

Pursuant to article 2, paragraph 3 of Italian law No. 130 of 30 April, 1999

TOTALLY ITALIAN GENERATED RECEIVABLES S.r.l. (Tigra S.r.l.)

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

€ 571,300,000 Class A Asset-Backed Floating Rate Notes due 2017
Issue Price: 100%

€ 108,857,164 Class B Asset-Backed Floating Rate Notes due 2017
Issue Price: 100%

The € 571,300,000 Class A Asset-Backed Floating Rate Notes due 2017 (the "**Class A Notes**" or the "**Senior Notes**") will be issued by TOTALLY ITALIAN GENERATED RECEIVABLES S.r.l. (Tigra S.r.l.) (the "**Issuer**") on 28 December, 2006 (the "**Issue Date**"). The Issuer is a limited liability company with sole quotaholder incorporated under the laws of the Republic of Italy under article 3 of Italian law No. 130 of 30 April, 1999 (*disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Securitisation Law**") and is registered both with *Ufficio Italiano dei Cambi* and with the Bank of Italy pursuant to, respectively, article 106 and article 107 of the Italian legislative decree No. 385 of 1 September, 1993 (the "**Banking Act**"). In connection with the issue of the Senior Notes, the Issuer will also issue the € 108,857,164 Class B Asset-Backed Floating Rate Notes due 2017 (the "**Junior Notes**") and, together with the Senior Notes, the "**Notes**"). The Junior Notes will be fully subscribed for by GMAC Italia S.p.A. ("**GMAC ITALIA**").

This document is issued pursuant to article 2, paragraph 3 of the Securitisation Law and constitutes a *prospetto informativo* for all classes of Notes in accordance with the Securitisation Law.

The net proceeds of the issue of the Notes will be applied by the Issuer to fund the purchase of a pool of monetary claims and other connected rights (the "**Initial Claims**") arising under a portfolio of loans originated by GMAC ITALIA (the "**Initial Portfolio**"). The Initial Claims have been transferred from GMAC ITALIA to the Issuer pursuant to the terms of a transfer agreement dated 21 December, 2006 between the Issuer and GMAC ITALIA (the "**Transfer Agreement**"). Pursuant to the Transfer Agreement, the Issuer shall purchase from GMAC ITALIA, on a regular basis, additional pools of monetary claims and other connected rights (the "**Additional Claims**") and, together with the Initial Claims, the "**Claims**") arising under additional portfolios of loans to be originated by GMAC ITALIA (each, an "**Additional Portfolio**") and, together with the Initial Portfolio, the "**Portfolio**"). The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be collections received in respect of the Claims.

Interest on the Notes is payable by reference to successive interest periods (each, an "**Interest Period**"). Interest on the Notes will be payable in arrear in euro on 21 February, 2007, and thereafter monthly in arrear on 21 calendar day of each month, in each year (subject to adjustment for non-business days as set out in Condition 6 (Interest) (each such date, an "**Interest Payment Date**"). The coupon applicable to the Senior Notes for each Interest Period shall be calculated by GMAC CONTINENTAL LLC (the "**Calculation Agent**") and shall be the lower of:

- (A) the average of the cost of funds communicated to the Calculation Agent by TULIP ASSET PURCHASE COMPANY B.V. and Cancara Asset Securitisation Limited for their costs, fees; and
- (B) EURIBOR plus 200 bps.

The Calculation Agent shall also calculate the coupon applicable for the Junior Notes for each Interest Period that shall be equal to Euribor plus 180 bps

The coupon on the Senior Notes and on the Junior Notes will be payable if and to the extent that funds are available to the Issuer for these purposes.

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

The Senior Notes will be rated AAA by Moody's Investors Service Limited ("**Moody's**"). **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.** The Junior Notes will not be assigned a rating.

Payments under the Notes may be subject to withholding for or on account of tax, or to a substitute tax, in accordance with Italian legislative decree No. 239 of 1 April 1996, as subsequently amended. Upon the occurrence of any withholding for or on account of tax, whether or not in the form of a substitute tax, from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount to any holder of the Notes.

The Notes will be direct, secured, limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Representative of the Noteholders, the Cash Manager, the Account Bank, the Corporate Services Provider, the Stichting Corporate Services Provider, the Calculation Agent, the Hedging Providers, the Subordinated Loan Provider (each as defined below in "*Transaction Summary Information - The Principal Parties*"). GMAC ITALIA (in any capacity) or the quotaholder of the Issuer. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Notes will be represented by physical registered certificates (*certificati nominativi*) as indicated in the Conditions (as defined below). Title to the Notes will at all times be evidenced on such physical registered certificate and on the register (*registro degli obbligazionisti*) held by the Issuer.

The Notes will mature on the Interest Payment Date which falls on 21 December, 2017 (the "**Maturity Date**"). Before the Maturity Date of the Notes, a new Maturity Date can be agreed in accordance with Condition 7 (*Redemption, purchase and cancellation*). Before the Maturity Date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 7 (*Redemption, purchase and cancellation*)). The Senior Notes will be redeemed in priority to the Junior Notes.

If the Notes cannot be redeemed in full on the Maturity Date as a result of the Issuer having insufficient funds available to it in accordance with the terms and conditions of the Notes (the "**Conditions**" and each, a "**Condition**") for application in or towards such redemption, including the proceeds of any sale of Claims or any enforcement of the Note Security, any amount unpaid shall remain outstanding and the Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the last Business Day in December 2018 (the "**Cancellation Date**"), at which date any amounts remaining outstanding in respect of principal or interest on the Notes shall be reduced to zero and deemed to be released by the holder of the relevant Notes and the Notes shall be cancelled. The Issuer has no assets other than those described in this Prospectus.

THIS PROSPECTUS HAS BEEN PREPARED IN ACCORDANCE WITH ARTICLE 2 OF THE ITALIAN SECURITISATION LAW. THE NOTES WILL NOT BE LISTED ON ANY STOCK EXCHANGE. ACCORDINGLY, THIS PROSPECTUS IS SUBJECT NEITHER TO ANY APPROVAL OR AUTHORISATION OF CONSOB OR BORSA ITALIANA S.P.A., NOR TO ANY DISCLOSURE DUTIES IN THE REPUBLIC OF ITALY, OTHER THAN THOSE PROVIDED BY THE ITALIAN SECURITISATION LAW.

Arrangers

ABN AMRO BANK N.V. and Lloyds TSB Bank plc

The date of this Prospectus is 21 December, 2006

This *Prospetto Informativo* is not, and shall not be construed or used by any party as, an offering document. Neither this *Prospetto Informativo* nor any part of it constitutes an offer, and may not be used for the purpose of an offer to sell any of the Notes, or a solicitation of any offer to buy any of the Notes. This *Prospetto Informativo* sets forth the minimum level of information required by Article 2.3 of the Securitisation Law and does not have the level of information that it would have had, had it been intended to be an offering document.

In no circumstances shall this *Prospetto Informativo* be circulated by any holder of the Notes or any party to any of the Transactions Documents to any prospective purchaser of the Notes or to any other third party.

Any investors in the Notes would have to make their own analysis of the merits of the Notes and carry out their own due diligence thereon in order to evaluate whether to invest in the Notes, and shall not ground their investment decision on the information contained in this *Prospetto Informativo*.

None of the Issuer, its directors, statutory auditors, shareholders or any of its agents have made any financial analysis or evaluation, investigation or review of the Claims, the cashflows expected to be derived therefrom and/or the security which will be given for the Notes and accordingly, make no assurance that the purchase price being paid for the Claims is at least equal to the value that would be attributed to it by a purchaser who had carried out its own independent due diligence and formed its own financial evaluation thereof. Each investor must make its own independent analysis and evaluation of the Claims, the cashflows expected to be derived therefrom and the security which will be given for the Notes in order to make an informed investment decision with respect to the purchase of the Notes.

None of the Issuer, the Representative of the Noteholders, or any other party to the Transaction Documents (as defined below) other than GMAC ITALIA has undertaken or will undertake any investigation, searches or other actions to verify the details of the Portfolio or the related Claims sold or to be sold by GMAC ITALIA to the Issuer, nor have the Issuer, the Representative of the Noteholders or any other party to the Transaction Documents (as defined below) undertaken, nor will they undertake, any investigations, searches or other actions to establish the creditworthiness of any debtor in respect of the Portfolio or the Claims.

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 (other than that information for which GMAC Italia accepts responsibility) is in accordance with the facts. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the Notes that the information contained or incorporated in this Prospectus is true and accurate in all material respects. The Issuer accepts responsibility accordingly. This Prospectus may only be used for the purposes for which it has been published.

GMAC ITALIA accepts responsibility for any information contained in this Prospectus relating to itself and the Claims. To the best of the knowledge and belief of GMAC ITALIA (having taken all reasonable care and made all due enquires to ensure that such is the case), such information and data are true and accurate in all material respect. Save as aforesaid, GMAC ITALIA does not accept responsibility for this document or any part hereof.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the offering of the Senior Notes and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Senior Subscribers, the Junior Subscriber, the Representative of the Noteholders, the Issuer, the quotaholder of the Issuer and GMAC ITALIA (in any capacity). Neither the delivery of this document

nor any sale or allotment made hereunder shall, under any circumstances, constitute a representation or imply that there has been no change in the affairs of the Issuer or GMAC ITALIA since the date hereof. This Prospectus does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Arrangers and the Representative of the Noteholders have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers, the Representative of the Noteholders or any of them as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution.

