee is unable to obtain such advice having made reasonable efforts to do so this **Condition 9.3** will not apply) has confirmed that, in its opinion, either (i) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the Noteholders in accordance with the Post Acceleration Priority of Payments or (ii) a sufficient amount would not be so realised, but the resulting shortfall would be less than the shortfall that would result from not disposing of such assets.

10. ENFORCEMENT

The Note Trustee may, at any time, at its discretion and without notice, take such action under or in connection with any of the Transaction Documents as it may think fit (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, after the occurrence of an Event of Default, to take steps to enforce the security constituted by the Deed of Charge and the Greek Security Documents), provided that:

- (a) the Note Trustee shall not be bound to take any such action unless (subject in all cases to restrictions contained in the Trust Deed to protect the interests of any higher ranking class or classes of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Most Senior Class Outstanding or so directed in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the Most Senior Class Outstanding;
- (b) (except where expressly provided otherwise) the Security Trustee shall not, and shall not be bound to, take any such action unless it shall have been so directed by (i) the Note Trustee or (ii) if there are no Notes outstanding, the Secured Creditor who ranks most senior in the Post Acceleration Priority of Payments (other than the Note Trustee, Security Trustee and the Paying Agents);
- (c) neither the Note Trustee nor the Security Trustee shall be bound to take any such action unless it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities for which it may become liable or which it may incur by so doing; and
- (d) neither the Note Trustee nor the Security Trustee shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

Notwithstanding the foregoing, the Deed of Charge will provide that the Security Trustee shall enforce the security constituted by the Deed of Charge by appointing an administrative receiver in respect of the Issuer if it has actual notice of (i) an application for the appointment of an administrator in respect of the Issuer or (ii) the giving of a notice of intention to appoint an administrator in respect of the Issuer, such appointment of an administrative receiver to take effect not later than the final day by which the appointment must be made in order to prevent an administration proceeding.

The Deed of Charge will further provide that (i) the Security Trustee will not be liable for any failure to appoint an administrative receiver in respect of the Issuer, save in the case of its own gross negligence, wilful default or fraud and (ii) in the event that the Security Trustee appoints an administrative receiver in respect of the Issuer under the Deed of Charge in the circumstances set out

in the paragraph above, then the Issuer shall waive any claims against the Security Trustee in respect of the appointment of the administrative receiver.

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or to enforce the Issuer Security unless the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, provided that no Noteholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse in accordance with this **Condition 10** to the property, assets and undertakings of the Issuer the subject of any security created by the Deed of Charge and the Greek Security Documents (the **Charged Assets**). If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and rights to seek payment of such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

11. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

11.1 The Trust Deed contains provisions for convening meetings of the Noteholders of each class and, in certain cases, more than one class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents. A meeting of Noteholders (or any class thereof) may be convened by the Note Trustee or the Issuer at any time and must be convened by the Note Trustee (subject to its being indemnified and/or secured to its satisfaction) upon the request in writing of Noteholders of a particular class holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes of that class.

11.2 An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on the Class B Noteholders and the Class C Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed will not take effect unless: (i) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class B Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class B Noteholders; and (ii) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class C Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class C Noteholders.

- 11.3 An Extraordinary Resolution (other than an Extraordinary Resolution referred to in **Condition 11.2** above) passed at any meeting of the Class B Noteholders shall not be effective for any purpose unless either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders or it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, but subject also to **Condition 11.4** below.
- 11.4 An Extraordinary Resolution passed at any meeting of the Class B Noteholders shall be binding on the Class C Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed will not take effect unless the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class C Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class C Noteholders.
- 11.5 An Extraordinary Resolution (other than an Extraordinary Resolution referred to in **Condition 11.2** or **11.4** above) passed at any meeting of the Class C Noteholders shall not be effective for any purpose unless:
- (a) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders or it is sanctioned by an Extraordinary Resolution of the Class A Noteholders; and
 - (b) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class B Noteholders or it is sanctioned by an Extraordinary Resolution of the Class B Noteholders.
- 11.6 Subject as provided below, the quorum at any meeting of Noteholders of any class or classes for passing an Extraordinary Resolution will be one or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of such class or classes of Notes then outstanding, or, at any adjourned meeting, one or more persons being or representing a Noteholder of the relevant class or classes, whatever the aggregate Principal Amount Outstanding of the Notes of such class or classes held or represented by it or them.
- 11.7 The quorum at any meeting of Noteholders of any class or classes for passing an Extraordinary Resolution to sanction a modification of the date of maturity of any Notes or which would have the effect of changing any day for payment of interest or principal thereon, changing the amount of principal or the rate of interest payable in respect of such Notes, altering the currency of payment of such Notes, altering the quorum or majority required in relation to this exception or altering this definition (each, together with any other modification set out in paragraph 7 of Schedule 4 of the Trust Deed and defined as such, a **Basic Terms Modification**) shall be one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than one-quarter of the aggregate Principal Amount Outstanding of the Notes then outstanding of such class or classes.
- 11.8 The Note Trustee may agree, or may direct the Security Trustee to agree, without the consent of the Noteholders:
- (a) to any modification, or to any waiver or authorisation of any breach or proposed breach, of these Conditions, the Trust Deed or any of the other Transaction Documents which, in the opinion of the Note Trustee, is not materially prejudicial to the interests of the Noteholders of any class; or
 - (b) to any modification which, in the opinion of the Note Trustee, is to correct a manifest or proven error or is of a formal, minor or technical nature.

- 11.9 The Note Trustee may also, without the consent of the Noteholders, determine that an Event of Default shall not, or shall not subject to specified conditions, be treated as such, which is not, in the opinion of the Note Trustee materially prejudicial to the interests of the Noteholders of any Class.
- 11.10 Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with **Condition 14 (Notice to Noteholders)**.
- 11.11 In connection with any such substitution of principal debtor referred to in **Condition 6.2 (Optional redemption in whole for taxation or other reasons)**, the Note Trustee may also agree, without the consent of the Noteholders, to a change of the laws governing the Notes, these Conditions and/or any of the other Transaction Documents, provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders.
- 11.12 The Note Trustee shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any confirmation by Moody's (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Note Trustee and irrespective of the method by which such confirmation is conveyed) (a) that the then current rating by it of the relevant class of Notes would not be downgraded, withdrawn or qualified by such exercise or performance and/or (b) if the original rating of the relevant class of Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of such class of Notes.
- 11.13 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Note Trustee is required to have regard to the interests of the Noteholders of any class, it shall have regard to the general interests of the Noteholders of such class as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.
- 11.14 Neither the Note Trustee nor the Security Trustee shall be required to have regard to the interests of any other Secured Creditors other than to ensure application of the Issuer's funds in accordance with the relevant Priority of Payments.

12. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the security constituted by the Deed of Charge and the Greek Security Documents unless indemnified or pre-funded to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents or any of their affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party and/or such affiliate to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or any other Secured Creditors, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

13. REPLACEMENT OF GLOBAL NOTES

If any Global Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Principal Paying Agent. Replacement of any mutilated, defaced, lost, stolen or destroyed Global Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Global Note must be surrendered before a new one will be issued.

14. NOTICE TO NOTEHOLDERS

Any notice shall be deemed to have been duly given to the relevant Noteholders if sent to the Clearing Systems for communication by them to the holders of the Notes and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Notes are admitted to trading on, and listed on the official list of, the Irish Stock Exchange), any notice shall also be published in accordance with the relevant guidelines of the Irish Stock Exchange by a notification in writing to the Irish Stock Exchange who will in turn release this notice via the Regulatory News Service).

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Notes are then admitted to trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

15. SUBORDINATION BY DEFERRAL

15.1 Interest

In the event that, on any Interest Payment Date, the amount available to the Issuer to apply on such Interest Payment Date, after deducting the amounts referred to in items (a) to (k) (inclusive) of the Pre-Acceleration Revenue Priority of Payments (in the case of the Class A Notes Subordinated Step-up Amounts), items (a) to (o) (inclusive) of the Pre-Acceleration Revenue Priority of Payments (in the case of the Class B Notes) or items (a) to (v) (inclusive) of the Pre-Acceleration Revenue Priority of Payments (in the case of the Class C Notes) (in each case, an **Interest Residual Amount**), is not sufficient to satisfy in full the aggregate amount of interest (including amounts previously deferred under this **Condition 15.1** and accrued interest thereon) due, subject to this **Condition 15.1**, in relation to the Class A Notes Subordinated Step-up Amounts, on the Class B Notes or, as the case may be, on the Class C Notes on such Interest Payment Date, there shall instead be payable on such Interest Payment Date, by way of interest (including as aforesaid) in relation to the Class A Notes Subordinated Step-up Amounts, on each Class B Note or, as the case may be, on each Class C Note, only a *pro rata* share of the Interest Residual Amount attributable to the relevant class of Notes on such Interest Payment Date.

In any such event, the Issuer shall create a provision in its accounts for the shortfall equal to the amount by which the aggregate amount of interest (including as aforesaid) paid in relation to the Class A Notes Subordinated Step-up Amounts, on the Class B Notes or, as the case may be, on the Class C Notes on the relevant Interest Payment Date in accordance with this **Condition 15.1** falls short of the aggregate amount of interest (including as aforesaid) payable (but for the provisions of this **Condition 15.1**) in relation to the Class A Notes Subordinated Step-up Amounts, on the Class B Notes or, as the case may be, on the Class C Notes on that date pursuant to **Condition 4 (Interest)**. Such shortfall shall itself accrue interest at the same rate as that payable in respect of the Class A Notes Subordinated Step-up Amounts, Class B Notes or, as the case may be, Class C Notes and shall be payable together with such accrued interest on the following Interest Payment Dates, subject to the provisions of the preceding paragraph.

15.2 Principal

All payments of principal shall be made in accordance with the relevant Priority of Payments.

15.3 General

Any amounts of principal or interest in respect of the Class B Notes or the Class C Notes otherwise payable under these Conditions which are not paid by virtue of this **Condition 15**, together with accrued interest thereon, shall in any event become payable on the Interest Payment Date falling in October 2046 or on such earlier date as the Class B Notes or, as the case may be, the Class C Notes, become due and repayable in full under **Condition 6 (Redemption)** or **9 (Events of Default)**.

15.4 Notification

As soon as practicable after becoming aware that any part of a payment of interest or principal on the Class B Notes or, as the case may be, Class C Notes will be deferred or that a payment previously deferred will be made in accordance with this **Condition 15**, the Issuer will give notice thereof to the Class B Noteholders or, as the case may be, the Class C Noteholders in accordance with **Condition 14 (Notice to Noteholders)** and to the Note Trustee.

15.5 Application

This **Condition 15** shall cease to apply:

- (a) in respect of the Class B Notes, upon the redemption in full of all Class A Notes; and
- (b) in respect of the Class C Notes, upon the redemption in full of all Class A Notes and all Class B Notes.

16. GOVERNING LAW

Each of the Trust Deed, the Global Notes and these Conditions (and, in each case, any non-contractual obligations arising out of or in connection with the relevant documents) is governed by, and shall be construed in accordance with, English law.

17. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

CASHFLOWS

The section summarises the cashflows of the Issuer as to the allocation and distribution of Available Revenue Receipts and Available Principal Receipts standing to the credit of the Revenue Ledger and the Principal Ledger and their order of priority (each such orders of priority, a **Priority of Payments**).