The Notes constitute direct, secured, limited recourse obligations of the Issuer. Each Note will be secured, in each case, over certain of the assets of the Issuer. Furthermore, by operation of Italian law, the Issuer's right, title and interest in and to the Claims in relation to the Portfolio will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding-up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes and the Other Issuer Secured Creditors (as defined below) and to any third-party creditor in respect of any taxes, costs, fees, expenses or liabilities incurred by the Issuer to such third-party creditor in relation to the securitisation of the Initial Claims contemplated by this document (the "**Securitisation**"). Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The holders of the Notes, by subscribing for the Notes, agree and the Other Issuer Secured Creditors will agree that amounts deriving from the Portfolio will be applied by the Issuer in accordance with the applicable order of priority of application of Interest Available Funds and Principal Available Funds (both as defined below) contained in the Intercreditor Agreement (as defined below) and the Conditions. See "*Transaction Summary Information - Priorities of Payments*", and "*Terms and Conditions of the Notes*", below. The Notes will also be secured over certain of the assets of the Issuer pursuant to and as further described in the section entitled "*Transaction Summary Information - Summary of the Notes*", below.

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

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, GMAC ITALIA that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the Claims and of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), are in bearer form and are subject to U.S. tax law requirements. Subject to certain exceptions the Notes may not be offered or sold within the United States to or for the benefit of U.S. persons (as defined in Regulation S under the Securities Act). For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see "*Subscription and Sale*".

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

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

Except pursuant to Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in such a manner as to avoid the need to register the Issuer under the United States Investment Company Act of 1940, as amended. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see "*Subscription and Sale*", below.

The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other offering circular nor any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which could allow an offering (*sollecitazione all'investimento*) of the Notes to the public in the Republic of Italy.

THIS PROSPECTUS HAS BEEN PREPARED IN ACCORDANCE WITH ARTICLE 2 OF THE ITALIAN SECURITISATION LAW. THE NOTES WILL NOT BE LISTED ON ANY STOCK EXCHANGE. ACCORDINGLY, THIS PROSPECTUS IS SUBJECT NEITHER TO ANY APPROVAL OR AUTHORISATION OF CONSOB OR BORSA ITALIANA S.P.A., NOR TO ANY DISCLOSURE DUTIES IN THE REPUBLIC OF ITALY, OTHER THAN THOSE PROVIDED BY THE ITALIAN SECURITISATION LAW.

In this Prospectus, references to "€", "euro" and "cents" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended.

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TRANSACTION SUMMARY INFORMATION

The following information is a summary of the transactions and assets underlying the Notes and is qualified in its entirety by reference to the detailed information presented elsewhere in this document and in the Transaction Documents.

Certain terms used, but not defined, in the summary may be found in other sections of this document, unless otherwise stated. An index of defined terms is contained at the end of this document, commencing on page 120.

1. The Principal Parties

Issuer

TOTALLY ITALIAN GENERATED RECEIVABLES S.r.l. (Tigra S.r.l.) (the "**Issuer**") is a limited liability company with sole quotaholder incorporated in the Republic of Italy under article 3 of Italian law No. 130 of 30 April, 1999 (*disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Securitisation Law**"). The Issuer is registered with the companies' register of Brescia under 08831061000, with the register held by *Ufficio Italiano dei Cambi* pursuant to article 106 of the Italian legislative decree No. 385 of 1 September, 1993 (the "**Banking Act**") under number 37774 and with the register held by the Bank of Italy pursuant to article 107 of the Banking Act under number 33190.0. The registered office of the Issuer is at Via Romanino 1, 25122 Brescia, Italy. The equity capital of the Issuer is held by Stichting Total Auto Receivables GMAC Italia Trust.

The Issuer has been established as a multi-purpose vehicle and, accordingly, it may carry out other securitisation transactions in addition to the one contemplated in this Prospectus, subject to certain conditions.

Stichting Total Auto Receivables GMAC Italia Trust

Stichting Total Auto Receivables GMAC Italia Trust ("**Stichting**") is a Dutch foundation (*stichting*) established under the laws of The Netherlands whose statutory seat is at Amsteldijk 166, 1079 LH Amsterdam, The Netherlands. Stichting Total Auto Receivables GMAC Italia Trust holds 100 per cent. interest in the equity capital of the Issuer.

Originator

GMAC Italia S.p.A. ("**GMAC ITALIA**") is a financial company (*società finanziaria*) organised as a joint stock company under the laws of the Republic of Italy with registered office at Piazzale dell'Industria 40, 00144, Roma, Italy, and is registered with the companies' register of Rome under number 00398020586, with the register held by *Ufficio Italiano dei Cambi* pursuant to article 106 of the Banking Act under number 4032 and with the register held by the Bank of Italy pursuant to article 107 of the Banking Act. GMAC ITALIA (in such capacity, the "**Originator**").

On 21 December, 2006 (the "**Closing Date**"), pursuant to a transfer agreement (the "**Transfer Agreement**") the Issuer acquired from the Originator the monetary claims and other

connected rights (the "**Initial Claims**") arising from a portfolio of loans (the "**Initial Portfolio**") granted by the Originator to its customers residing in Italy. During the Revolving Period (as defined below), pursuant and subject to the Transfer Agreement, the Originator may offer to sell to the Issuer other monetary claims and connected rights (the "**Additional Claims**" and together with the Initial Claims, the "**Claims**") on a regular basis, arising from various portfolios of loans (the "**Additional Portfolio**" and together with the Initial Portfolio, the "**Portfolio**") granted by the Originator to its customers residing in Italy. The payment of the purchase price of the Initial Claims will be financed by the issue of the Notes.

Representative of the Noteholders

ABN AMRO Trustees Limited with registered office at 82 Bishopsgate, London EC2N 4BN, United Kingdom is the representative of the holders of the Notes ("**Representative of the Noteholders**") pursuant to the terms of the Intercreditor Agreement dated the Closing Date and the Rules of the Organisation of Noteholders.

Corporate Services Provider

Structured Finance Management Italy S.r.l. with registered office at Via Romanino 1, 25100 Brescia, Italy is the corporate services provider to the Issuer (the "**Corporate Services Provider**"). Pursuant to the terms of a corporate services agreement dated the Closing Date between the Issuer, the Representative of the Noteholders and the Corporate Services Provider (the "**Corporate Services Agreement**"), the Corporate Services Provider has agreed to provide certain administration and secretarial services to the Issuer.

Stichting Corporate Services Provider

Structured Finance Management (Netherlands) B.V. with registered office at Amsteldijk 166, 1079 LH Amsterdam, The Netherlands is the corporate services provider to the Stichting (the "**Stichting Corporate Services Provider**"). Pursuant to the terms of a corporate services agreement dated the Closing Date between the Issuer, the Stichting Corporate Services Provider, the Stichting and the Representative of the Noteholders (the "**Stichting Corporate Services Agreement**"), the Stichting Corporate Services Provider has agreed to provide certain management, administration and secretarial services to the Stichting.

Subordinated Loan Provider

GMAC Italia S.p.A. is the subordinated loan provider (in such capacity the "**Subordinated Loan Provider**") pursuant to the terms of the subordinated loan agreement dated the Closing Date between the Issuer and the Subordinated Loan Provider (the "**Subordinated Loan Agreement**") pursuant to which the Subordinated Loan Provider has granted to the Issuer a subordinated loan in an amount equal to € 41,420,200 (the "**Subordinated Loan**").

The Subordinated Loan will be repaid in accordance with the applicable Priority of Payments. The Subordinated Loan will be drawn down by the Issuer on the Issue Date and the

corresponding amount will be immediately credited to the Cash Reserve Account.

Servicer

GMAC ITALIA (in such capacity, the "**Servicer**") will administer the Portfolio on behalf of the Issuer pursuant to the terms of a servicing agreement dated the Closing Date between the Issuer and the Servicer (the "**Servicing Agreement**").

The Servicer will act as servicer (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*) pursuant to article 2.3(c) and article 2.6 of the Italian Securitisation Law. The Servicer has agreed to (a) administer and service the Claims on behalf of the Issuer in its capacity as Servicer and (b) exercise on behalf of the Issuer certain contractual rights arising out of the Loans (as defined below) and related documents and which have been transferred to the Issuer by virtue of the Transfer Agreement.

Account Bank

Pursuant to the terms of a cash management and accounts agreement dated the Closing Date between ABN AMRO Bank N.V., with registered office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands, acting through its London Branch at 82 Bishopsgate, London EC2N 4BN, United Kingdom (in such capacity, the "**Account Bank**"), the Cash Manager, the Calculation Agent, (each, as defined below), the Issuer and the Representative of the Noteholders (the "**Cash Management and Accounts Agreement**"), the Issuer has opened with the Account Bank certain bank accounts in the name of the Issuer.

Cash Manager

Pursuant to the terms of the Cash Management and Accounts Agreement, ABN AMRO Bank N.V. – London branch (in such capacity the "**Cash Manager**"), has been appointed by the Issuer to perform certain cash management functions on behalf of the Issuer.

Calculation Agent

GMAC Continental LLC, with registered office at 1209 Orange Street, Wilmington, Delaware 19801, USA, acting through its Belgium office at Noorderlaan 401-BB-2030 Antwerp Belgium, has been appointed by the Issuer as the calculation agent (in such capacity, the "**Calculation Agent**") pursuant to the terms of the Cash Management and Accounts Agreement to provide the Issuer with certain calculation services.

Italian Account Bank

Pursuant to the terms of an Italian account bank agreement between Unicredit Banca d'Impresa S.p.A. - branch No. 6464 - Via San Prospero 1 - 20121 Milan, Italy (the "**Italian Account Bank**") and the Issuer in December, 2006 (the "**Italian Account Bank Agreement**"), the Issuer has opened with the Italian Account Bank a bank account in the name of the Issuer in order to pay taxes due by the Issuer in the Republic of Italy.

ABN Hedging Provider

ABN AMRO BANK N.V. (LONDON BRANCH) a Dutch bank organised under the laws of The Netherlands, registered with the companies' register of Amsterdam under No. 33002587, fiscal

code and VAT No. NL003027144B01, and having its registered office at Gustav Mahlerlaan 10, 1082 PP, Amsterdam, the Netherlands, acting through its London branch at 250 Bishopsgate, London EC2M 4AA, United Kingdom, pursuant to the terms of a swap agreement dated on or around the Closing Date is the "**ABN Hedging Provider**".

Lloyds Hedging Provider

Lloyds TSB Bank plc with registered office at 25 Gresham Street, EC2V 7HN, London, United Kingdom, pursuant to the terms of a swap agreement dated on or around the Closing Date is the "**Lloyds Hedging Provider**".

Hedging Providers

The ABN Hedging Provider and the Lloyds Hedging Provider are the "**Hedging Providers**".

2. Summary of the Notes

The Notes

On 28 December, 2006, (the "**Issue Date**"), the Issuer will issue:

- (a) € 571,300,000 Class A Asset-Backed Floating Rate Notes due 2017 (the "**Class A Notes**" or the "**Senior Notes**"); and
- (b) € 108,857,164 Class B Asset-Backed Floating Rate Notes due 2017 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**").

The Notes will be issued at the following issue prices:

<i>Class of Notes:</i>	<i>issue price:</i>
Class A Notes:	100 per cent.
Class B Notes:	100 per cent.

The Notes will constitute direct, secured and limited recourse obligations of the Issuer. The Noteholders will have a claim against the Issuer only to the extent of the actual amount received or recovered from time to time by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims and the Transaction Documents, in each case, subject to and as provided in the Transaction Documents and the terms and conditions of the Notes (the "**Conditions**" and each a "**Condition**"). It is not anticipated that the Issuer will make any profits from this transaction. The Notes will be governed by Italian law.

Form and denomination of the Notes

The denomination of each Note will be €50,000 and integral multiple of € 1 in excess thereof. The Notes will be issued in registered form (*titoli nominativi*) and will be deposited with BNP Paribas Securities Services Milan Branch for the purposes of the legislative decree No. 239 of 7 April 1996, as amended ("**Decree 239**"). The Notes shall be represented by a certificate evidencing ownership of the Notes. Title to the Notes will at all times be evidenced on the physical registered certificate and on the register

held by the Issuer.

Ranking

In respect of the obligations of the Issuer to pay interest on the Notes prior to the service of an Acceleration Notice, the Conditions and the Intercreditor Agreement provide that the Senior Notes rank *pari passu* and without any preference or priority among themselves and in priority to the Junior Notes.

In respect of the obligations of the Issuer to repay principal on the Notes prior to the service of an Acceleration Notice (as defined below), the Conditions and the Intercreditor Agreement provide that the Senior Notes rank *pari passu* and without any preference or priority among themselves and in priority to the repayment of principal on the Junior Notes.

"**Acceleration Notice**" has the meaning given to it in Condition 10(b).

In respect of the obligations of the Issuer (a) to pay interest and (b) to repay principal following the service of an Acceleration Notice, the Conditions and the Intercreditor Agreement provide that the Senior Notes rank *pari passu* and without any preference or priority among themselves and in priority to the Junior Notes.

Limited recourse nature of the Issuer's obligations under the Notes

The obligations of the Issuer to each of the holders of the Notes will be limited recourse obligations of the Issuer. The Noteholders will have a claim against the Issuer only to the extent of the actual amount received or recovered from time to time by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims, the Note Security and the Transaction Documents, in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Interest on the Notes

The Senior Notes will bear interest on their Principal Amount Outstanding (as defined below) from and including the Issue Date at a rate as determined by the Calculation Agent in accordance with Condition 6(c) (*Coupon on the Senior Notes*).

The Junior Notes will bear interest in accordance with Conditions 6(d) (*Coupon on the Junior Notes*).

Subject to the applicable Priority of Payments, interest on each Class of Notes will be payable in arrear in euro on 21 February, 2007 and thereafter monthly in arrear on 21 of each month in each year (provided in each case that, if such a day is not a Business Day, interest will be payable on the next succeeding Business Day, subject to the Conditions).

"**Business Day**" means a day on which banks are open for business in Rome, Frankfurt and London and which is a TARGET Settlement Day.

"**Principal Amount Outstanding**" means, on any day:

- (a) in relation to each Class, the aggregate principal amount outstanding of all Notes in such Class; or
- (b) in relation to a Note, the principal amount of that Note upon issue less the aggregate amount of all Principal Payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that date.

"Principal Payments" has the meaning given in Condition 7(e) (*Mandatory pro-rata redemption in whole or in part*).

Maturity Date

Save as described below and unless previously redeemed in full, the Issuer will redeem the Notes at their respective Principal Amount Outstanding on the Interest Payment Date falling on 21 December, 2017, unless extended in accordance with Condition 7 (*Redemption, purchase and cancellation*). (the "**Maturity Date**").

If the Senior Notes and/or the Junior Notes cannot be redeemed in full on the Maturity Date, as a result of the Issuer having insufficient funds available to it in accordance with the terms and conditions of the Notes (the "**Conditions**" and each, a "**Condition**") for application in or towards such redemption, including the proceeds of any sale of Claims or any enforcement of the Note Security, any amount unpaid shall remain outstanding and the Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the last Business Day in 2018 (the "**Cancellation Date**"), at which date any amounts remaining outstanding in respect of principal or interest on the Notes shall be reduced to zero and deemed to be released by the holder of the relevant Notes and the Notes shall be cancelled. The Issuer has no assets other than those described in this Prospectus.

Withholding tax on the Notes

Upon the occurrence of any withholding for or on account of tax, whether or not through a substitute tax, from any payments of amounts due under the Notes, neither the Issuer, the Representative of the Noteholders, the Cash Manager, the Account Bank nor any other person shall have any obligation to pay any additional amount to any Noteholders. See "*Taxation in the Republic of Italy*" for further clarification.

Security for the Notes

By operation of Italian law, the Issuer's right, title and interest in and to the Claims will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding-up of the Issuer, to satisfy the obligations of the Issuer to the holder of the Class A Notes (the "**Class A Noteholder**" or the "**Senior Noteholder**"), the holder of the Junior Notes (the "**Class B Noteholder**" or the "**Junior Noteholder**" and, together with the Senior Noteholders, the "**Noteholders**"), each of the Other Issuer Secured Creditors and any other third-party creditor in respect of any taxes, costs, fees, expenses or liabilities incurred by the Issuer in relation to the

securitisation of the Initial Claims (together the "**Issuer Creditors**").

On or about the Issue Date, the Issuer will create the following security (together, the "**Note Security**"):

- (a) in favour of the Representative of the Noteholders, the Cash Manager, the Calculation Agent, the Account Bank, the Hedging Providers, the Servicer, the Corporate Services Provider, the Stichting, the Stichting Corporate Services Provider, the Subordinated Loan Provider, the Noteholders and GMAC ITALIA (in respect of any monetary obligation due to it by the Issuer under the Transfer Agreement and the Warranty and Indemnity Agreement) (the "**Issuer Secured Creditors**") an Italian law pledge over: (i) all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled to from time to time pursuant to the Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Stichting Corporate Services Agreement, the Quotaholder's Agreement, the Subordinated Loan Agreement, the Junior Notes Subscription Agreement and the Senior Notes Subscription Agreement; and
- (b) in favour of the Representative of the Noteholders for itself and as trustee for the Noteholders and the other Issuer Secured Creditors, *inter alia*, (i) an English law assignment by way of first fixed security of all the Issuer's rights under the Swap Agreements, the Cash Management and Accounts Agreement and all other contracts, agreements, deeds and documents present and future, governed by English law to which the Issuer is or may become a party in relation to the Notes, the Claims and the Portfolio; (ii) a charge over the Accounts (other than the Equity Capital Account) and (iii) charge over the Eligible Investments held from time to time in the Issuer Account and the Cash Reserve Account and the proceeds thereof and the rights and benefits arising from such accounts.

Intercreditor Agreement

On the Closing Date, the Issuer, the Representative of the Noteholders on its own behalf and on behalf of the Noteholders, the Cash Manager, the Calculation Agent, the Account Bank, the Hedging Providers, GMAC ITALIA (in any capacity), the Corporate Services Provider, the Stichting Corporate Services Provider, the Subordinated Loan Provider, the Senior Subscribers, the Junior Subscriber and the Servicer (with the exception of the Issuer, the "**Other Issuer Secured Creditors**") have entered into an intercreditor agreement (the "**Intercreditor Agreement**") pursuant to which the Other Issuer Secured Creditors have agreed to the limited recourse nature of the obligations of the Issuer and

to the Priority of Payments described below. The Intercreditor Agreement is governed by Italian law.

Mandate Agreement

Pursuant to the terms of a mandate agreement dated the Closing Date between the Issuer and the Representative of the Noteholders (the "**Mandate Agreement**"), the Representative of the Noteholders is empowered to take such action in the name of the Issuer, *inter alia*, following the delivery of an Acceleration Notice, as the Representative of the Noteholders may deem necessary to protect the interests of the Noteholders and the Other Issuer Secured Creditors. The Mandate Agreement is governed by Italian law.

Purchase of the Notes

The Issuer may not purchase any Notes at any time.

Ratings

It is a condition precedent to the issue of the Senior Notes that the Senior Notes will be rated Aaa by Moody's.

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 the Rating Agency.

The Junior Notes will not be assigned a rating.