1. PRE-ACCELERATION PRIORITY OF PAYMENTS

Application of Revenue Receipts prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer

On each Interest Payment Date prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Cash Manager (on behalf of the Issuer) shall apply or provide for the Available Revenue Receipts in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Pre-Acceleration Revenue Priority of Payments**):

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any costs, charges, liabilities, expenses, and all other amounts then due and payable or to become due and payable in the immediately succeeding Interest Period to the Note Trustee or any Appointee under the provisions of the Trust Deed and the other Transaction Documents;
 - (ii) any costs, charges, liabilities, expenses, and all other amounts then due and payable or to become due and payable in the immediately succeeding Interest Period to the Security Trustee or any Appointee under the provisions of the Deed of Charge and the other Transaction Documents;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any remuneration then due and payable to the Agent Bank and the Paying Agents and any costs, charges, liabilities and expenses then due or to become due and payable in the immediately succeeding Interest Period to them under the provisions of the Agency Agreement;
 - (ii) any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period and any amounts required to pay or discharge any liability of the Issuer for Taxes of the Issuer (which cannot be met out of the amounts retained previously by the Issuer as profit under item (f) below);
 - (iii) any amounts then due and payable to the Corporate Services Provider and any costs, charges, liabilities and expenses then due and payable or to become due and payable in the immediately succeeding Interest Period to the Corporate Services Provider under the provisions of the Corporate Services Agreement;
 - (iv) any amounts then due and payable to the Data Custodian and any costs, charges, liabilities and expenses then due and payable or to become due and payable in the

immediately succeeding Interest Period to the Data Custodian under the provisions of the Servicing Agreement; and

- (v) any Transfer Costs which the Seller has failed to pay;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) any amounts due and payable to the Servicer and any costs, charges, liabilities and expenses then due and payable to the Servicer or any such amount to become due and payable to the Servicer in the immediately succeeding Interest Period under the provisions of the Servicing Agreement;
 - (ii) any excess of the Asset Realisation Proceeds over the outstanding balance of the relevant Lease Agreements (but excluding the Junior Servicer Fee and any Fixed Costs) that are due and payable to the Seller;
 - (iii) any amounts then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due and payable to the Cash Manager or any such amount to become due and payable to the Cash Manager in the immediately succeeding Interest Period under the provisions of the Cash Management Agreement;
 - (iv) any amounts then due and payable to the Account Bank and any costs, charges, liabilities and expenses then due and payable to the Account Bank or any such amount to become due and payable to the Account Bank in the immediately succeeding Interest Period under the provisions of the Bank Account Agreement; and
 - (v) any amounts due and payable to Bank of Cyprus for the lease of the Issuer Safety Deposit Box;
- (d) *fourth*, to pay the Stand-by Servicer Stand-by Fee (if any);
- (e) *fifth*, to pay any amounts due to the Swap Counterparty in respect of the Swap Agreement (excluding any Swap Subordinated Termination Payments);
- (f) *sixth*, to pay the Issuer an amount equal to €1,250 to be retained by the Issuer in the Transaction Account as profit in respect of the business of the Issuer and to be credited to the Retained Profit Ledger;
- (g) *seventh*, to pay interest due and payable on the Class A Notes (except, for the avoidance of doubt, the Class A Notes Subordinated Step-up Amounts);
- (h) *eighth*, to credit the Class A Notes Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon;
- (i) *ninth*, to credit the Liquidity Cash Reserve Ledger up to 21.05 per cent. of the Required Cash Reserve Amount;
- (j) *tenth*, to credit the Credit Cash Reserve Ledger up to 78.95 per cent. of the Required Cash Reserve Amount;
- (k) *eleventh*, to pay the Junior Servicer Fee and any Fixed Costs;

- (l) *twelfth*, to pay the Class A Notes Subordinated Step-Up Amounts (if any);
- (m) *thirteenth*, to credit the Class B Notes Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon;
- (n) *fourteenth*, to pay any amounts due to the Swap Counterparty under the Swap Agreement in respect of Swap Subordinated Termination Payments;
- (o) *fifteenth*, during the Revolving Period, towards a credit to the Retained Principal Receipts Fund;
- (p) *sixteenth*, to pay interest due and payable on the Class B Notes;
- (q) *seventeenth*, in or towards payment of the Rate Conversion Commitment Fee;
- (r) *eighteenth*, in or towards payment of interest due on the Rate Conversion Reserve Loan;
- (s) *nineteenth*, in or towards payment of principal due on the Rate Conversion Reserve Loan;
- (t) *twentieth*, in or towards payment of the commitment fee in respect of the Commingling Reserve Loan;
- (u) *twenty-first*, in or towards payment of interest due on the Commingling Reserve Loan;
- (v) *twenty-second*, in or towards payment of principal due on the Commingling Reserve Loan;
- (w) *twenty-third*, to pay interest due and payable on the Class C Notes;
- (x) *twenty-fourth*, to pay any principal amounts due and payable on the Class C Notes;
- (y) *twenty-fifth*, to pay any Deferred Purchase Price due and payable under the Purchase Agreement to the Seller; and
- (z) *twenty-sixth*, the excess (if any) to the Issuer.

Application of Principal Receipts to Cover Shortfalls

On each Calculation Date, the Cash Manager shall calculate whether the Available Revenue Receipts will be sufficient to pay on the relevant Interest Payment Date items (a) to (j) (but excluding item (h)) of the Pre-Acceleration Revenue Priority of Payments.

If the Cash Manager determines that there would be insufficient Available Revenue Receipts on an Interest Payment Date to pay items (a) to (j) (but excluding item (h)) of the Pre-Acceleration Revenue Priority of Payments (such shortfall, an **Income Deficit**), then the Issuer shall pay or provide for that Income Deficit by applying Principal Receipts (if any) and the Cash Manager shall make a corresponding entry on the relevant Principal Deficiency Ledger.

Application of Available Principal Receipts prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer

Prior to the Service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer is required pursuant to the terms of the Cash Management Agreement to apply Available Principal Receipts on each Interest Payment Date in the following order of priority (the **Pre-Acceleration Principal Priority of Payments**):

- (a) *first*, during the Revolving Period, towards a credit to the Retained Principal Receipts Fund in an amount equal to all Available Principal Receipts;
- (b) *second*, to pay any principal amounts due and payable on the Class A Notes;
- (c) *third*, to pay any principal amounts due and payable on the Class B Notes; and
- (d) *fourth*, the excess (if, any) to be applied as Available Revenue Receipts.

2. PRIORITY OF PAYMENTS – UPON ENFORCEMENT OF THE ISSUER SECURITY BUT PRIOR TO ACCELERATION

All moneys received or recovered by the Security Trustee or any Receiver in respect of the Charged Assets upon and after enforcement of the Issuer Security but prior to the service of a Note Acceleration Notice will be held by it on trust to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments as set out in Schedule 2 of the Cash Management Agreement, but as if:

- (a) each of the references in the Pre-Acceleration Revenue Priority of Payments (as set out above) to the Security Trustee included a reference to any Receiver appointed by the Security Trustee;
- (b) each of the references in the Pre-Acceleration Revenue Priority of Payments (as set out above) to an amount payable by the Issuer which does not form part of the Secured Liabilities were deleted; and
- (c) paragraph (z) of the Pre-Acceleration Revenue Priority of Payments (as set out above) was amended so that the excess amount referred to in that paragraph is retained in an account in the name of, or under the control of, the Security Trustee or any Receiver appointed by the Security Trustee for subsequent application rather than being paid to the Issuer or other person entitled to it (the **Priority of Payments Upon Enforcement of the Issuer Security but Prior to Acceleration**).

3. POST ACCELERATION PRIORITY OF PAYMENTS

Distribution of Available Revenue Receipts and Available Principal Receipts following the service of a Note Acceleration Notice by the Note Trustee on the Issuer

Following the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Security Trustee (or the Cash Manager on its behalf) will apply amounts in respect of Available Revenue Receipts and Available Principal Receipts received or recovered following the service of a Note Acceleration Notice on the Issuer (including, for the avoidance of doubt, on enforcement of the Issuer Security) in the following order of priority (the **Post-Acceleration Priority of Payments**):

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee or any Appointee, under the provisions of the Trust Deed and the other Transaction Documents; and
 - (ii) any costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee, any Receiver appointed by the Security Trustee or any

Appointee under the provisions of the Deed of Charge and the other Transaction Documents;

- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any remuneration then due and payable to the Agent Bank and the Paying Agents and any costs, charges, liabilities and expenses then due and payable to them under the provisions of the Agency Agreement;
 - (ii) any amounts then due and payable to the Corporate Services Provider and any costs, charges, liabilities and expenses under the provisions of the Corporate Services Agreement; and
 - (iii) any amounts then due and payable to the Data Custodian and any costs, charges, liabilities and expenses then due and payable or to become due and payable in the immediately succeeding Interest Period to the Data Custodian under the provisions of the Servicing Agreement;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof:
 - (i) any amounts due and payable to the Servicer (other than the Junior Servicer Fee) and any costs, charges, liabilities and expenses then due and payable to the Servicer or any such amount to become due and payable to the Servicer in the immediately succeeding Interest Period under the provisions of the Servicing Agreement;
 - (ii) any amounts then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due and payable to the Cash Manager in the immediately succeeding Interest Period under the provisions of the Cash Management Agreement;
 - (iii) any amounts then due and payable to the Account Bank and any costs, charges, liabilities and expenses then due and payable to the Account Bank in the immediately succeeding Interest Period under the provisions of the Bank Account Agreement;
- (d) *fourth*, to pay any amounts due to the Swap Counterparty in respect of the Swap Agreement;
- (e) *fifth*, to pay interest and principal due and payable on the Class A Notes;
- (f) *sixth*, to pay the Junior Servicer Fee;
- (g) *seventh*, to pay interest and principal due and payable on the Class B Notes;
- (h) *eighth*, to pay interest and principal due and payable on the Class C Notes;
- (i) *ninth*, to pay any Deferred Purchase Price due and payable under the Purchase Agreement to the Seller; and
- (j) *tenth*, the excess (if any) to the Issuer.

ESTIMATED WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES

The estimated weighted average life of each of the Class A Notes cannot be predicted as the actual rate and timing at which amounts will be collected in respect of the Portfolio and a number of other relevant facts are unknown. Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (assuming no losses).

The following table shows the estimated weighted average life of the Class A Notes and was prepared based on the characteristics of the Lease Receivables to be included in the Initial Portfolio, on the amortisation profile provided by the Seller and on the following additional assumptions (the **Modelling Assumptions**):

- (a) no Event of Default occurs in respect of the Notes;
- (b) the Class A Notes are issued on 18 September 2009;
- (c) the Amortisation Period commences on the Interest Payment Date falling in January 2012;
- (d) the Class A Notes are not redeemed in accordance with Condition (a) (Optional redemption in whole for taxation or other reasons) or Condition 6.3 (Optional redemption – call date);
- (e) the Issuer redeems the Notes in accordance with Condition 6.2(d) (Optional redemption in whole for taxation or other reasons) on the Interest Payment Date immediately after the date on which the Aggregated Discounted Balance is less than 10% of the Aggregated Discounted Balance as of the Initial Cut-Off Date;
- (f) interest rates of the Lease Receivables remain unchanged throughout their life;
- (g) the Lease Receivables are fully performing at all times;
- (h) the Lease Receivables are subject to a constant annual prepayment at the rates set out in the table below;
- (i) the Aggregate Discounted Balance of the Portfolio during the Revolving Period will always be at least €638,300,000;
- (j) the characteristics of the Lease Receivables at the Closing Date and at the end of the Revolving Period are the same;

Constant prepayment rate Estimated weighted average life on the assumption of Step-Up and Call

	Class A Notes (in years)
0%	3.96
3%	3.81
6%	3.66
9%	3.51
12%	3.37

Constant prepayment rate Estimated weighted average life on the assumption of non Step-Up and Call

	Class A Notes (in years)
0%	4.25
3%	3.93
6%	3.69
9%	3.52
12%	3.37

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

The estimated weighted average lives of the Class A Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates in this section will prove in any way to be realistic and they must therefore be viewed with considerable caution.

THE ISSUER

1. General

The Issuer was established as a special purpose vehicle and incorporated and registered in England and Wales (registered number 6878258) under the Companies Act 1985 (as amended) with limited liability as a public limited company on 15 April 2009.

2. Registered Office

The Issuer's registered office is at 35 Great St. Helen's, London EC3A 6AP. The telephone number of the Issuer is +44 (0)20 7398 6300.

3. Principal Activities

The principal objects of the Issuer are set out in article 4 of its Memorandum of Association and permit, the Issuer to, amongst other things, borrow money, grant security over its property for the performance of its obligations and to purchase property.

The Issuer was established to issue the Notes, to purchase the Lease Receivables, to enter into the Transaction Documents, and carry out any and all other activities related to the transactions described in this Prospectus.

The Issuer has no subsidiaries or employees.