Selling Restrictions

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

ISIN

The International Securities Identification Number (ISIN) of the Notes is as follows:

<i>Class of Notes</i>	<i>ISIN CODE</i>
Class A Notes:	IT0004168917
Class B Notes:	IT0004168941

3. The Portfolio

Transfer of the Initial Claims

On the Closing Date and pursuant to the terms of the Transfer Agreement, the Originator sold to the Issuer without recourse (*pro soluto*) the Initial Claims arising from the Initial Portfolio in accordance with the Securitisation Law.

Transfer of Additional Claims

Subject to the terms of the Transfer Agreement, the Issuer shall, subject to some conditions of the Transfer Agreement being satisfied, purchase from the Originator, on a regular basis during the Revolving Period, the monetary claims and connected rights (the "**Additional Claims**" and together with the Initial Claims, the "**Claims**") arising from additional portfolios of loans (the "**Additional Portfolios**" and, together with the Initial Portfolio, the "**Portfolio**") consisting of loans, granted by GMAC ITALIA.

The Originator's right to offer for sale the relevant Additional

Claims and the Issuer's obligation to purchase Additional Claims will cease at the beginning of the Amortisation Period.

"Amortisation Period" means the period starting on the Purchase Termination Date and ending on the earlier of: (i) the day on which the Representative of the Noteholders gives an Acceleration Notice; or (ii) the Interest Payment Date on which the Notes are redeemed in full; or (iii) the Cancellation Date.

"Additional Transfer Date" means, during the Revolving Period, the 14 calendar day of each month or if such day is not a Business Day the immediately following Business Day.

"Purchase Termination Event" means any of the following events:

- (i) the service by the Representative of the Noteholders of an Acceleration Notice in accordance with Condition 10(b);
- (ii) any representation, warranty or statement which is made (or deemed or acknowledged to have been made) by the Originator under the Transfer Agreement and the Warranty and Indemnity Agreement proves to be incorrect in any material respect, or if repeated at any time with reference to the facts and circumstances subsisting at such time would not be accurate in all material respects which incorrectness, if capable of remedy, continues unremedied for a period of 30 calendar days after the earlier of (x) the date on which written notice of such incorrectness will have been given to GMAC ITALIA or (y) becoming aware of such incorrectness by an officer of GMAC ITALIA;
- (iii) the Originator and/or the Parent Support Provider becomes Insolvent;
- (iv) any Transaction Document, or any material provision thereof ceases to be valid and binding on the Originator, as the case may be, or if the Originator states so in writing;
- (v) either of the Originator and/or the Servicer fails to pay any amount due under any of the Transaction Documents to which it is a party and, such failure, is not remedied within 2 (two) Business Days of its due date, being understood that if such failure is caused by administrative difficulties or settlement error, the Originator or the Servicer shall pay the due amount as soon as the administrative difficulties or settlement error has ceased and in any event no later than 4 (four) Business Days as of its due date;
- (vi) the Originator fails to observe or perform any of its obligations under Clause 11 of the Transfer Agreement and, only with respect to Clauses 11.4, 11.5, 11.6, 11.8 from letter (e) to letter (o) of the Transfer Agreement, such

default is not remedied by the Originator within 30 (thirty) calendar days from earlier of the (x) on which the Originator obtains knowledge of such default or (y) the date on which a written notice of default has been delivered to the Originator by the Issuer;

- (vii) it becomes impossible or unlawful for GMAC ITALIA and/or the Parent Support Provider to continue its business and/or discharge its obligations as contemplated by the Transaction Documents or the Parent Support Agreement, as applicable;
- (viii) the termination of the appointment of the Servicer (unless the appointed substitute servicer is an entity of the GMAC Group covered by the Parent Support Agreement) following the occurrence of a Servicer Termination Event;
- (ix) on any Calculation Date the Outstanding Principal Discounted Balance of all non Defaulted Claims plus cash on deposit in the Issuer Account plus cash attributed to Principal Deficiency Ledger Amount is less than or equal to $1.1904 \times$ Principal Amount Outstanding of the Senior Notes as computed at the Calculation Date;
- (x) the validity and/or the effectiveness of any transfer of the Claims is challenged by GMAC ITALIA or any entity of the GMAC Group;
- (xi) the Parent Support Provider fails to comply with any of its obligations under the Parent Support Agreement in material respect and such failure is unremedied for 5 (five) Business Days;
- (xii) the aggregate notional balance of the Eligible Hedge agreements then in place is lower than the Senior Notes balance;
- (xiii) that in respect of the Claims referred to in the CD delivered, pursuant to Clause 11.8(o) of the Transfer Agreement, by the Originator on the Initial Transfer Date litigation is commenced in court or threatened in writing in excess of the aggregate amount of € 10 million;
- (xiv) the fact that, at the Valuation Date, the Delinquency Ratio exceeds 4.0 per cent;
- (xv) the fact that, at the Valuation Date, the S&P Default Ratio exceeds 0.4 per cent;
- (xvi) the Cumulative Loss Ratio exceeds the Cumulative Loss Trigger;
- (xvii) the Issuer incurs in or is obliged to pay Increased Costs and such disbursement and an agreement is not met

pursuant the terms set out in Clause 20.6;

- (xviii) the fact that an Acceleration Notice is notified in accordance with the Senior Notes;
- (xix) either of the 364 calendar days Liquidity Facilities granted to TAPCO and GRESHAM are not renewed.

"Revolving Period" means the period commencing on the Initial Transfer Date and ending upon the Purchase Termination Date.

"Initial Transfer Date" means 21 December, 2006.

"Purchase Termination Date" means the earlier of (i) 18 months after the Issue Date (or the subsequent date, in any case not later than 36 months from the Issue Date, that may be agreed upon between the Issuer, the Originator, the Senior Noteholders, the Junior Noteholder and the Representative of the Noteholders in accordance with Clause 14 of the Intercreditor Agreement) (ii) the day on which a Purchase Termination Event has occurred.

Warranties in relation to the Portfolio

Pursuant to the terms of a warranty and indemnity agreement dated the Closing Date between GMAC ITALIA and the Issuer (the **"Warranty and Indemnity Agreement"**), GMAC ITALIA has given certain representations and warranties and certain covenants in favour of the Issuer in relation to the Initial Portfolio and the Initial Claims (and has agreed to give certain representations and warranties in relation to any Additional Portfolio and Additional Claims) and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Claims.

Pursuant to the Warranty and Indemnity Agreement, provided that:

- (i) a misrepresentation or breach by the Originator in respect of any of the representations and warranties under Clause 3.2 (1) and (2) of Warranty and Indemnity Agreement has occurred, which adversely affects the value of one or more of the Claims, or the interest of the Issuer in such Claims and such misrepresentation or breach, is not cured within 20 calendar days by the Originator; or
- (ii) one of the events listed in Clause 4.1 of the Warranty and Indemnity Agreement has occurred,

the Originator:

- (A) shall agree to repurchase – if applicable, after the cure period provided in Clause 5.1(a)(i) the Warranty and Indemnity Agreement has elapsed - from the Issuer the Claims then outstanding affected by any such misrepresentation or breach of warranty or breach of covenants (the **"Affected Claims"**). The repurchase price

to be paid by the Seller will be the Strike Option Price calculated in compliance with the formula set out in Clause 5.2 of the Warranty and Indemnity Agreement and such repurchase price must be paid to the Issuer on the immediately following Interest Payment Date (the **Relevant Payment Date**) by crediting the relevant amount of the Strike Option Price in the Issuer Account. Upon the making of such deposit, the Originator shall succeed to all interests of the Issuer in and to such Affected Claims;

- (B) should the repurchase of the Affected Claims not be possible due to (i) the fact that the Affected Claims did not exist at the time of the purchase or no longer exist at the time of the possible repurchase or (ii) for any reason relating to a breach of the representations and warranties, the Originator has agreed to compensate the Issuer by paying to the Issuer an amount corresponding to the Strike Option Price that would have been paid if the repurchase of the Affected Claims had been possible (the **Compensation Amount**) by the same date and in the same manner set out for the payment of the Strike Price in paragraph (A) above,

Without prejudice to paragraphs (A) and (B) above, the Originator may by not later than 15 calendar days from the earlier of the day (x) on which the Originator obtains knowledge of such misrepresentation or breach or (y) the date on which a written notice of such misrepresentation or breach has been delivered to the Originator by the Issuer – offer to the Issuer as compensation an amount corresponding to the reduction of the value of the Affected Claims plus any damages, losses, claims, costs and expenses (including, but not limited to reasonable legal fees and disbursements including any value added tax thereon) incurred by and awarded against the Issuer hereupon (the **Effective Compensation Amount**). If the Issuer agrees with the proposal of the Originator and with the Effective Compensation Amount, it shall send its acceptance to the Originator by no later than 3 calendar days after the receipt of the offer by the Originator with the Effective Compensation Amount (the **Agreement Date**) and the Originator shall deposit in the Issuer Account the Effective Compensation Amount with respect to Affected Claims in immediately available funds on the Relevant Payment Date. If no agreement is reached between the Parties before the Agreement Date, then the Originator shall repurchase the Affected Claims at their Strike Option Price.

If otherwise:

- (i) a misrepresentation or breach by the Originator in respect of any of the representations and warranties under Clause 3.2 (3), (4) and (5) of the Warranty and Indemnity Agreement has occurred, which adversely affects the value

of one or more of the Claims, or the interest of the Issuer in such Claims or the rights of the Issuer under any of the Transaction Documents and such misrepresentation or breach is not cured within 30 calendar days by the Originator; or

- (ii) a default by the Originator in the performance of any of its obligations under the Warranty and Indemnity Agreement or any other Transaction Document to which it is a party and any of the transactions contemplated therein has occurred,

the Originator has undertaken to indemnify and hold harmless, upon request by the Issuer in accordance with Clause 5 of the Warranty and Indemnity Agreement, the Issuer, its directors, officers, agents or employees or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses (including, but not limited to reasonable legal fees and disbursements including any value added tax thereon) incurred by any of them.