Since its incorporation, the Issuer has not carried on any business or activities other than those incidental to its incorporation, the authorisation and issue of the Notes and the purchase of the Lease Receivables and activities incidental to the exercise of its rights and compliance with its obligations under the Transaction Documents and any other documents entered into in connection with the issue of the Notes.

Since its date of incorporation, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Prospectus.

There is no intention to accumulate surpluses in the Issuer (other than the amounts standing to the credit of the Cash Reserve Fund).

4. Directors

The directors of the Issuer and their business addresses and occupations are:

Name	Business Address	Business Occupation
SFM Directors Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
SFM Directors (No. 2) Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
J-P Nowacki	35 Great St. Helen's, London EC3A 6AP	Director

The directors of SFM Directors Limited and SFM Directors (No. 2) Limited and their principal activities are as follows:

Name	Function	Business Address	Principal Activities
Jonathan Keighley	Director	35 Great St. Helen's, London EC3A 6AP	Provision of Corporate Services
James Macdonald	Director	35 Great St. Helen's, London EC3A 6AP	Provision of Corporate Services
Robert Berry	Director	35 Great St. Helen's, London EC3A 6AP	Provision of Corporate Services
Helena Whitaker	Director	35 Great St. Helen's, London EC3A 6AP	Provision of Corporate Services
Claudia Wallace	Director	35 Great St. Helen's, London EC3A 6AP	Provision of Corporate Services
J-P Nowacki	Director	35 Great St. Helen's, London EC3A 6AP	Provision of Corporate Services
Debra Parsall	Alternate Director to Jonathan Keighley, James Macdonald and Robert Berry	35 Great St. Helen's, London EC3A 6AP	Provision of Corporate Services

The directors of the Issuer may engage in other activities and have other interests which may conflict with the interests of the Issuer. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interests of the Issuer, regardless of any other directorships he may hold.

Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider will provide directors and certain other corporate and administration services to the Issuer in consideration for the payment by the Issuer of an annual fee to the Corporate Services Provider.

The company secretary of the Issuer is SFM Corporate Services Limited whose registered office is at 35 Great St. Helen's, London EC3A 6AP.

5. Capital and Shares

The authorised share capital of the Issuer is comprised of 50,000 ordinary shares of £1 each. The Issuer has issued 50,000 shares with 49,998 paid up to 25 pence and 2 fully paid shares of £1 each.

Misthosis Funding (Holding) Limited (**Holdings**) a company incorporated in England and Wales and having its registered office at 35 Great St. Helen's, London EC3A 6AP holds 49,999 shares of the Issuer.

SFM Nominees Limited (in such capacity, the **Nominee Trustee**), a company incorporated in England and Wales and having its registered office at 35 St. Helen's, London EC3A 6AP holds 1 share of the Issuer on trust for Holdings.

Pursuant to a declaration of trust dated 30 April 2009, SFM Corporate Services Limited (in such capacity, the **Share Trustee**), a company incorporated in England and Wales and having its registered office at 35 St. Helen's, London EC3A 6AP holds the shares of Holdings on trust for the benefit of one or more discretionary purposes.

Neither Cyprus Leasing nor any company connected with Cyprus Leasing can direct the Share Trustee and none of such companies has any control, direct or indirect, over Holdings or the Issuer.

The Share Trustee will have no beneficial interest in and derive no benefit (other than fees) for acting as Share Trustee from its holding of shares in Holdings.

6. Capitalisation

The following table sets out the capitalisation of the Issuer as at the date hereof:

Share Capital	£
Authorised:	
50,000 ordinary shares of £1 each	50,000
Issued:	
50,000 shares with 49,998 paid up to 25 pence and 2 fully paid shares of £1 each	12,501.50
Total capitalisation:	12,501.50

As at the date hereof, save as disclosed above, the Issuer has no loan capital outstanding or authorised but unissued shares, no term loans outstanding and no other borrowings or indebtedness in the nature of the borrowing nor any contingent liabilities or guarantees. The current financial period of the Issuer will end on 31 December 2009.

7. Financial Statements and auditors

Since its date of incorporation, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Prospectus. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2009. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each calendar year.

The independent auditor of the Issuer is Ernst & Young LLP.

HOLDINGS

1. General

Holdings was established as a special purpose vehicle and incorporated and registered in England and Wales (registered number 6878254) under the Companies Act 1985 (as amended) with limited liability as a private limited company on 15 April 2009.

2. Registered Office

Holdings' registered office is at 35 Great St. Helen's, London EC3A 6AP. The telephone number of Holdings is +44 (0)20 7398 6300.

3. Principal Activities

The principal objects of Holdings are set out in article 3 of its Memorandum of Association and permit, Holdings to, amongst other things, to acquire any shares, stocks, debentures stocks, bonds, notes and securities issued by any company including the Issuer.

Holdings was established to subscribe for and hold the shares of the Issuer.

Holdings has no employees and has (save for the Issuer) no subsidiaries.

Since its incorporation, Holdings has not carried on any business or activities other than those incidental to its incorporation and the subscription of the shares in the Issuer.

Since its date of incorporation, Holdings has not commenced operations and no financial statements of Holdings have been prepared as at the date of this Prospectus.

4. Directors

The directors of the Issuer and their business addresses and occupations are:

Name	Business Address	Business Occupation
SFM Directors Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
SFM Directors (No. 2) Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
J-P Nowacki	35 Great St. Helen's, London EC3A 6AP	Director

The directors of SFM Directors Limited and SFM Directors (No. 2) Limited and their principal activities are set out in the section entitled "The Issuer".

The directors of Holdings may engage in other activities and have other interests which may conflict with the interests of Holdings. As a matter of English law, each director is under a duty to act

honestly and in good faith with a view to the best interests of the Issuer, regardless of any other directorships he may hold.

Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider will provide directors and certain other corporate and administration services to Holdings in consideration for the payment of an annual fee to the Corporate Services Provider.

The company secretary of Holdings is SFM Corporate Services Limited whose registered office is at 35 Great St. Helen's, London EC3A 6AP.

5. Capital and Shares

The authorised share capital of Holdings is comprised of 100 ordinary shares of £1 each. Holdings has issued 1 fully paid share of £1.

Pursuant to a declaration of trust dated 30 April 2009, SFM Corporate Services Limited (in such capacity, the **Share Trustee**), a company incorporated in England and Wales and having its registered office at 35 St. Helen's, London EC3A 6AP holds the shares of Holdings on trust for the benefit of one or more discretionary purposes.

Neither Cyprus Leasing nor any company connected with Cyprus Leasing can direct the Share Trustee and none of such companies has any control, direct or indirect, over Holdings or the Issuer.

The Share Trustee will have no beneficial interest in and derive no benefit (other than fees) for acting as Share Trustee from its holding of shares in Holdings.

6. Capitalisation

The following table sets out the capitalisation of the Issuer as at the date hereof:

Share Capital	£
Authorised:	
100 ordinary shares of £1 each	100
Issued:	
1 fully paid share of £1	1
Total capitalisation:	1

As at the date hereof, save as disclosed above, Holdings has no loan capital, no term loans outstanding and no other borrowings or indebtedness in the nature of the borrowing nor any contingent liabilities or guarantees. The current financial period of Holdings will end on 31 December 2009.

7. Financial Statements and auditors

Since its date of incorporation, Holdings has not commenced operations and no financial statements of Holdings have been prepared as at the date of this Prospectus. Holdings intends to publish its first

financial statements in respect of the period ending on 31 December 2009. Holdings will not prepare interim financial statements. The financial year of Holdings ends on 31 December in each calendar year.

The independent auditor of Holdings is Ernst & Young LLP.

CORPORATE ADMINISTRATION

Structured Finance Management Limited (registered number 3853947), having a place of business at 35 Great St. Helen's, London, EC3A 6AP will be appointed to provide corporate services to the Issuer and Holdings pursuant to the Corporate Services Agreement.

Structured Finance Management Limited has served and is currently serving as corporate service provider for securitisation transactions and programmes involving various asset classes.

The Corporate Services Provider will be entitled to terminate its respective appointment under the Corporate Services Agreement on 30 days' written notice to the Issuer, the Security Trustee and each other party to the Corporate Services Agreement, provided that a substitute corporate services provider has been appointed on substantially the same terms as those set out in the Corporate Services Agreement.

The Security Trustee can terminate the appointment of the Corporate Services Provider on 30 days' written notice so long as a substitute corporate services provider has been appointed on substantially the same terms as those set out in the Corporate Services Agreement.

In addition, the appointment of the Corporate Services Provider may be terminated immediately upon notice in writing given by the Security Trustee, if the Corporate Services Provider breaches its obligations under the terms of the Corporate Services Agreement and/or certain insolvency related events occur in relation to the Corporate Services Provider.

THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

Citicorp Trustee Company Limited has been appointed as the Note Trustee under the Trust Deed and as the Security Trustee under the Deed of Charge. Citicorp Trustee Company Limited is incorporated under the Companies Act 1985 having limited liability. It has its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

This description of the Note Trustee and the Security Trustee does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Transaction Documents.

The delivery of this Prospectus does not imply that there has been no change in the affairs of the Note Trustee and the Security Trustee since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

CYPRUS LEASING S.A.

Overview

Cyprus Leasing S.A. is a leasing company incorporated in February 1997, under the laws of the Hellenic Republic and having its registered office at 170th Alexandras Av. 11521 Athens, Greece. It currently employs 79 staff on a full time basis (21 of them are employed under a special contract with Bank of Cyprus), headquartered in Athens with desks in Thessaloniki, Larisa, Patra and Heraklion. Cyprus Leasing's sole shareholder is Bank of Cyprus.

Since 2004, Cyprus Leasing S.A. holds the second place in the Greek leasing market with a market share of 18 per cent. The core management team is comprised of professionals with considerable previous working experience in asset finance and banking.

As at 31 December 2008, Cyprus Leasing S.A. had total assets of €1,434,038,000 and recorded a profit after tax of €4,455,000 for the year ended 31 December 2008.

Cyprus Leasing has been certified by ISO 9001 since 2002.

Products

Cyprus Leasing provides exclusively financial leasing products (i.e. where ownership of the asset is transferred to the lessee at the end of the lease). Hence, it is the lessee that assumes all of the asset's risk (i.e. deterioration, secondary market value etc.). Pursuant to the relevant legislative framework, financial leasing can only be provided to legal entities.

Financial leasing is a preferred financing instrument in Greece as it provides unique tax benefits compared to loans. Under the current taxation regime, the full leasing payment (i.e. interest plus principal) is tax deductible whereas in relation to a traditional loan, only the interest plus the associated depreciation is tax deductible. Its biggest competing product is traditional term loan lending. There are three major products currently offered by Cyprus Leasing: real estate, equipment and vehicle leasing.

Real estate leasing

Target Client Base:

Companies seeking asset finance

Products:

1. Direct leasing (i.e. acquisition of property for own use)
2. Sale and Lease Back (i.e. debt restructuring instrument)

Asset Types:

Exclusively commercial real estate (i.e. offices, retail outlets, hotels, factories and logistic warehouses)

Asset Use:	Typically by the lessee with the exception of investment leasing where the real estate is let by the lessee to a third party
Term	Typically from 10 years to 20 years, with 11 years being the average.
Residual value:	Up to 20 to 30 per cent.
Loan-to-value:	Typically 100 per cent.

Equipment leasing

Target Client Base:	Companies seeking asset finance
Asset Types	Machinery, trucks, busses, printing, medical and IT equipment, office automation, furniture and production line equipment
Asset Use:	Typically used by the lessee with rare exceptions (e.g. sub-leasing programmes)
Term	Typically from 3 to 5 years. In a limited number of cases (e.g. busses) up to 7 years.
Residual value:	No residual value is taken into account. At the end of the lease agreement the equipment is sold at the price of €0.10.
Loan-to-value:	Typically up to 100 per cent.

Vehicle leasing

Target Client Base:	Car and motorcycle operating lease companies
Asset Types	Cars
Asset Use:	By sub-lessees

Term	Typically from 3 to 5 years.
Residual value:	Typically 35 per cent. for a 3 year term, 30 per cent. for a 4 year term and 25 per cent. for a 5 year term.
Loan-to-value:	Approximately 100 per cent.

Collection and Servicing Procedures

Cyprus Leasing S.A., in its capacity as Servicer, will carry out the administration, collection and enforcement of the Portfolio in accordance with the Servicing Agreement including its Collection and Servicing Procedures (see the section entitled "Description of Certain Transaction Documents – Servicing Agreement").

BANK OF CYPRUS PUBLIC COMPANY LIMITED

Introduction

Bank of Cyprus Public Company Limited (the **Bank**) is a public company limited by shares and was incorporated in Cyprus in 1899. The registered office of the Bank is located at the Group Headquarters at 51 Stassinos Street, Ay. Paraskevi, Strovolos, 2002 Nicosia, Cyprus, telephone number +357 22 842100. The Bank is registered in the companies register of Cyprus with registration number HE 165. The Bank's legal name is Bank of Cyprus Public Company Limited and its commercial name is Bank of Cyprus.

The Bank is listed on the Cyprus Stock Exchange and the Athens Exchange. As at 14 May 2009, the Bank had a market capitalisation of €2.34 billion and accounted for 34.9 per cent. of the total market capitalisation of the Cyprus Stock Exchange.

As at 31 December 2008, the Group had consolidated total assets of €36.1 billion and recorded a profit after tax attributable to the shareholders of the Bank of €502 million for the year ended 31 December 2008.

The Group offers a wide range of financial products and services, which include (i) banking services in Cyprus, Greece, the United Kingdom, Australia, Russia, Romania, the Channel Islands and Ukraine, (ii) finance, leasing, factoring, brokerage, fund management, general and life insurance services in Cyprus and Greece, (iii) leasing services in Romania and Russia, and (iv) investment banking & asset management services in Cyprus and Greece.

The Bank currently operates 143 branches in Cyprus. The Bank is the largest bank in Cyprus in terms of deposits with an estimated share of 30.5 per cent. of the Cypriot banking market (including cooperative credit institutions) as at 30 November 2008 based on Central Bank of Cyprus statistical information.

The Bank has been operating in Greece since 1991. The expansion of the Bank's Greek operations started in 1999. The Bank operates 160 branches in Greece. At the end of 31 December 2008, the market share of the Bank in deposits and loans in Greece amounted to 3.8 per cent. and 3.8 per cent, respectively, based on the Bank of Greece information.

The Bank is also established in the United Kingdom, where it operates five branches, to serve the sizeable Cypriot and Greek communities. The Group's international activities were further enhanced in 2000 with the operation of a wholly owned subsidiary bank in Australia, which operates ten branches.

In March 2007, the Bank expanded its operation in Romania with the provision of leasing services. In July 2007, the first banking branch became operational in Bucharest. The Bank operates through nine branches in Romania.

In August 2007, the Bank started banking operations in Russia by offering corporate banking services. In October 2008, Bank of Cyprus announced that it had successfully completed the acquisition of an 80% interest in Uniastrum Bank in Russia for a total consideration of US\$576 m. The acquisition represents the largest investment into the Russian banking sector by a financial institution operating in either Greece or Cyprus. The transaction was completed following the receipt of approvals from the Cypriot and Russian Central Banks as well as the Russian Federal Antimonopoly Service.

Uniastrum Bank is well positioned to capture the Russian retail banking potential. Founded in 1994 and headquartered in Moscow, Uniastrum Bank has one of the largest distribution networks in Russia, consisting of over 214 branches. The network is located in the most economically active regions in Russia, which account for approximately 85% of the country's GDP and the Bank operates in every city with an official population of over 600,000 people. Uniastrum Bank has a retail focused portfolio offering an extensive range of products and enjoys high brand recognition in the regions in which it is active

In May 2008, Bank of Cyprus completed the acquisition of 97% interest in JSC AvtoZAZbank, a Ukrainian commercial bank that was established in 1991 and provides banking services through a network of 33 branches.

The Bank has representative offices in Canada and South Africa.

History

The Bank was established in Cyprus in 1899 as the "Nicosia Savings Bank" by a group of local businessmen. It changed its name to "Bank of Cyprus" in 1912 and extended its reach across the island in 1943 on merging with a number of banking institutions based in other Cypriot towns.

A major reorganisation of the Bank and its subsidiaries was implemented in 1973 and Bank of Cyprus (Holdings) Limited (**BOCH**) was established as the Bank's holding company. In the years following 1973, the Group extended its range of services and during the 1980s the Group experienced a period of growth and moved into new financial sectors. The Bank established its first branch in Greece in 1991. Greece represents the principal focus of overseas expansion of the Bank.

Following a restructuring in August 1999, the Bank became the holding company of the Group instead of BOCH. Under the terms of the restructuring plan, the share capital of BOCH was cancelled and all assets and liabilities of BOCH were transferred to the Bank. As part of the restructuring, the Bank's ordinary shares were listed on the Cyprus Stock Exchange, replacing the shares of BOCH.

In November 2000, the Bank became the first non-Greek company to have its shares listed on the Athens Stock Exchange.

THE SWAP COUNTERPARTY

UBS AG was incorporated in Basel under the name SBC AG on 28 February 1978. On 8 December 1997, SBC AG changed its name to UBS AG. UBS AG in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). With headquarters in Zurich and Basel, Switzerland, UBS AG operates in over 50 countries and from all major international centres. As of 30 September 2008, UBS AG had total invested assets of CHF 2,640 billion, a market capitalisation of CHF 54,135 million and employed 79,565 people. As at the date of this Prospectus, UBS AG has a long-term debt credit rating of "Aa2" from Moody's, "A+" from S&P and "A+" from Fitch.

UBS AG is publicly owned, and its shares are listed on the SIX Swiss Exchange, New York and Tokyo Stock Exchange. The information contained herein with respect to UBS AG relates to and has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of UBS AG since the date of this Prospectus, or that the information contained or referred to herein is correct as of any time subsequent to its date.

The information contained in the preceding two paragraphs has been provided by UBS AG for use in this Prospectus. Except for the foregoing four paragraphs, UBS AG and its respective affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus as a whole.

**THE ACCOUNT BANK, THE CASH MANAGER, THE AGENT BANK AND THE PRINCIPAL
PAYING AGENT**

Citibank N.A., London Branch has been appointed as Account Bank under the Bank Account Agreement, as Cash Manager under the Cash Management Agreement and as Agent Bank and Principal Paying Agent under the Agency Agreement.

Citibank, N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with company number FC001835 and branch number BR001018.

This description of the Account Bank, the Cash Manager, the Agent Bank and the Principal Paying Agent does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Bank Account Agreement, the Cash Management Agreement, the Agency Agreement and the other Transaction Documents.

The delivery of this Prospectus will not create any implication that there has been no change in the affairs of Citibank, N.A. since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

RATING OF THE NOTES

The Notes are expected to be assigned the following rating on issue:

Notes	Moody's
Class A Notes	Aaa

The Class B Notes and the Class C Notes are not expected to be assigned a rating by Moody's.

The payment of the Subordinated Step-up Amounts will not be assigned a rating by Moody's.

It is a condition of the issue of the Notes that each Class of Notes receives the rating indicated above (if any).

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by Moody's at any time. If the rating initially assigned to the Class A Notes by Moody's are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to such Class of Notes.

The Issuer has not requested a rating of the Notes by any rating agency other than the rating of the Class A Notes by Moody's. There can be no assurance, however, as to whether any other rating agency will rate the Notes or, if it does, what rating would be assigned by such other rating agency. The rating assigned to the Notes by such other rating agency could be lower than the respective ratings assigned by Moody's.

UNITED KINGDOM TAXATION

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current law and HM Revenue and Customs (HMRC) practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Each prospective purchaser is urged to consult its own tax advisers about the tax consequences under its circumstances of purchasing, holding and selling the Notes under the laws of the United Kingdom, its political subdivisions and any other jurisdiction in which the prospective purchaser may be subject to tax.

Interest on the Notes

Payment of Interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the **Act**). The Irish Stock Exchange is a recognised stock exchange for such purposes. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA States and are admitted to trading on the Irish Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, member states, including Belgium from 1 January 2010, are required to provide to the tax authorities of another member state details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other member state or to certain limited types of entities established in that other member state. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to

information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of the proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

Further United Kingdom Income Tax Issues

Interest on the Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Notes are attributable (and where that Noteholder is a company, unless that Noteholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Notes are attributable) in which case tax may be levied on the United Kingdom branch, agency or permanent establishment. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.

GREEK TAXATION

Interest on the Notes payable to Greek investors or investors with a permanent establishment in Greece would be subject to a withholding tax of 10 per cent. on each amount of interest payable (article 12 par.2 of the Greek Income Tax Code (law 2238/1994) if the relevant payment was made by a credit institution in Greece, acting as paying agent within the meaning of article 4, paragraph 2 of law 3312/2005 of the Hellenic Republic that transposed EU Council Directive 2003/48/EC into Greek legislation. Such withholding extinguishes the income tax obligation of investors that are individuals, partnerships, Greek banks and insurance companies or Greek branches of foreign banks and insurance companies, co-operatives and not-for-profit legal entities, whereas for other investors (mainly société anonyme and limited companies) such withholding constitutes an advance payment against their overall income.

No additional amounts would be payable by the Issuer or by any other person if any such deduction or withholding were required to be made.

The Issuer has not appointed any paying agent in Greece. Prospective Noteholders in Greece should consult with their own tax advisers as to the taxation of income from the Notes in Greece.

SUBSCRIPTION AND SALE

1. SUBSCRIPTION OF THE NOTES

Pursuant to the Subscription Agreement dated 18 September 2009, the purchaser of the Class A Notes and the Class B Notes (the **Initial Class A and Class B Note Purchaser**) has agreed with the Issuer to purchase the Class A Notes and the Class B Notes at the issue price of, in relation to (a) the Class A Notes, 100% of the aggregate principal amount of the Class A Notes and (b) the Class B Notes, 100% of the aggregate principal amount of the Class B Notes.

Pursuant to the Subscription Agreement, the purchaser of the Class C Notes (the **Initial Class C Note Purchaser**) has agreed with the Issuer to purchase the Class C Notes at the issue price of 100% of the aggregate principal amount of the Class C Notes.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Arranger in certain circumstances prior to payment for the Notes to the Issuer. The Issuer and the Initial Note Purchasers have agreed to indemnify the Arranger against certain liabilities in connection with the issue of the Notes.

2. SELLING RESTRICTIONS

2.1 EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) or where the Prospectus Directive is applied by the regulator (each, a **Relevant Member State**), each Initial Note Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented or applied in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time in any circumstances (e.g., an offer of securities with a minimum denomination of €50,000) which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

2.2 UNITED KINGDOM

Each Initial Note Purchaser has represented to and agreed with the Issuer that:

- (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the **FSMA**) with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

- (b) 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 any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

2.3 UNITED STATES

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state of the U.S. or other jurisdiction and the Notes may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act) except to certain persons in offshore transaction in reliance on Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Initial Note Purchaser has represented to and agreed with the Issuer that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Issue and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells the Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Each Initial Note Purchaser has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the issue and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which any of them sells the Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons, to substantially the following effect:

"The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition:

- (a) Each Initial Note Purchaser has represented and agreed that it and each of its affiliates has not entered and will not enter into any contractual arrangement with respect to the distribution of the Notes except with the prior written consent of the Issuer. Except to the extent permitted under United States Treas. Reg. §1.163-5(c)(2)(i)(D) (the **D Rules**), each Initial Note Purchaser has represented and agreed that it (A) has not offered or sold, and during the restricted period will not offer or sell, Notes in bearer form to a person who is

within the United States or its possessions or to a United States person, and (B) has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period.