The Strike Option Price and the Compensation to be paid by the Originator shall be equal to:

- (i) the Outstanding Discounted Principal Balance in relation to the Affected Claims; plus
- (ii) an amount equal to the aggregate amount of all damages, losses, claims, costs and expenses (including, but not limited to reasonable legal fees and disbursements including any value added tax thereon) sustained by the Issuer in relation to such Affected Claims.

Moreover the Issuer and the Originator have agreed that if any further damages, losses, claims, costs and expenses (including, but not limited to reasonable legal fees and disbursements including any value added tax thereon) (each "**Subsequent Amount**") is incurred by the Issuer in relation to an Affected Claim after the repurchase of such Affected Claim by the Originator and the payment of the relevant Strike Option Price or the payment of the relevant Compensation Amount, such Strike Option Price or Compensation Amount shall be adjusted accordingly. The Subsequent Amount shall then be paid by the Originator to the Issuer on the Relevant Payment Date immediately following the written request from the Issuer by crediting the Issuer Account.

Servicing and Collection Procedures

Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to manage administer and collect the Claims on behalf of the Issuer and, in particular, to administer and manage each Claim and Payments as well as the relationship with any individual, person or entity that is the principal subject liable for the payment or repayment of amounts due to the Originator under a Loan and any of its successor or assignees, for the avoidance of doubt, Borrower shall include any Commercial Borrower and

shall exclude any Dealer (each a "**Borrower**").

"**Loans**" means each loan granted by the Originator to its customer for the financing of the purchase of auto vehicles and the portion of premium disbursed by the Originator for purpose of financing the purchase of the Insurance Policies and Credit Insurance Policies by its customer, when the premium is financed upon origination of the Loan, from which the relevant Claim arise and "**Loan**" means any such loan.

Any monies from time to time received or recovered in respect of the Claims and the Related Securities (the "**Collections**") are initially paid to GMAC ITALIA in its capacity as Servicer and will remain in accounts opened in the anme of Servicer (the "**Servicer Accounts**") until transferred to the Issuer Account of the Issuer. All Collections are required to be transferred by the Servicer into the Issuer Account in immediately available funds within two Business Days following the receipt of the payment by the relevant Borrower.

Collections in respect of the Loans will be calculated by reference to successive Monthly Period (as defined below).

The Servicer has undertaken, that as long as the Servicer and the Calculation Agent belong to the GMAC Group, to collect and deliver all the information relating to, *inter alia*, the Collections received, to the Calculation Agent which will deliver to the Issuer, the Corporate Services Provider, the Representative of the Noteholders and the Arrangers a report (the "**Investor Report**"). If either the Servicer or the Calculation Agent does not belong to the GMAC Group anymore, the Servicer shall send a report (the "**Servicer Report**"), relating to, *inter alia*, the Collections received and the activity performed by the Servicer during the immediately preceding Monthly Period to the Issuer, the Corporate Services Provider, the Representative of the Noteholders, the Arrangers and the Calculation Agent.

The Servicer may in the name and on behalf of the Issuer offer to sell to third parties one or more Defaulted Claims, provided that:

- (a) in the prudent opinion of the Servicer, the sale of the Defaulted Claims is financially advantageous;
- (b) the transfer of the relevant Defaulted Claims is without recourse (*pro soluto*) to third specialized companies (debt collection companies included) and each sale does not exceed in aggregate 1% of the principal amount of the Notes in any 12 months period;
- (c) the Servicer may transfer Defaulted Claims for an amount higher than 1% of the principal amount of the Notes issued at that time in any 12 months period only if:
 - (i) the Representative of the Noteholders provides its approval;

- (ii) the amount sold to third parties does not exceed the 40% of the Outstanding Principal Discounted Balance of the Claims classified as Defaulted Claims since the 30 November, 2006 (the "**Initial Valuation Date**");
- (d) the transfer of the ownership of the Defaulted Claims is only perfected upon the full balance of the relevant amount by the payment of the last instalment, and shall be settled on the basis of the offers received by third specialized companies.

"Outstanding Principal Discounted Balance" means the aggregate of: (a) in relation to Non-Subvented Loan the outstanding principal balance of each Claim excluding any unearned income and (b) in relation to Subvented Loan the aggregate of each contractual instalment discounted at a rate such that the APR applicable in respect of the relevant Subvented Claims, after discounting, is equal to the Discount Rate.

"Non-Subvented Loan" means a Loan with an APR greater than or equal to the Discount Rate.

"Discount Rate per annum" means, at any date the fixed rate on the Eligible Hedge then in place plus 3.55%.

"Discount Rate per month" means $(1 + \text{Discount Rate per annum})^{1/12} - 1$.

"Subvented Loan" means a Loan where the APR is less than the Discount Rate.

"APR" means the annual rate of finance charges stated in the Loan Contract with respect to each Loan.

"Eligible Hedge" means:

- (i) the Swap Agreements and
- (ii) any replacement or additional swap, cap or other interest rate hedging arrangements or agreements entered into by the Issuer on terms reasonably acceptable to the Representative of the Noteholders and which is notified to Originator at least 3 Business Days prior; provided further that any such hedge gives the issuer the right to reduce the notional amount thereunder.

Moreover, upon discovery by any of the Servicer or the Issuer of the failure by the Servicer to perform or observe in any other material respect any of its obligations under Clause 3.10 (d), (e) and (f) of the Servicing Agreement, which (i) adversely affects the value of one or more of the Claims or the interest of the Noteholders in such Claims and/or the rights of the Issuer and

Noteholders under any of the Transaction Documents and (ii) continues unremedied for a period of 30 calendar days after the earlier of (x) the date on which written notice of such failure will have been given to the Servicer or (y) becoming aware of such failure by an officer of the Servicer, on the 29 calendar day of the period in letter (ii) above the Servicer shall notify in writing to the Issuer its intention to repurchase (the "**Repurchase Notice**") the Claim affected by such failure (each such Claim a "**Repurchased Claim**") at a purchase price equal to:

- (i) the Outstanding Principal Discounted Balance in relation to the Repurchased Claims; plus
- (ii) an amount equal to the aggregate amount of all damages, losses, claims, costs and expenses (including, but not limited to reasonable legal fees and disbursements including any value added tax thereon) sustained by the Issuer in relation to such or any third party as a consequence of the failure by the Servicer referred to in Clause 14.1 of the Servicing Agreement.

Upon receipt by the Issuer of a Repurchase Notice, the Issuer shall retransfer the Repurchased Claims to the Servicer provided that the Servicer has credited in the Issuer Account the purchase price for the Repurchased Claims no later than the next following Interest Payment Date. If the Servicer does not repurchase the relevant Claims or fails to pay the purchase price for the Repurchased Claims in accordance with the provision of Clause above of the Servicing Agreement, the issuer is entitled to terminate the appointment of the Servicer.

Servicing Fees

In return for the services provided by the Servicer in relation to the ongoing management of the Portfolio, on each Interest Payment Date and in accordance with the Priority of Payments, the Issuer will pay the Servicer fees, payable monthly in arrear, calculated as follows:

- (a) a servicing fee for services rendered under the Servicing Agreement during the preceding Monthly Period in an amount equal to (1/12 of 1.00) per cent. of the Aggregate Outstanding Principal Discounted Balance of all Claims held by the Issuer as of the first day of such Monthly Period as an aggregate consideration due to the Servicer for fees and reimbursement of expenses for the mere collection of the Claims (*attività di incasso*) performed by it (with the exclusion of the recovery of Defaulted Claims and Delinquent Claims) (the "**Collection Fee**"); and
- (b) as an aggregate consideration due to the Servicer for fees and reimbursement of expenses for the activity performed by it in its capacity as Servicer pursuant to the Servicing Agreement for the mere recovery of Defaulted

Claims, the Servicer will receive a lump amount of 200 Euro per each Defaulted Claim (the "**Recovery Fee**") payable only once by the Issuer to the Servicer on the relevant Interest Payment Date.

So long as a Trigger Event (as defined below) has not occurred and is continuing the Servicer for services rendered under the Servicing Agreement during the preceding Monthly Period shall be entitled to receive on each Interest Payment Date an additional servicing fee (the "**Additional Servicing Fee**") for the remuneration of strictly related ancillary services to the collection activity (*attività d'incasso*) in an amount equal to all Investment Earnings (as defined below) in respect of the Issuer Investments (as defined below) (including, for the avoidance of doubt, Investment Earnings on amounts standing to the credit of the Issuer Account during the immediately preceding Monthly Period) when and as paid without any obligation to the Issuer or any other party in respect thereof, and the Servicer will have no obligation to deposit any such amount in any account established hereunder.

"Aggregate Outstanding Principal Discounted Balance " means the aggregate of the Outstanding Principal Discounted Balance.

"Outstanding Principal Balance" means the outstanding principal balance of each Claim excluding any unearned income.

"Credit Insurance Policies" means any insurance arrangement entered into between an Insurance company and the Borrower with respect to the payment obligations of the Loan Contract.

"Defaulted Claim" (*crediti in sofferenza*) means any Transferred Claim which is classified either as more than 150 calendar days past due of the Scheduled Instalment Date; (ii) as to which the Servicer has knowledge that an Insolvency Proceeding has been opened and is continuing with respect to the relevant Borrower; or (iii) which, consistent with the Credit and Collection Policies, should be treated as uncollectible.