- (b) Each Initial Note Purchaser has represented and agreed that 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 Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules.
- (c) Further, each Initial Note Purchaser has represented and agreed that if it is a United States person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of United States Treas. Reg. §1.163-5(c)(2)(i)(D)(6).
- (d) With respect to each affiliate of each Initial Note Purchaser that acquires Notes in bearer form from the relevant Initial Note Purchaser for the purpose of offering or selling such Notes during the restricted period, each Initial Note Purchaser (i) has repeated and confirmed the representations and agreements contained in Clauses (a), (b) and (c) on its behalf or (ii) has agreed that it will obtain from such affiliate for the Issuer's benefit the representations and agreements contained in Clauses (a), (b) and (c).
- (e) Each Initial Note Purchaser has represented and agreed that it will obtain from any distributor (within the meaning of United States Treas. Reg. §1.163-5(c)(2)(i)(D)(4)(ii)) that purchases any of the Notes from any of the Joint Lead Managers (except a distributor who is an affiliate of any of the Initial Note Purchasers), for the benefit of the Issuer, an agreement to comply with the provisions, representations and agreements contained in this subparagraph, as if such distributor were the relevant Initial Note Purchaser hereunder.

Terms used in this subparagraph have the meanings given to them by the Internal Revenue Code of 1986, as amended, and regulations thereunder, including the D Rules.

2.4 IRELAND

Each Initial Note Purchaser has agreed that:

- (a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the Irish European Communities (Markets in Financial Instruments) Regulations 2003 (Nos. 1 and 2), including without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith;
- (b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 - 1999 (as amended) and any codes of conduct rules made under Section 117(1) thereof and
- (c) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Financial Regulator pursuant thereto.

2.5 THE HELLENIC REPUBLIC

Each Initial Note Purchaser has agreed that it will not, directly or indirectly, offer or sell in the Hellenic Republic any Notes to more than 100 institutional and private investors in compliance with all applicable provisions of Law 3401/2005 (Government Gazette A Issue no. 257/17 October 2005), implementing into Greek law the Prospectus Directive 2003/71/EC, and all applicable provision of the Greek law 876/1979 as currently in force, with respect to anything done in relation to any offering of Notes in, from or otherwise involving the Hellenic Republic.

Investor Compliance

Persons into whose hands this Prospectus comes are required by the Issuer and the Initial Note Purchasers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

DESCRIPTION OF THE NOTES

General

Each Class of Notes, as at the Closing Date, will initially be represented by a Temporary Global Note. All capitalised terms not defined in this paragraph shall be as defined in the Conditions of the Notes.

Each Temporary Global Note will be deposited on or about the Closing Date on behalf of the subscribers for the relevant class of Notes with a Common Safekeeper for the Clearing Systems. Upon deposit of the Temporary Global Notes, the Clearing Systems credit each subscriber of Notes with the principal amount of Notes of the relevant class equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in each Temporary Global Note are exchangeable on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests recorded in the records of the Clearing Systems in a Permanent Global Note.

For so long as the Notes are represented by a Global Note and the Clearing Systems so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000.

Payments on Global Notes

Payments in respect of principal, premium (if any) and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 14 (Notice to Noteholders) for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal, premium or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers which reflect such customers' interest in the Notes) and such records shall be prima facie evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered pro rata in the records of the relevant Clearing Systems but any failure to make such entries shall not affect the discharge referred to above.

Payments will be made, in respect of the Notes by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

Payments in respect of principal, premium (if any) and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

A holder shall be entitled to present a Global Note for payment only on a Presentation Date and shall not, except as provided in Condition 4 (Interest), be entitled to any further interest or other payment if a Presentation Date is after the due date.

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective

account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of Noteholders or if a Noteholders desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg as the case may be, would authorise the Participants to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Redemption

In the event that any Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the nominee of the Common Depository and, upon final payment, will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. The redemption price payable in connection with the redemption will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of a Global Note in part will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the Principal Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

Cancellation

Cancellation of any Note represented by a Global Note and required by the Conditions to be cancelled following its redemption will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant schedule thereto and the corresponding entry on the Register.

Transfers and Transfer Restrictions

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "General", above.

Issuance of Definitive Notes

If, while any of the Notes are represented by a Permanent Global Note, (i) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Note Trustee is then in existence or (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Interest Payment Date (as defined below) be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form, then the Issuer will issue Definitive Notes in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Conditions and the Transaction Documents will be amended in such manner as the Note Trustee and the Security Trustee require to take account of the issue of Definitive Notes.

Any Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set forth under "Transfers and Transfer Restrictions" above and provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Note or, as the case may be, the due date for redemption. Definitive Notes will not be issued in a denomination that is not an integral multiple of the minimum authorised denomination of €100,000. (See "Risk Factors — Denominations" above).

Reports

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices and reports received relating to the Issuer, the Global Notes or the Book-Entry Interests. Any notice shall be deemed to have been duly given to the relevant Noteholders if sent to the Clearing Systems for communication by them to the holders of the Notes and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Notes are admitted to trading and listed on the official list of, the Irish Stock Exchange), any notice shall also be published in accordance with the relevant guidelines of the Irish Stock Exchange by a notification in writing to the Irish Stock Exchange who will in turn release this notice via the Regulatory News Service. See also Condition 14 (Notice to Noteholders) of the Notes.

In addition, the Cash Manager has agreed to prepare and deliver (by no later than three Business Days immediately following each Interest Payment Date) to, *inter alia*, the Issuer, the Security Trustee, the Note Trustee, the Seller, the Arranger and Moody's, a report substantially in the form set out in the Cash Management Agreement (the **Investor Report**) containing details of, *inter alia*, the Portfolio, amounts received by the Issuer from any source during the preceding three Collection Periods, amounts paid by the Issuer during such Collection Periods and amounts paid by the Issuer on the immediately preceding Interest Payment Date. The first Investor Report will be available by no later than two Business Days immediately following the Interest Payment Date falling in January 2009. The Investor Reports will be available on the Cash Manager's website, currently at www.sf.citidirect.com. The Cash Manager's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons within to access the website will be required to certify that they are Noteholders or otherwise entitled to access the information posted thereon.

USE OF PROCEEDS

The net proceeds of the Class A Notes and the Class B Notes (which are expected to amount to €638,300,000) will be used on the Closing Date towards payment of the Initial Purchase Price. The net proceeds of the Class C Notes (which are expected to amount to €51,100,000) will be used on the Closing Date to fund the Cash Reserve Fund in an amount equal to the Required Cash Reserve Amount.

GENERAL INFORMATION

1. Authorisation

The issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer passed on 14 September 2009.

2. Irish Listing

It is expected that admission of the Notes to the Official List of the Irish Stock Exchange and to trading on its regulated market will be granted on or about the Closing Date, subject only, in the case of the Notes, to the issue of the Global Notes of each Class of Notes. The issue of the Notes will be cancelled, if the related Global Notes as applicable are not issued. The estimated aggregate cost of the foregoing applications for admission to the Official List of the Irish Stock Exchange and admission to trading on its regulated market, is €5,035.

A&L Listing Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on its regulated market for the purposes of the Prospectus Directive.

3. Clearing Codes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

	ISIN	Common Code
Class A Notes	XS0450560403	045056040
Class B Notes	XS0450561559	045056155
Class C Notes	XS0450561716	045056171

4. Litigation

The Issuer is not and has not been involved in any legal, governmental or arbitration proceedings which may have or have had since its date of incorporation a significant effect on its financial position or profitability and the Issuer is not aware that any such proceedings are pending or threatened.

5. Financial Statements, Financial Position of the Issuer

No financial statements have been prepared in respect of the Issuer.

Since 15 April 2009 (being the date of incorporation of the Issuer), there has been (a) no significant change in the financial or trading position of the Issuer and (b) no material adverse change in the financial position or prospects of the Issuer.

6. Availability of Documents

Copies of the following documents are available in physical form for inspection during usual business hours at the offices of the Principal Paying Agent for the life of this Prospectus:

- (a) the memorandum and articles of association of the Issuer and Holdings;
- (b) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to herein;
- (c) the Master Definitions Schedule;
- (d) the Purchase Agreement;
- (e) the Deed of Charge;
- (f) the Trust Deed;
- (g) the Cash Management Agreement;
- (h) the Servicing Agreement;
- (i) the Swap Agreement;
- (j) the Agency Agreement;
- (k) the Bank Account Agreement;
- (l) the Corporate Services Agreement;
- (m) the Rate Conversion Reserve Loan Agreement;
- (n) the Commingling Reserve Loan Agreement;
- (o) the Issuer Safety Deposit Box Agreement;
- (p) the Greek Assignment Agreement;
- (q) the Greek Law Pledge Agreement; and
- (r) the Greek Future Claims Pledge Agreement.

7. Post Issuance Reporting

Save as referred to under Condition 14 (Notice to Noteholders), the Issuer does not intend to provide any post-issuance information in relation to the Notes or the Issuer's assets.

8. Miscellaneous

No website referred to herein forms part of this Prospectus for the purposes of listing of the Notes on the Irish Stock Exchange.

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

GLOSSARY OF DEFINED TERMS

1. DEFINITIONS

Except where the context otherwise requires, the following defined terms used in the Transaction Documents and herein shall have the meanings set out below:

Additional Cut-Off Date	The last day of the Collection Period elapsing prior to an Additional Portfolio Purchase Date.
Additional Lease Receivables	The Lease Receivables sold, or to be sold, by the Seller to the Issuer on any Additional Portfolio Purchase Date in accordance with the Purchase Agreement.
Additional Portfolio	Any Lease Receivables purchased (or to be purchased) by the Purchaser from the Seller during the Revolving Period after the Initial Purchase Date.
Additional Portfolio Purchase Date	(i) the 15th of each month during the Revolving Period excluding the Initial Purchase Date or (ii) a Revised Purchase Date. If an Additional Portfolio Purchase Date would fall on a day that is not a London Business Day, such Additional Portfolio Purchase Date shall be postponed to the next day that is a London Business Day unless it would thereby fall into the next calendar month, in which event such Additional Portfolio Purchase Date shall be brought forward to the immediately preceding London Business Day.
Additional Purchase Price	The purchase price paid by the Purchaser to the Seller on each Additional Portfolio Purchase Date for the acquisition of the Additional Portfolio out of the funds standing to the credit of the Retained Principal Receipts Ledger which will be equal to the Aggregate Discounted Balance of such Additional Portfolio as of the relevant Additional Cut-Off Date.
Administration Costs	The ongoing costs of the Issuer to pay the Corporate Services Provider.
Aggregate Defaulted Balance	The sum of the Defaulted Balances of all Lease Agreements which became Defaulted Lease Agreements during the three Collection Periods immediately preceding the relevant Interest Payment Date.

Aggregated Delinquent Balance	The sum of the Arrears Balances of all Lease Agreements which are Lease Agreements in Arrears until the Cut-Off Date immediately preceding the relevant Interest Payment Date.
Annex	Means the special terms of a Frame Lease Agreement, which constitutes an inseparable part of the respective Frame Agreement, in accordance with the terms of such annex.
Arrear Multiple	Means in respect of a Lease Receivable, the number calculated by dividing the amount in Arrears in respect of such Lease Receivable by the scheduled amount of the monthly or quarterly (as applicable) Lease Instalment in respect of such Lease Receivable.
Arrears	In respect of any Lease Agreement, an amount above €100 which is outstanding after being due and payable by the relevant Lessee for more than 30 days, in accordance with terms and conditions of the relevant Lease Agreement.
Arrears Balance	The aggregate amount of Arrears.
Asset	Any Vehicle, Equipment or Real Estate.
Asset Realisation Proceeds	Means the sum of: (i) any and all realisation proceeds resulting from the realisation (sale or other disposal) of each Leased Asset less any realisation costs incurred in connection with such realisation (ii) Insurance Compensation Payments, if any, received in respect of such Leased Asset and (iii) any other proceeds, if any, substituting such Leased Asset
Available Principal Receipts	Means for any Interest Payment Date as calculated on the Calculation Date: <ul style="list-style-type: none"> (a) all Principal Receipts received by the Issuer during the three preceding Collection Periods; (b) any amounts standing to the credit of the Retained Principal Receipts Ledger immediately following the end of the Revolving Period; (c) the amounts (if any) to be credited to the Principal Deficiency Ledgers pursuant to item (h) and item (n) of the Pre-Acceleration

Revenue Priority of Payments on such Interest Payment Date;

- (d) any indemnity amounts paid to the Issuer for breach of the terms of a Transaction Document to the extent the same is equivalent in amount to or represents principal in respect of a Lease Receivable;

less:

- (e) the amount of Principal Receipts received by the Issuer during the three preceding Collection Periods which are to be applied to cover Income Deficits on such Interest Payment Date.

Available Revenue Receipts

Means, for each Interest Payment Date as calculated on the Calculation Date, an amount equal to the aggregate of (without double-counting):

- (a) Revenue Receipts received during the three preceding Collection Periods, less amounts applied during such Collection Periods in making payment of certain moneys which properly belong to third parties such as (but not limited to) payments of certain insurance premiums (the **Third Party Amounts**);
- (b) interest payable to the Issuer on the Bank Accounts (other than the Swap Collateral Cash Account) and income from any Authorised Investments in each case received during the three preceding Collection Periods;
- (c) amounts received by the Issuer under the Swap Agreement (other than (i) any early termination amount received by the Issuer under the Swap Agreement, but only to the extent it is to be applied in acquiring a replacement swap, (ii) Excess Swap Collateral or Swap Collateral, except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the Swap Agreement, to reduce the amount that would otherwise be payable by the Swap Counterparty to the Issuer on early termination of the Swap Transactions and

Option Transactions under the Swap Agreement and, to the extent so applied in reduction of the amount otherwise payable by the Swap Counterparty, such Swap Collateral is not to be applied in acquiring a replacement swap; and (iii) any Replacement Swap Premium) on such Interest Payment Date;

- (d) amounts standing to the credit of the Credit Cash Reserve Ledger, and if after applying the amounts standing to the credit of the Credit Cash Reserve Ledger, the Available Revenue Receipts are insufficient to pay items (a) to (h) of the Pre-Acceleration Revenue Priority of Payments, amounts standing to the credit of the Liquidity Cash Reserve Ledger (and amounts standing to the credit of the Liquidity Cash Reserve Ledger shall only be used by the Issuer as Available Revenue Receipts to pay items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments) (including, but not limited to, any payments made to the Issuer under any of the Transaction Documents not otherwise described above (excluding Swap Payments and Swap Termination Payments));
- (e) amounts standing to the credit of the Commingling Ledger;
- (f) other net income of the Issuer received during the three preceding Collection Periods, excluding any Principal Receipts (and without double-counting the amounts described in paragraphs (a) to (d) above);
- (g) excess Available Principal Receipts (if applicable);
- (h) any payment made under any Transaction Document except for any indemnity amounts paid to the Issuer for breach of the terms thereof to the extent that the same is equivalent in amount to or represents principal amounts in respect of a Lease Receivable, any early termination amount under the Swap Agreement and any repurchase and indemnity amounts paid by the Seller on any Lease Agreement pursuant to the Purchase Agreement;

- (i) amounts which have been or will immediately prior to the relevant Interest Payment Date be withdrawn from the Stand-by Rate Conversion Reserve Account and transferred to the Transaction Account in accordance with the provisions of the Cash Management Agreement; and
- (j) the amount of Principal Receipts received by the Issuer during the three preceding Collection Periods which are to be applied to cover Income Deficits on such Interest Payment Date.

Bank of Cyprus Base Rate	Means the variable base rate of Bank of Cyprus for business loans as announced from time to time by Bank of Cyprus.
Business Day	A day (other than a Saturday or a Sunday) on which banks are open for general business in London (United Kingdom), Dublin (Ireland) and Athens and which is also a day on which TARGET2 is open for settlement of payments in euro.
Calculation Date	The date that is five Business Days prior to the Interest Payment Date.
Car	Means cars and other vehicles for non-commercial use.
Cash Reserve Fund	Means the fund established on the Closing Date, which will be initially funded in the sum of €51,100,000.00 (being an amount equal to 8% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes as at the Closing Date) from the proceeds of the Class C Notes and then from Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments.
Change of Control Event	Has the meaning given on page 44
Class A Noteholders	Means the Noteholders in respect of the Class A Notes.
Class A Notes	Means the €363,900,000 class A floating rate notes due 2046

Class A Notes Subordinated Step-up Amounts	The amount of interest accruing at the Subordinated Step-up Margin in respect of the Class A Notes.
Class B Noteholders	Means the Noteholders in respect of the Class B Notes.
Class B Notes	Means the €274,400,000 class B floating rate notes due 2046.
Class C Noteholders	Means the Noteholders in respect of the Class C Notes.
Class C Notes	Means the €51,100,000 class C floating rate notes due 2046.
Clean-up Call	Has the meaning give on page 22.
Collections	Any amounts received from a Lessee pursuant to the Lease Agreement, for the avoidance of doubt including the Lease Principal Collections and the Lease Interest Collections relating to a Collection Period and excluding amounts payable by the Lessee in respect of Greek VAT relating to each Collection Period.
Collection Period	The period commencing on and including the 1st day of a calendar month and ending on (but excluding) the 1st day of the next calendar month.
Company Group	All companies which are either directly or indirectly held by the same holding company.
Control	Means the direct or indirect possession of the power to direct or cause the direction of the management or policies of an entity, whether through the ownership of the majority of the voting rights, by contract or otherwise.
Controlling Shareholder Downgrade Event	Bank of Cyprus, or if Bank of Cyprus has lost Control over Cyprus Leasing, such other entity which now exercises Control over Cyprus Leasing, ceases to have a long-term unsecured, unsubordinated and unguaranteed debt obligation rating from Moody's of at least Baa3.
Credit and Collection Procedures	Means the credit and collection procedures of Cyprus Leasing as set out in the Servicing Agreement, as amended from time to time.

Credit Cash Reserve Ledger	Means the ledger maintained by the Cash Manager on behalf of the Issuer which records amounts credited to the Cash Reserve Fund from the proceeds from the issue of the Class C Notes and from Available Revenue Receipts (up to 78.95 per cent. of the Required Cash Reserve Amount) and withdrawals from the Cash Reserve Fund on each Interest Payment Date in accordance with the Cash Management Account.
Credit Policy	The origination and underwriting principles of Cyprus Leasing, as amended from time to time in accordance with the Servicing Agreement.
Cumulative Default Ratio	The ratio, whereby the numerator is the Aggregate Defaulted Balance until the respective Cut-Off Date preceding the relevant Purchase Date minus any recoveries from Defaulted Lease Agreements and the denominator is the sum of the Aggregate Discounted Balance of the Initial Portfolio as of the Initial Cut-Off Date.
Cut-Off Date	Either the Initial Cut-Off Date or an Additional Cut-Off Date.
Custodian	The party that maintains the Swap Collateral Securities Account.
Defaulted Balance	The present value, calculated using a discount rate equal to the Discount Rate of the Lease Receivables which would have been received if the Defaulted Lease Agreement was not a Defaulted Lease Agreement.
Defaulted Lease Agreement	Means a Lease Agreement which: <ul style="list-style-type: none"> (a) is the subject of an Insolvency Event with respect to a Lessee; or (b) has an amount above €100 which is outstanding after being due and payable by the relevant Lessee for 180 days or more.
Deferred Purchase Price	Means the consideration due and payable to the Seller pursuant to the Purchase Agreement in respect of the sale of the Initial Portfolio, which will be an amount equal to the amount remaining after making payment of (as applicable) (a) the items described in (a) to (x) of the Pre-Acceleration Revenue Priority of Payments

on each Interest Payment Date or (b) the items described in (a) to (h) of the Post-Acceleration Priority of Payments.

Definitive Note

Has the meaning given in Condition 1.2.

Discount Rate

Means the relevant interest rate payable by the Lessee for each Lease Receivable.

Early Amortisation Event

An Early Amortisation Event means the occurrence of any of the following:

- (a) any amount credited to the Retained Principal Receipts Ledger that has not been applied by the Issuer towards the purchase of an Additional Portfolio by the day before the second Calculation Date following the date on which such amount was first credited to the Transaction Account and, for this purpose, any amounts standing to the credit of the Retained Principal Receipts Ledger and applied by the Issuer for the purchase of an Additional Portfolio shall be treated as applied in the order in which such amounts were credited to the Retained Principal Receipts Ledger;
- (b) the Cumulative Default Ratio in respect of the Portfolio exceeds the percentages set out below:

Interest Payment Date	CDR
January 2010	2.50%
April 2010	2.50%
July 2010	2.50%
October 2010	2.50%
January 2011	2.60%
April 2011	3.80%
July 2011	5.20%
October 2011	6.60%

- (c) Aggregate Discounted Balance plus the amount standing to the credit of the Retained Principal Receipts Ledger is lower than the

sum of (i) the Principal Amount Outstanding of the Class A Notes on the Closing Date, (ii) the Principal Amount Outstanding of the Class B Notes on the Closing Date on the Closing Date on any Interest Payment Date;

- (d) the Portfolio Arrears Ratio exceeds 4.60%;
- (e) the debit balance of Principal Deficiency Ledger is in excess of €200,000 following the making of all payments and applications of Available Principal Receipts and Available Revenue Receipts on the relevant Interest Payment Date;
- (f) Bank of Cyprus is downgraded below Baa3 from Moody's;
- (g) the occurrence of a Seller Event of Default;
- (h) the occurrence of a Servicer Termination Event;
- (i) the occurrence of a Change of Control Event;
- (j) any regulatory and/or tax issues preventing the Issuer from purchasing the Lease Receivables.

Eligibility Criteria

Means the eligibility criteria in respect of the Initial Portfolio and each Additional Portfolio as set out in Appendix 2 of the Purchase Agreement.

Eligible Account

Means an account at an Eligible Bank.

Eligible Bank

Means a bank or credit institution that satisfies the Minimum Required Rating or such other rating required by Moody's in accordance with their most recent rating criteria to maintain the then current rating of the Notes and is an Authorised Entity.

Means:

Encumbrance

- (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or

other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect.

English Security

Means the security granted by the Issuer to the Security Trustee under and pursuant to the Deed of Charge in favour of the Secured Creditors.

Equipment

Any machinery, printing, medical and IT equipment, furniture and production line equipment.

Event of Default

Has the meaning given to it in Condition 9.

Excess Swap Collateral

Means in respect of the Swap Agreement, an amount (which will be transferred directly to the Swap Counterparty in accordance with the Swap Agreement) equal to the amount by which the value of the collateral (or the applicable part of any collateral) provided by the Swap Counterparty to the Issuer pursuant to the Swap Agreement exceeds the Swap Counterparty's liability under the Swap Agreement (such liability determined as if no collateral had been provided) as at the date of termination of the Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the Swap Agreement.

Fixed Costs

Means costs of the Servicer that are fixed costs associated with the operations of the Servicer (for example costs associated with wire transfers).

Frame Lease Agreement

Means the agreement comprising of the general terms of each lease agreement entered into between the Seller and a Lessee (and Guarantor, where applicable), as such terms are amended and/or supplemented from time to time by one or more Annexes.

Global Note

Any of the Temporary Global Notes or Permanent Global Notes.

Greek Bankruptcy Code

Means Greek law 3588/2007.

Greek Security

Means the security granted by the Issuer and/or the

Seller to the Security Trustee under and pursuant to the Securitisation Law and the Greek Security Documents in favour of the Issuer and/or the Secured Creditors.

Greek VAT

Pursuant to Greek law 2589/2000 the tax paid by the Lessee to the Seller together with the Lease Instalment only in respect of equipment lease agreements and vehicle lease agreements and real estate lease agreements relating to industrial plants.

Group Insurance Contracts

The frame insurance contract entered into by Cyprus Leasing and KYPROU ASFALISTIKI no 171009476/2004 and covering the risk of fire for Equipment, as well as the frame insurance contract entered into between Cyprus Leasing and KYPROU ZOIS no KZ/1007, covering the risk of permanent inability of a Lessee or Guarantor, as these frame insurance contracts may be amended, extended or novated from time to time.

Income Deficit

Means for each Interest Payment Date, the extent, if any, by which Available Revenue Receipts are insufficient to pay or provide for payment of items a to (j) (but excluding item 1(h) of the Pre-Acceleration Revenue Priority of Payments.

Industrial Vehicle

Means industrial vehicles that are not Cars.

Initial Class A Note and Class B Note Purchaser

The purchaser of the Class A Notes and the Class B Notes pursuant to the Subscription Agreement.

Initial Class C Note Purchaser

The purchaser of the Class C Notes pursuant to the Subscription Agreement.