"Delinquent Claims" (*crediti ad incaglio*) means any Claim transferred to the Issuer, which is between 30 and 149 calendar days past due of the Scheduled Instalment Date.

"Insurance Policies" means any insurance arrangement entered into between an insurance company and the Borrower with respect to the liability and/ or comprehensive insurance of the vehicle.

"Investment Earnings" means the earnings on investments (including for the avoidance of doubt, deposits) held by the Account Bank on behalf of the Issuer pursuant to the Cash Management and Account Bank Agreement, net of losses and investment expenses.

"Issuer Investments" means such amount standing to the credit of the Issuer Account to be invested by the Cash Manager in accordance with Clause 6.1 of the Cash Management and Accounts Agreement in the Eligible Investments selected from time to time in writing by the Issuer.

"Monthly Period" means each month period commencing on, and including, the first day of each calendar month and ending on, and including, the 31 day of each calendar month, until the month when the Notes are redeemed in full, the first Monthly Period commencing on the Initial Valuation Date (included) and ending on 31 January, 2007 (included).

"Payments" means any payment for the Claims made by any means of payment (e.g. a payment made through negotiable instruments, including cheques and bills of exchange) not determining the direct crediting of amounts to the Servicer's Accounts.

"Scheduled Instalment Date" means the date on which the relevant Borrower shall pay an Instalment under a Loan.

"Trigger Event" means the occurrence of one or more of the following:

- (a) a Servicer Termination Event;
- (b) an Event of Default; or
- (c) a Purchase Termination Event.

4. The Cash Management and Accounts Agreement

The Accounts

Pursuant to the terms of the Cash Management and Accounts Agreement governed by English Law, the Issuer has opened the following accounts (the "**Accounts**") with the Account Bank:

- (a) a euro-denominated account into which into which will be credited or retained, as the case may be, *inter alia*, (i) the Collections in accordance with the Servicing Agreement; (ii) the interest accrued on the Issuer Account; (iii) on each Interest Payment Date up to, but excluding, the Purchase Termination Date, the Principal Deficiency Ledger Amount; (iv) any amount available for such purpose on each Interest Payment Date under item (x) of the Pre-Enforcement Interest Priority of Payments; (v) any amount available for such purpose on each Interest Payment Date under item (ii)(A)(2) of the Pre-Enforcement Principal Priority of Payments; (vi) on each Liquidation Date, an amount equal to the monies invested in Eligible Investments (if any) from the Issuer Account during the preceding Monthly Period and the payments made by the Hedging Providers under the

Swap Agreements; and (vii) all payments paid or advanced to the Issuer under any of the Transaction Documents including any indemnity payments received by the Issuer under the Transfer Agreement, the Warranty and Indemnity Agreement and the Servicing Agreement (the "**Issuer Account**");

- (b) a euro-denominated account into which will be credited:
 - (i) on the Issue Date the Subordinated Loan; (ii) on each Interest Payment Date, in accordance with the Pre-Enforcement Interest Priority of Payments and subject to the availability of sufficient Interest Available Funds, the amount necessary to replenish it so that the Liquidity Reserve standing to the credit of the Cash Reserve Account equals the Target Liquidity Reserve Amount (if any); (iii) on each Liquidation Date, an amount equal to the monies invested in Eligible Investments (if any) from the Cash Reserve Account during the preceding Monthly Period; (iv) on each Liquidation Date, any earnings on Eligible Investments owned by the Issuer during the preceding Monthly Period and deriving from the amount under (iii) above; and (v) the interest accrued on the Cash Reserve Account (the "**Cash Reserve Account**").
- (d) a security custody account into which the Issuer Custody Investments will be deposited (the "**Issuer Custody Account**");
- (e) a security custody account into which the Cash Reserve Custody Investments will be deposited (the "**Cash Reserve Custody Accounts**").

"Issuer Custody Investments" means any investments that may from time to time be purchased with amounts standing to the credit of the Issuer Account and held in the Issuer Custody Account pursuant to the terms of the Cash Management and Accounts Agreement.

"Cash Reserve Custody Investments" means any investments that may from time to time be purchased with amounts standing to the credit of the Cash Reserve Account and held in the Cash Reserve Custody Account pursuant to the terms of the Cash Management and Accounts Agreement.

The Issuer has also opened, with the Account Bank a euro-denominated account (the "**Equity Capital Account**") into which the Issuer's equity capital of €10,000 will be required to be deposited for as long as, *inter alia*, any Notes are outstanding.

Pursuant to the Cash Management and Accounts Agreement, funds standing to the credit of the Issuer Account, the Cash Reserve Account and the Equity Account will accrue interest at a rate set out in the Cash Management and Accounts Agreement.

Pursuant to the Cash Management and Accounts Agreement, the Account Bank has agreed to provide the Issuer with certain services in connection with reporting requirements in relation to the monies from time to time standing to the credit of the Accounts, including the preparation of statements of account on each Reporting Date (the "**Statement of the Accounts**").

Account Bank

Pursuant to the Cash Management and Accounts Agreement, the Account Bank has agreed to provide the Issuer with certain account management services, including the making of payments of amounts due from the Issuer out of amounts standing to the credit of the Accounts.

Amounts standing to the credit of the Issuer Account and the Cash Reserve Account during a Monthly Period may be invested by the Account Bank upon instruction by the Cash Manager (on behalf of the Issuer) in Eligible Investments.

If the Account Bank (or any successor Account Bank) ceases to be an Eligible Bank, the Issuer will either (a) by no later than 30 (thirty) calendar days after the date when the Account Bank (or any successor Account Bank) ceases to be an Eligible Bank: (i) terminate the appointment of the Account Bank (or any successor Account Bank); (ii) close the Accounts opened with the Account Bank; and, during that same 30-day period, (iii) open replacement accounts with a substitute Account Bank which is an Eligible Bank, or (b) use its best effort to appoint, by no later than 30 calendar days from the date when the Account Bank (or any successor Account Bank) ceases to be an Eligible Bank, a guarantor which is an Eligible Bank in relation to the obligations of the Account Bank towards the Issuer and the Issuer will notify the Representative of the Noteholders and the Rating Agency thereof.

In return for the services so provided, the Account Bank will receive a fee as agreed on the Closing Date between the Issuer and the Account Bank, payable by the Issuer on each Interest Payment Date in accordance with the Priority of Payments.

Calculation Agent

Pursuant to the Cash Management and Accounts Agreement, the Calculation Agent has agreed to provide the Issuer with certain calculation, notification and reporting services in relation to the Portfolio and the Notes. By no later than the 15 calendar day of each month or if such day is not a Business Day the immediately following Business Day before each Interest Payment Date (each such date, a "**Calculation Date**"), the Calculation Agent will calculate, based, *inter alia*, on the Statement of the Accounts, the Interest Available Funds and the Principal Available Funds and the payments to be made under the Priority of Payments set out below and will prepare a report (the "**Investor Report**") and will deliver the Investor Report, *inter alia*, to the Issuer, the Servicer, the Originator, the Arrangers, each of the Senior Noteholders, the Junior Noteholder, the Corporate Services Provider, the Rating

Agency, the Account Bank, the Cash Manager, the Hedging Providers in their capacities as calculation agents under the Swap Agreements and the Representative of the Noteholders.

In carrying out its duties, the Calculation Agent will be entitled to rely on certain information provided to it by the Servicer, the Account Bank, the Senior Noteholders, the Hedging Providers and the Issuer and will not be liable for any error or omission in so doing, save as are caused by its own negligence (*colpa*) or wilful default (*dolo*).

In return for the services so provided, the Calculation Agent will receive a fee as agreed on the Closing Date between the Issuer and the Calculation Agent, payable by the Issuer on each Interest Payment Date in accordance with the Priority of Payments.

Cash Manager

Pursuant to the Cash Management and Accounts Agreement, the Cash Manager may instruct the Account Bank to invest such amount standing to the credit of the Issuer Account in Eligible Investments selected from time to time in writing by the Issuer.

In return for the services so provided, the Cash Manager will receive a fee as agreed on the Closing Date between the Issuer and the Cash Manager, payable by the Issuer on each Interest Payment Date in accordance with the Priority of Payments.

Payments under the Notes

Based on the Investor Report, the Cash Manager will, prior to each Interest Payment Date, direct the Account Bank to make the payments under the Notes set forth in the relevant Priority of Payments described below.

Italian Tax Account

Pursuant to the terms of the Italian Bank Account Agreement, the Issuer has opened the following account (the "**Italian Tax Account**") with UniCredit Banca d'Impresa a euro-denominated bank account for the purpose of paying any taxes due by the Issuer in the Republic of Italy. The interest accrued on any bank account opened with a bank which is resident in Italy for tax purposes, will be subject to withholding tax on account of Italian corporate income tax which, as at the date of this Prospectus, is levied at the rate of 27 per cent. per annum.

5. Priorities of Payments

Available Funds

On each Calculation Date, the Calculation Agent will calculate the Interest Available Funds and the Principal Available Funds, which will be used by the Issuer to make the payments contained in the Priority of Payments set out below.