Initial Cut-Off Date

Means 11 September 2009.

Initial Lease Receivables

The Lease Receivables sold by the Seller to the Purchaser on the Initial Purchase Date.

Initial Note Purchasers

The Initial Class A Note and Class B Note Purchaser and the Initial Class C Note Purchaser (each an **Initial Note Purchaser**).

Initial Portfolio

The portfolio consisting of Lease Receivables purchased (or to be purchased) by the Purchaser from the Seller on the Initial Purchase Date.

Initial Purchase Date

The Closing Date.

Initial Purchase Price

The amount equal to the Aggregate Discounted Balance of the Lease Receivables as calculated on the Initial Cut-Off Date.

Insolvency Event

In respect of the Issuer means:

- (a) an order is made or an effective resolution passed for the winding up of the Issuer, except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Security Trustee in writing; or
- (b) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (a) above, ceases or through an authorised action of its board of directors, threatens to cease to carry on all or substantially all of its business or is deemed unable to pay its debts as and when they fall due within the meaning of Section 123(1)(a) of the Insolvency Act and 123(2) of the Insolvency Act or, where applicable, Section 222 to 224 of the Insolvency Act; or
- (c) proceedings corporate action or other steps shall be initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) and (except in the case of presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) such proceedings are not, in the reasonable opinion of the Security Trustee, being disputed in good faith with a reasonable prospect of success or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other

receiver, liquidator, trustee in sequestration or other similar official shall be appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer (other than the Issuer, the Security Trustee or the Note Trustee) shall take possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within thirty days of its commencement, or the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; and

- (d) any event occurs which, under English law or any applicable law, has an analogous effect to any of the events referred to in paragraphs (a), (b) or (c) above.

In relation to Cyprus Leasing S.A. means corporate action taken or pending, or other steps taken and/or proceedings commenced or threatened or pending in respect of:

- (a) the bankruptcy, winding-up, liquidation, dissolution, mandatory management, administration or reorganisation of the Seller;
- (b) the making of an administration order in respect thereof or filing of documents with the court for administration including, without limitation, any actual or proposed appointment of an administrator made by either the holder of a qualifying floating charge or the Seller or its directors or to place or force the Seller into voluntary or involuntary liquidation;

- (c) the serving of the notice of intention to appoint an administrator;
- (d) the Seller entering into any composition or arrangement with its creditors generally;
- (e) the commencement of a creditors collective action against the Seller (including, but not limited to, such procedure under the Greek Bankruptcy Code);
- (f) the appointment, or proposed appointment, of a receiver, administrative receiver, or similar officer in respect of the Seller or any of its property, undertaking or assets; or
- (g) no cessation of payments (other than cessation of payments due to errors or omissions of an administrative or operational nature) of all or a part of the Seller's debts and no event equivalent to the foregoing has occurred in or under the laws of any relevant jurisdiction.

Insolvency Official

A liquidator, administrator, receiver or similar such official appointed with respect to Cyprus Leasing.

Insurance Amounts

Payments made to the Lessor, in its capacity as owner of a Leased Asset, in accordance with the terms and conditions of the Cyprus Insurance Contracts or the Other Insurance Contracts, as the case may be.

Insurance Compensation Payment

Means compensation payments under the Group Insurance Contracts or the insurance policies entered into in accordance with the terms and obligations of the Lease Agreements, received in respect of a Leased Asset and/or a Lessee and/or a Guarantor and any claims for such compensation payments transferred to the Issuer as part of the Lease Receivables.

Interest Payment Date

Means 22 January 2010 (being the first Interest Payment Date) and thereafter the 22 January, 22 April, 22 July and 22 October in each year or, in the event such day is not a Business Day, then the next following Business Day, unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day.

Interest Period	Initially the period commencing on and including the Closing Date and ending on but excluding the first Interest Payment Date and thereafter the period commencing on and including the immediately preceding Interest Payment Date and ending on but excluding such Interest Payment Date.
Investment Grade Rating	Means the long-term, unsecured and unsubordinated debt or counterparty obligations which are rated Baa3 or above by Moody's.
Issue Date	18 September 2009.
Issuer Safety Deposit Box	The safety deposit box maintained in the name of the Issuer with Bank of Cyprus, Greece branch, or any other eligible bank.
Issuer Security	The English Security and the Greek Security.
Junior Servicer Fee	0.50% of Collections.
Lease Agreement	With regards to Vehicles and Equipment, each Annex of a Frame Lease Agreement which generates receivables that are or will be assigned to the Purchaser under the terms of the Purchase Agreement in accordance with, among others, the Securitisation Law, as such Annex is amended from time to time and subject to and in accordance with the Servicing Agreement, and with regards to Real Estate, the notarial deed entered into between Cyprus Leasing and the relevant Lessee for the leasing of Real Estate.
Lease Instalment	The sum of (a) the Lease Principal Component and (b) the Lease Interest Component due under a Lease Agreement and relating to a Collection Period.
Lease Interest Collections	The aggregate Lease Interest Components and early termination penalties relating to the interest actually collected during the relevant Collection Period actually received during the relevant Collection Period.
Lease Interest Component	The interest component included in a Lease Instalment pertaining to a Lease Agreement and calculated in accordance with the Collection and Servicing Procedures.
Lease Maturity Date	The termination date as agreed upon by and between

	<p>the Seller (as lessor) and the Lessee upon the entering into of the Lease Agreement, as amended from time to time, as the case may be in accordance with the Servicing Agreement and the relevant Lease Agreement.</p>
Lease Maturity Extension Date	<p>The amended termination date as agreed upon by and between the Servicer and the Lessee, which falls after the Lease Maturity Date as agreed upon the entering into the Lease Agreement entered the Portfolio.</p>
Lease Principal Collections	<p>The aggregate Lease Principal Components actually received.</p>
Lease Principal Component	<p>The principal component included in a Lease Instalment pertaining to a Lease Agreement and calculated in accordance with the Collection and Servicing Procedures.</p>
Lease Receivable	<p>Means any and all claims and rights of the Seller against the Lessee under or in connection with the use of the Leased Assets under the relevant Lease Agreements originated by the Seller. Such claims and rights include the rental payments and expenses due and payable by the Lessee, default interest, as well as Insurance Compensation Payments, but excluding amounts charged in respect of Greek VAT, RV Claims and any payments received or to be received from the Lessee in respect of lease receivables invoiced prior to 12 September 2009.</p>
Leased Asset	<p>An Asset which is or has been subject of a Lease Agreement.</p>
Lessee(s)	<p>The Lessees under the Lease Agreements provided that for the purpose of the Replenishment Criteria such Lessees that belong to the same Company Group are deemed to be one Lessee.</p>
Lessor	<p>Cyprus Leasing S.A.</p>
Liability	<p>Means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.</p>

Liquidity Cash Reserve Ledger	Means the ledger maintained by the Cash Manager on behalf of the Issuer which records amounts credited to the Cash Reserve Fund from the proceeds from the issue of the Class C Notes and from Available Revenue Receipts (up to 21.05 per cent. of the Required Cash Reserve Amount) and withdrawals from the Cash Reserve Fund on each Interest Payment Date in accordance with the Cash Management Account.
London Business Day	A day (other than a Saturday or Sunday) on which banks are open for general business in London (United Kingdom).
Losses	Means all losses that are realised when the Lease Agreements become Defaulted Lease Agreements.
Material Adverse Effect	Means with respect to any person or entity, a material adverse effect on: (a) the business, operations, property, condition (financial or otherwise) or prospects of such person or entity and, in the case of the Seller, the Lease Receivables (including, without limitation, to the origination or servicing of the Lease Receivables); (b) the ability of such person or entity to perform its obligations under any Transaction Document to which it is a party or any of the rights or remedies of any other party to such Transaction Document; (c) the validity or enforceability of any Transaction Document to which it is a party; or (d) the enforceability (or otherwise the rights to repayment) or the value of any Lease Receivable.
Minimum Rate	Means, in respect of any Lease Agreement whose interest rate is calculated on a variable basis by reference to (i) the Bank of Cyprus Base Rate, or (ii) on a combined basis in part by reference to the Bank of Cyprus Base Rate, or (iii) to any other floating rate index determined or calculated from time to time by Bank of Cyprus, an interest rate equal to three-month EURIBOR plus a margin of 1.00 per cent..
Minimum Required Rating	Means a short-term rating of P1 by Moody's.
Noteholders	Means each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding (as defined in Condition 6.4) of the Notes of any class (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the

Principal Amount Outstanding of the Notes standing to the account of any person shall be conclusive and binding for all purposes) and such person shall be treated by the Issuer, the Note Trustee, the Security Trustee and all other persons as the holder of such Principal Amount Outstanding of such Notes for all purposes, other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, the Note Trustee, the Security Trustee and all other persons, solely in the bearer of the relevant Global Note in accordance with and subject to the terms of the Global Note and the Trust Deed and for which purpose "Noteholders" means the bearer of the relevant Global Note; and related expressions shall be construed accordingly.

Notes	Has the meaning given on page 3.
Original Maturity	For any Lease Agreement, the number of months between the date of signature of the Lease Agreement and the Lease Maturity Date.
Other Insurance Contracts	All insurance contracts covering risks of the Leased Assets, that are taken out by the Lessees throughout the life of the respective Lease Agreement, under the terms and conditions provided under the respective Lease Agreement.
Performing Lease Receivable	A Lease Receivable relating to a Lease Agreement which is not a Defaulted Lease Agreement.
Permanent Global Note	Has the meaning given on page 3.
Permitted Variation	Has the meaning given on page 20.
Pool Delinquency Ratio	The ratio calculation at the relevant Cut-Off Date of the Aggregated Delinquent Balance of Lease Agreements in Arrears within a Pool divided by the Aggregated Discounted Balance of such Pool.
Pool Default Ratio	The ratio calculation at the relevant Cut-Off Date of the Aggregated Default Balance of Lease Agreements within a Pool divided by the Aggregated Discounted Balance of such Pool.
Portfolio	The Initial Portfolio and each Additional Portfolio.
Portfolio Arrears Ratio	The ratio of the Aggregated Delinquent Balance of Lease Agreements in Arrears within the Portfolio

divided by the Aggregated Discounted Balance of the Portfolio at the Initial Cut-Off Date.

Post-Dated Cheques

Cheques issued by a Lessee or a Guarantor or a client of a Lessee or a Guarantor, signed to the order of the Lessor, where the moneys collected thereunder are applied for the payment of any amounts due under the Lease Agreement(s) entered into by the respective Lessee.

Principal Deficiency

All Principal Receipts applied to cover Income Deficits.

Principal Deficiency Ledger

The Ledger which records deficiencies arising from Losses on the Portfolio or the application of Principal Receipts and/or amounts applied as Available Revenue Receipts to cure any Income Deficits.

Principal Receipts

Means payments received by the Issuer directly or from the Seller representing:

- (a) principal repayments under the Lease Agreements (including capitalised interest, capitalised expenses and capitalised arrears but excluding accrued interest and arrears of interest);
- (b) the Asset Realisation Proceeds (excluding amounts attributable to Revenue Receipts);
- (c) any payment pursuant to an insurance policy assigned to the Issuer (in respect of which the Issuer has a beneficial interest) in respect of an Asset in connection with a Lease Agreement in the Portfolio (excluding amounts attributable to Revenue Receipts); and
- (d) the proceeds of the repurchase of any Lease Agreement by the Seller from the Issuer pursuant to the Purchase Agreement (excluding amounts attributable to Revenue Receipts).

Purchase Date

The Initial Purchase Date, the Additional Portfolio Purchase Date or the Revised Purchase Date.

Purchase Price

The Initial Purchase Price together with the Deferred Purchase Price.

Rate Conversion	Means the conversion by the Seller of the Contractual Rate charged in respect of a Lease Agreement to a rate determined on an alternative basis that is not contractually agreed between the parties..
Rated Notes	Means the Class A Notes.
Rating Agency	Means Moody's.
Real Estate	Any office, retail outlet, hotel, factory or logistic warehouse.
Realisation Procedure Rules	Means the rules the Seller is required to follow when carrying out the realisation services.
Records	<p>Means in respect of the Seller and the Servicer:</p> <ul style="list-style-type: none"> (a) the Lease Agreements and all files, microfiches, correspondence, notes of dealing and other documents, books, books of account, registers, records and other information and all computer tapes and disks relating to the Lease Agreements from which the Lease Receivables derive and relating to the Lessees in respect thereof; and (b) all files, microfiches, correspondence, notes of dealing and other documents, books, books of account, registers, records and other information and all computer tapes and disks relating to the realisation services, (including without limitation the list of all seller intermediaries used by the Servicer, their correspondence address and any contracts entered into with them) the relevant Leased Assets and relating to the Lessees in respect thereof.
Remaining Maturity	For any Lease Agreement, the number of months between the Cut-Off Date and the Lease Maturity Date.
Replacement Swap Premium	Means an amount in respect of premium received by the Issuer from a replacement swap counterparty upon entry by the Issuer into an agreement with such replacement swap counterparty to replace the Swap Counterparty, to the extent it is applied to pay any termination payment due and payable by the Issuer to

the Swap Counterparty.

Replenishment Criteria

Means the criteria the Lease Receivables have to satisfy on a portfolio basis throughout the Revolving Period and as set out in Appendix 3 to the Purchase Agreement.

Repurchase Obligation

The obligation of Cyprus Leasing as the Repurchaser to repurchase the Lease Receivables from the Issuer in accordance with the terms of the Purchase Agreement.

Required Cash Reserve Amount

- (a) on the Closing Date an amount equal to €51,100,000.00;
- (b) thereafter the Required Cash Reserve Amount will be equal to the higher of (i) 8.00% of the sum of (a) the Principal Amount Outstanding of the Class A Notes and (b) the Principal Amount Outstanding of the Class B Notes on each Interest Payment Date and (ii) the lesser (a) of €26,000,000.00 and (b) the sum of (i) the Principal Amount Outstanding of the Class A Notes and (ii) the Principal Amount Outstanding of the Class B Notes; and
- (c) on the date on which the Aggregate Discounted Balance has been reduced to zero, the Required Cash Reserve Amount will be reduced to zero.

Retained Principal Receipts Fund

Means the fund established on the Closing Date, which will be funded from Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments and from Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments and from which amounts may be used to purchase Additional Portfolios during the Revolving Period.

Retained Principal Receipts Ledger

Means the ledger which records amounts paid into the Retained Principal Receipts Fund.

Revenue Receipts

Means payments received by the Issuer directly or from the Seller representing:

- (a) payments of interest on the Lease Agreements (including arrears of interest and accrued interest but excluding capitalised interest, capitalised expenses and capitalised arrears) and fees paid from time to time under the

Lease Agreements and other amounts received by the Issuer in respect of the Lease Agreements other than the Principal Receipts;

- (b) the proceeds of the repurchase of any Lease Agreements by the Seller from the Issuer pursuant to the Purchase Agreement to the extent such proceeds are attributable to accrued interest, arrears of interest and uncapitalised charges and expenses in respect of the Lease Agreements (excluding, for the avoidance of doubt, capitalised interest, capitalised expenses and capitalised arrears) as at the relevant repurchase date;
- (c) the amount of any recoveries from Losses that exceeds the principal amount of the Lease Agreement following recognition of the Losses;
- (d) the Asset Realisation Proceeds to the extent such proceeds are attributable to accrued interest, arrears of interest and uncapitalised charges and expenses in respect of the Lease Agreements;
- (e) any early repayment charges which have been paid by the Lessee in respect of the Lease Agreements; and
- (f) any payment pursuant to an insurance policy assigned to the Issuer (in respect of which the Issuer has a beneficial interest) in respect of an Asset in connection with a Lease Agreement in the Portfolio to the extent applied towards all sums of the type referred to in paragraphs (a) and (e) above.

Revised Purchase Date

Means the revised date indicated on a revised Transfer Notice on which the Seller wishes to sell and assign to the Issuer an Additional Portfolio in accordance with the Purchase Agreement.

Revolving Period

The Revolving Period commences on (and includes) the Closing Date and ending on (but excludes) the earlier of (a) the Interest Payment Date falling in January 2012 and (b) the date on which an Early Amortisation Event occurs.

RV Claims

In respect of a Lease Agreement, any lump sum

payable at maturity of the Lease Agreement by the Lessee should the Lessee decide to obtain legal and beneficial ownership of the Leased Asset.

Secured Creditors

Secured Creditors means the Note Trustee, the Receiver, any appointee of the Note Trustee, the Security Trustee, any appointee of the Security Trustee, the Noteholders, the Servicer, the Stand-by Servicer, the Swap Counterparty, the Account Bank, the Greek Account Bank, the Agent Bank, the Cash Manager, the Paying Agent and the Corporate Services Provider.

Secured Liabilities

Means the aggregate of all moneys and other liabilities, whether actual or contingent, from time to time due or owing by the Issuer to the Secured Creditors under the Transaction Documents.

Selection Procedure

That Cyprus Leasing will select first those Lease Receivables that are eligible (in accordance with the Eligibility Criteria and Lease Warranties) and second select from all eligible receivables those Lease Receivables with the longest term, subject to the Replenishment Criteria.

Seller Event of Default

With respect to Cyprus Leasing in its capacity as Seller and Repurchaser (but excluding, for the avoidance of doubt, in its capacity as Servicer), the earliest to occur of the following:

- (a) a default is made by Cyprus Leasing in the payment on the due date of any amount due and payable by it under any Transaction Document to which it is a party and such failure is not remedied within ten Business Days after notice thereof has been given by the Purchaser or the Security Trustee to Cyprus Leasing;
- (b) Cyprus Leasing fails duly to perform or comply with any of its material obligations under any Transaction Document to which it is a party and if such failure is capable of being remedied, such failure, is not remedied within twenty Business Days after notice thereof has been given by the Purchaser or the Security Trustee to Cyprus Leasing or such other party;
- (c) an Insolvency Event has occurred in respect

of Cyprus Leasing;

- (d) Cyprus Leasing is dissolved or other procedures are initiated which will or may result in a liquidation of Cyprus Leasing (other than due to an intra-group merger where Cyprus Leasing is the surviving entity);
- (e) any representation or warranty in the Purchase Agreement granted by Cyprus Leasing or in any report provided by Cyprus Leasing, is materially false or incorrect and such inaccuracy, if capable of remedy, is not remedied within ten Business Days of notice from the Issuer and has a Material Adverse Effect in relation to the Issuer.

Senior Expenses

Amounts payable (a) to the Note Trustee, the Security Trustee under the Trust Deed and the Deed of Charge, (b) to the Corporate Services Provider under the Corporate Services Agreement, (c) to Moody's for the fees concerning the monitoring, (d) to the directors of the Issuer, (e) to the Account Bank, Agent Bank, Paying Agent and Cash Manager and (f) in respect of other administration costs and expenses of the Issuer (inclusive of VAT in respect thereof) including any costs relating to the listing of the Notes.

Senior Servicer Fee

0.20% of Collections.

Servicer Fee

The fee (inclusive of VAT) payable by the Issuer to the Servicer on each Interest Payment Date according to the applicable Priority of Payments and calculated as (a) 0.70% of Collections per annum divided by (b) 12 and multiplied by (c) the Collections received in the three preceding Collection Periods as of the end of the Collection Period preceding the relevant Interest Payment Date.

Servicer Standard of Care

Is the standard of care described in Clause 4 of the Servicing Agreement.

Servicer Termination Event

Means:

- (a) the occurrence of an Insolvency Event in relation to the Servicer or in relation to any party to which the Servicer has assigned its rights under the Servicing Agreement;

- (b) the Servicer fails to pay any amount due under the Servicing Agreement on the due date or on demand, if so payable, or to direct the Account Bank in respect of such amount, and such failure has continued unremedied for a period of five Business Days;
- (c) the Servicer fails to observe or perform in any material respect any of its covenants and obligations under or pursuant to the Servicing Agreement or breaches any term of the Servicing Agreement or any other Transaction Document to which it is a party and such failure continues unremedied for a period of 20 Business Days after the earlier of the Servicer becoming aware of such default and written notice of such failure being received by the Servicer from the Issuer or the Security Trustee (such notice requiring the same to be remedied);
- (d) any representation or warranty in the Purchase Agreement or in any report provided by the Seller or the Servicer, is materially false or incorrect and such inaccuracy, if capable of remedy, is not remedied within ten Business Days of the earlier of the Servicer becomes aware of such default and receipt by the Servicer of a notice from the Issuer or the Security Trustee and has a Material Adverse Effect in relation to the Issuer or the Portfolio;
- (e) the Servicer is downgraded below Ba3 by Moody's;

provided, however, that a delay or failure of performance referred to under paragraph (b), or (c) above will not constitute a Servicer Termination Event if such delay or failure was caused by an event beyond the reasonable control of the Servicer, an act of god or other similar occurrence (excluding, for the avoidance of doubt, where any such event (i) arose as a result of the fraud, negligence or wilful default of the Servicer, (ii) is an electricity power-cut and at the time of such electricity power-cut the Servicer does not have a back-up generator in place, or (iii) is a computer software, hardware or system failure and at the time of such failure, the Servicer does not have equivalent back-up computer software, hardware or systems in place) and such delay or failure is remedied within a period of 150 calendar days after

written notice of such event has been given by the Issuer or the Security Trustee to the Servicer.

Stand-by Rate Conversion Reserve Account	Means the designated bank account that will be opened on or before the Closing Date by the Issuer with the Account Bank under the Bank Account Agreement and will be funded and maintained when the short-term rating of the Bank of Cyprus provided by Moody's falls below the Minimum Required Rating.
Stand-by Rate Conversion Reserve Required Amount	Means an amount set aside within the Stand-by Rate Conversion Reserve Account to compensate for the resulting Stand-by Rate Conversion Shortfall..
Stand-by Servicer Fee	The fee (inclusive of VAT) to be paid by the Purchaser to the Stand-by Servicer, once the Stand-by Servicer has taken over the services of the Servicer, on each Interest Payment Date according to the applicable Priority of Payments in an amount equal to the Servicer Fee or such other amount as may be agreed between the Issuer, the Security Trustee and the Stand-by Servicer.
Stand-by Servicer Stand-By Fee	The fee (inclusive of VAT) to be paid to the Stand-by Servicer following the nomination of the Stand-by Servicer but as long as the Stand-by Servicer has not taken over the services of the Servicer, the Stand-by Servicer will receive on each Interest Payment Date according to the applicable Priority of Payments in an amount as may be agreed between the Issuer, the Stand-by Servicer and the Security Trustee.
Subordinated Step-up Margin	0.75 per cent. per annum.
Swap Payments	Means all payments made by the Swap Counterparty to the Issuer under the Swap Agreement.
Swap Subordinated Termination Payment	Means, in relation to the Swap Agreement an amount equal to the amount of any Swap Termination Payment due and payable under the Swap Agreement to the Swap Counterparty following (i) a Swap Counterparty Default or (ii) a Swap Counterparty Downgrade Event.
Swap Termination Payment	Means any payment due to the Swap Counterparty upon termination of the Swap Agreement.
Target System	The Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System and

which was launched on 17 November 2007.

Temporary Global Note

Has the meaning given on page 3.

Transfer Costs

Means the costs associated with the transfer of administration to a substitute administrator.

Vehicle

Any Industrial Vehicle or Car.

VAT

Means:

- (a) any tax chargeable under or pursuant to the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) or any legislation implemented by any member state of the European Union by virtue of the EC Directive 2006/112; and
- (b) any other tax of a similar nature, whether chargeable in a member state of the European Union or elsewhere.

Weighted Average MRA Rating

Means the Rating used to rate Lessees using the Moody's Risk Advisor Model

Weighted Average Remaining Term

Means, as at an Additional Purchase Date or Repurchase Date, the weighted average remaining term to maturity for the Lease Receivables in the Portfolio calculated as the aggregate of the following calculated amounts for each Lease Agreement: (a) the Aggregate Discounted Balance of the relevant Lease Agreement divided by the Aggregate Discounted Balance of all Lease Receivables in the Portfolio; multiplied by (b) the remaining term (in months) to maturity of such Lease Agreement.

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