"Interest Available Funds" means on any Calculation Date an amount equal to the sum of:

- (a) the Interest Component received by the Issuer in respect

of the Loans in the Portfolio during the Monthly Period immediately preceding such Calculation Date;

- (b) without duplication of (a) above, and upon the occurrence of a Trigger Event an amount equal to the Interest Component invested in Eligible Investments (if any) during the immediately preceding Monthly Period from the Issuer Account, following liquidation thereof on the preceding Liquidation Date;
- (c) all amounts of interest accrued on the Accounts and paid during the Monthly Period immediately preceding such Calculation Date;
- (d) any amount due and payable, although not yet paid, to the Issuer by the Hedging Providers in accordance with the terms of the Swap Agreements on the Interest Payment Date immediately following the relevant Calculation Date;
- (e) without duplication of (c) and (d) above, payments made to the Issuer by any other party to the Transaction Documents during the Monthly Period immediately preceding such Calculation Date (other than payments made to the Issuer by the Originator (i) pursuant to the Warranty and Indemnity Agreement during the Monthly Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties and (ii) in respect of indemnities or damages, relating to principal components on any Claims which are not Defaulted Claims);
- (f) without duplication of (a), (b) and (e) above, any recoveries received in respect of any Defaulted Claims and including items 3 to 6 of the Additional Claims and the Initial Claims, as the case may be;
- (g) any other amount standing to the credit of the Issuer Account as at the end of the Monthly Period immediately preceding the relevant Calculation Date but excluding those amounts constituting Principal Available Funds and the amounts listed below;
- (h) the Liquidity Reserve and
- (i) without duplication of (a) above an amount equal to the Interest Component invested in Eligible Investments (if any) during the immediately preceding Monthly Period from the Cash Reserve Account, following liquidation thereof on the preceding Liquidation Date,

but excluding (a) any amount paid by the Hedging Providers upon termination of the Swap Agreements in respect of any termination payment and, until a replacement hedging provider has been

found, exceeding the net amounts which would have been due and payable by the Hedging Providers with respect to the next Interest Payment Date, should the Swap Agreements not have been terminated; and (b) until a Trigger Event has not occurred and is not continuing, the Investment Earnings in respect of the Issuer Investments.

"Principal Available Funds" means on any Calculation Date an amount equal to the sum of:

- (a) the Principal Component received by the Issuer in respect of the Loans (other than Defaulted Loans) in the Portfolio during the Monthly Period immediately preceding such Calculation Date;
- (b) without duplication of (a) above, an amount equal to the Principal Component (other than those relating to Defaulted Loans) invested in Eligible Investments (if any) during the immediately preceding Monthly Period from the Issuer Account;
- (c) the Principal Deficiency Ledger Amount calculated in respect of such Calculation Date;
- (d) the Funds Provisioned for Amortisation as at such Calculation Date, if any;
- (e) any proceeds deriving from the sale of the Claims (other than Defaulted Claims) in accordance with the Transaction Documents;
- (f) any amount that will be credited and/or retained on the immediately following Interest Payment Date (including the next Interest Payment Date) under item (x) of the Pre-Enforcement Interest Priority of Payments;
- (g) payments made to the Issuer by the Originator pursuant to (i) the Warranty and Indemnity Agreement during the Monthly Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties and (ii) in respect of indemnities or damages, relating to principal components on any Claims which are not Defaulted Claims;
- (h) on the Calculation Date immediately following a Purchase Termination Event the Commingling Reserve and on each Calculation Date prior to a Purchase Termination Event the Excess Commingling Amount (as defined below).

"Funds Provisioned for Amortisation" means, in respect of each Calculation Date, the amounts, if any, retained in and/or credited to the Principal Account on the immediately preceding Interest Payment Date under item (ii)(A)(2) of the Pre-Enforcement Principal Priority of Payments.

Principal Deficiency Ledger

The Calculation Agent will establish a principal deficiency ledger (the "**Principal Deficiency Ledger**"), in respect of the Senior Notes. The Principal Deficiency Ledger will be established in respect of the Defaulted Claims by the Calculation Agent pursuant to the Cash Management and Accounts Agreement and will be used by the Calculation Agent to record, as a debit entry, any Principal Deficiency Amount in accordance with Condition 3(g).

Any Realised Loss will be debited to the Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Senior Notes, taking into account any Realised Loss previously debited to such Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments.

"Realised Loss" means, in respect of a Claim which has become a Defaulted Claim during a Monthly Period, the aggregate, as at the end of such Monthly Period, of the amount of principal of such Defaulted Claim (i) scheduled to be paid after such date and not yet paid and (ii) scheduled to be paid before such date and not yet paid.

"Principal Component" means the principal component of each Instalment, including amounts received upon prepayments of principal in respect of the Loans.

"Interest Component" (i) for the Non-Subvented Loan, the collections deriving from the interest component of each Instalment or, as the case may be, (ii) for the Subvented Loan, the collections deriving from the interest component of each Instalment plus the Discount Component.

"Instalment" means the scheduled monthly payment falling due from the relevant Borrower under a Loan and which consists of an Interest Component and a Principal Component.

"Discount Component" means (i) for the Subvented Loans the interest component of each Instalment calculated assuming that the APR in respect of each Loan is equal to the Discount Rate less the interest component of each instalment and (ii) for the Non Subvented Loan zero.

Pre-Enforcement Priorities of Payments

Pre-Enforcement Interest Priority of Payments

Prior to the service of an Acceleration Notice, the Interest Available Funds as calculated on each Calculation Date will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payments or provisions as stated in the following order of priority (the "**Pre-Enforcement Interest Priority of Payments**"), but, in each

case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (i) *first*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer (to the extent not paid by GMAC ITALIA under the Transaction Documents);
- (ii) *second*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of:
 - (A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations of the Issuer to third parties (not being Other Issuer Secured Creditors) incurred in relation to this Securitisation (to the extent not paid by GMAC ITALIA under the Transaction Documents);
 - (B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;
 - (C) any and all costs, fees and expenses to be paid by the Issuer to the Corporate Services Provider and/or to any agency in relation to the notification to the Debtors to be carried out in accordance with Clause 7 of the Corporate Services Agreement;
- (iii) *third*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of the Collection Fee and any amounts (excluding the Additional Servicing Fee so long as a Trigger Event has not occurred and is continuing) to be reimbursed to the Servicer under the terms of the Servicing Agreement;
- (iv) *fourth*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Representative of the Noteholders, to the Cash Manager and to the Account Bank, or any appointee thereof;
- (v) *fifth*, in or towards satisfaction, pro rata and pari passu, of all amounts due and payable to the Hedging Providers, under the terms of the Swap Agreements (other than any termination payment due to the Hedging Providers following the occurrence of a Swap Trigger);

- (vi) *sixth*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Calculation Agent, the Corporate Services Provider, the Stichting Corporate Services Provider, each under the Transaction Document(s) to which each of them is a party;
- (vii) *seventh*, in or towards satisfaction, pro rata and pari passu, of all amounts of interest due and payable on the Class A Notes;
- (viii) *eighth*, for so long as there are Senior Notes outstanding, to credit the Cash Reserve Account with the amount required, if any, such that the Liquidity Reserve equals the Target Liquidity Reserve Amount;
- (ix) *ninth*, other than that portion of Interest Available Funds consolidated by item (i) of the Interest Available Funds in or towards reduction of the Principal Deficiency Ledger to zero;
- (x) *tenth*, to credit to or retain in the Issuer Account an amount equal to the portion of Principal Available Funds utilised under item (i) of the Pre-Enforcement Principal Priority of Payments on the preceding Interest Payment Date or, to the extent that such amounts have not already been credited to or retained in the Issuer Account, on any preceding Interest Payment Date;
- (xi) *eleventh*, in or towards satisfaction, of any termination payment due and payable to the Hedging Providers under the terms of the Swap Agreements following the occurrence of a Swap Trigger;
- (xii) *twelfth*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of all amounts due and payable to GMAC ITALIA in respect of Originator's Claims (if any) under the terms of the Transfer Agreement;
- (xiii) *thirteenth*, in or towards satisfaction of all amounts of interest due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (xiv) *fourteenth*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (xv) *fifteenth*, in or towards satisfaction of all amounts due and payable to GMAC ITALIA under the terms of the Warranty and Indemnity Agreement;

- (xvi) *sixteenth*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Secured Creditor incurred in the course of the Issuer's business in relation to this Securitisation (other than amounts already provided for in this Pre-Enforcement Interest Priority of Payments);
- (xvii) *seventeenth*, in or towards satisfaction, pro rata and pari passu, of all amounts of interest due and payable on the Junior Notes; and
- (xviii) *eighteenth*, in or towards satisfaction of the Deferred Purchase Price due and payable to the Originator under the Transfer Agreement.

**Pre-Enforcement Principal
Priority of Payments**

Prior to the service of an Acceleration Notice, the Principal Available Funds as calculated on each Calculation Date will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payment or provision as stated in the following order of priority (the "**Pre-Enforcement Principal Priority of Payments**" and, together with the Pre-Enforcement Interest Priority of Payments, the "**Pre-Enforcement Priority of Payments**"), but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (i) *first*, to pay all the amounts due under items (i) to (vii) of the Pre-Enforcement Interest Priority of Payments, to the extent not paid under the Pre-Enforcement Interest Priority of Payments due to insufficiency of Interest Available Funds;
- (ii) *second*,
 - (A) during the Revolving Period:
 1. if the transfer of Additional Claims has occurred on the immediately preceding Additional Transfer Date, in or towards payment of the purchase price of Additional Claims acquired from the Originator in accordance with the terms of the Transfer Agreement; or
 2. if the transfer of Additional Claims has not occurred on the immediately preceding Additional Transfer Date, to credit or retain, as the case may be, all Principal Available Funds to the Issuer Account;

- (B) during the Amortisation Period in or towards repayment, of: (I) the Excess Commingling Amount to the Subordinated Loan Provider as payment of the amounts due and payable to it under the Subordinated Loan Agreement, to the extent not paid under items (xiii) and (xiv) of the Pre-Enforcement Interest Priority of Payments, and (II) the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full,

as the case may be;

- (iii) *third*, in or towards satisfaction of all amounts due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement, if any, to the extent not paid under items (xiii) and (xiv) of the Pre-Enforcement Interest Priority of Payments and item (ii)(B) above;
- (iv) *fourth*, in or towards repayment, pro rata and pari passu, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes are redeemed in full; and
- (v) *fifth*, in or towards satisfaction of the Deferred Purchase Price due and payable to the Originator under the Transfer Agreement,

provided, however, that payments to be made to the Originator under item (ii)(A)(1) above, if any, may only be paid to the Originator by the Issuer on the relevant Interest Payment Date or, if later, on the Business Day on which the Issuer has received evidence that the notice of the relevant assignment of the Additional Claims has been published in the Gazzetta Ufficiale della Repubblica Italiana (Official Gazette of the Republic of Italy) and has been registered in the Companies Register of the Issuer. In the latter case, such amounts will be retained by the Issuer in the Issuer Account until such Business Day, in accordance with the terms of the Cash Management and Accounts Agreement.

Post-Enforcement Priority of Payments

At any time following delivery of an Acceleration Notice or in the event that the Issuer opts for the early redemption of the Notes under Condition 7(d) (*Optional redemption*) or Condition 7(e) (*Optional redemption in whole for taxation, legal or regulatory reasons*), all amounts received or recovered by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims, the Note Security and/or any of the other Transaction Documents will be applied by or on behalf of the Representative of the Noteholders as stated in the following order of priority (the "**Post-Enforcement Priority of Payments**" and, together with the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the "**Priority of Payments**"), but, in each case, only if and to the extent that

payments of a higher priority have been made in full:

- (i) *first*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer (to the extent not paid by GMAC ITALIA under the Transaction Documents);
- (ii) *second*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of:
 - (A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations of the Issuer to third parties (not being Other Issuer Secured Creditors) incurred in relation to this Securitisation (to the extent not paid by GMAC ITALIA under the Transaction Documents);
 - (B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;
 - (C) any and all costs, fees and expenses to be paid by the Issuer to the Corporate Services Provider and/or to any agency in relation to the notification to the Debtors to be carried out in accordance with Clause 7 of the Corporate Services Agreement;
- (iii) *third*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of the Collection Fee and any amounts (excluding the Additional Servicing Fee so long as a Trigger Event has not occurred and is continuing) to be reimbursed to the Servicer under the terms of the Servicing Agreement;
- (iv) *fourth*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Representative of the Noteholders, the Cash Manager and the Account Bank each, under the Transaction Document(s) to which each of them is a party;
- (v) *fifth*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of all amounts due and payable to the Hedging Providers under the terms of the Swap Agreements (other than any termination payment due to the Hedging Providers

following the occurrence of a Swap Trigger);

- (vi) *sixth*, in or towards satisfaction, pro rata and pari passu, of all amounts due and payable in respect of interest (including any interest accrued but unpaid) on the Class A Notes at such date;
- (vii) *seventh*, in or towards repayment, pro rata and pari passu, of the Principal Amount Outstanding of the Class A Notes;
- (viii) *eighth*, in or towards satisfaction of any termination payment due and payable to the Hedging Providers under the terms of the Swap Agreements following the occurrence of a Swap Trigger;
- (ix) *ninth*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of all amounts due and payable to GMAC ITALIA in respect of the Originator's Claims (if any) under the terms of the Transfer Agreement;
- (x) *tenth*, in or towards satisfaction of all amounts of interest due and payable to the Subordinated Loan Provider (including any interest accrued but unpaid) under the Subordinated Loan Agreement;
- (xi) *eleventh*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (xii) *twelfth*, in or towards satisfaction, pro rata and pari passu, according to the respective amounts thereof, of all amounts due and payable to GMAC ITALIA under the terms of the Warranty and Indemnity Agreement;
- (xiii) *thirteenth*, in or towards repayment, pro rata and pari passu, of all amounts due and payable in respect of interest (including any interest accrued but unpaid) on the Junior Notes at such date;
- (xiv) *fourteenth*, in or towards repayment, pro rata and pari passu, of the Principal Amount Outstanding of the Junior Notes; and
- (xv) *fifteenth*, in or towards satisfaction of the Deferred Purchase Price due and payable to the Originator under the Transfer Agreement,

provided however that if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments above shall be less than 10 per cent. of the Principal Amount Outstanding of all Classes of Notes, the Representative of the Noteholders may at its discretion invest

such monies in some or one of the investments authorised pursuant to the Intercreditor Agreement. The Representative of the Noteholders at its discretion may vary such investments and may accumulate such investments and the resulting income until the earlier of: (i) each day on which the accumulations, together with any other funds for the time being under the control of the Representative of the Noteholders and available for such purpose, amount to at least 10 per cent. of the Principal Amount Outstanding of all Classes of Notes and (ii) the Business Day, immediately following the service of an Acceleration Notice, that would have been an Interest Payment Date; then such accumulations and funds shall be applied to make the payments above.

6. Optional redemption

Optional redemption of the Notes

Prior to the service of an Acceleration Notice, the Issuer may redeem the Notes of all Classes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Senior Notes only, if all the Junior Noteholders consent to waive their rights under the Junior Notes) and to make all payments ranking in priority, or *pari passu*, thereto, on any Interest Payment Date when the Portfolio Outstanding Amount is equal to, or less than, 10 per cent. of the lower of: (i) the Initial Portfolio Outstanding Amount; and (ii) the Initial Portfolio Purchase Price, subject to the Issuer:

- (i) giving not more than 60 nor less than 30 days' written notice to the Representative of the Noteholders and the Noteholders, pursuant to Condition 17 (*Notices*), of its intention to redeem all Classes of Notes (in whole but not in part);
- (ii) having provided, prior to giving any such notice, to the Representative of the Noteholders a certificate signed by the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have sufficient funds on such Interest Payment Date to discharge all its obligations under the Notes (or the Senior Notes only, if all the Junior Noteholders consent to waive all their rights under the Junior Notes) and any obligations ranking in priority, or *pari passu*, thereto; and
- (iii) giving not more than 60 nor less than 30 days' written notice to the Bank of Italy of its intention to redeem all Classes of Notes (in whole but not in part),

provided, however, that the consideration for the purchase of the Claims to be paid by the Originator may not exceed an amount calculated in accordance with the Transfer Agreement.

"Portfolio Outstanding Amount" means, on each Interest

Payment Date, the aggregate Outstanding Principal Discounted Balance of all the Claims and "**Initial Portfolio Outstanding Amount**" means € 704,979,538.

"Initial Portfolio Purchase Price" means the purchase price to be paid by the Issuer to the Originator for the purchase of the Initial Portfolio.

The Issuer (and the Representative of the Noteholders acting in the name and on behalf of the Issuer) is entitled, pursuant to the Transfer Agreement and the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes in the circumstances described above.

Optional redemption in whole for taxation, legal or regulatory reasons

Prior to the service of an Acceleration Notice, the Issuer may redeem the Notes of all Classes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Senior Notes only, if all the Junior Noteholders consent to waive their rights under the Junior Notes) and to make all payments ranking in priority, or *pari passu*, thereto, on any Interest Payment Date if:

- (a) by reason of a change in law or the interpretation or administration thereof since the Issue Date, the assets of the Issuer in respect of this Securitisation (including the Claims, the Collections and the other Issuer's Rights) become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any applicable taxing authority having jurisdiction;
- (b) either the Issuer or any paying agent appointed in respect of the Senior Notes or any custodian of the Senior Notes is required (by reason of a change in law or the interpretation or administration thereof since the Issue Date) to deduct or withhold any amount (other than in respect of a Decree 239 Withholding) in respect of any Class of Senior Notes, from any payment of principal or interest on such Interest Payment Date 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 Republic of Italy or any political sub-division thereof or any authority thereof or therein or any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Senior Notes before the Interest Payment Date following the change in law or the interpretation or

administration therefor; or

- (c) any amounts of interest payable on the Loans to the Issuer are required (by reason of a change in law or the interpretation or administration thereof since the Issue Date) to be deducted or withheld from the Issuer 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 Republic of Italy or any political sub-division thereof or any authority thereof or therein or any other applicable taxing authority having jurisdiction; or
- (d) it is or will become unlawful for the Issuer (by reason of a change in law or the interpretation or administration thereof since the Issue Date) to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party;

subject to the Issuer:

- (i) giving not more than 60 nor less than 30 days' written notice to the Representative of the Noteholders and the Noteholders, pursuant to Condition 17 (*Notices*), of its intention to redeem all (but not some only) of the Notes; and
- (ii) providing to the Representative of the Noteholders:
 - (A) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international repute (approved in writing by the Representative of the Noteholders) opining on the relevant change in law or the interpretation or administration thereof;
 - (B) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that the obligation to make such deduction or withholding or the suffering by the Issuer of such deduction or withholding cannot be avoided or, as the case may be, the events under paragraph (d) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer using reasonable endeavours; and
 - (C) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have the funds on such Interest Payment Date to discharge its obligations under: (a) the Notes (or the Senior Notes only, if all the Junior Noteholders consent

to waive all their rights under the Junior Notes) and any obligations ranking in priority, or *pari passu*, thereto; and (b) any additional taxes payable by the Issuer by reason of such early redemption of the Notes.

The Issuer (and the Representative of the Noteholders acting in the name and on behalf of the Issuer) is entitled, pursuant to the Transfer Agreement and the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes in the circumstances described above.

7. Credit Structure

Cash Reserve

On the Issue Date GMAC ITALIA will grant to the Issuer a subordinated limited recourse loan for an amount equal to € 41,420,200 (euro 41,420,200) (the "**Subordinated Loan**"). The Subordinated Loan will be disbursed at the Issue Date by crediting, through a single payment on the Cash Reserve Account:

- a) the Liquidity Reserve, having an amount equal to €10,570,000; and
- b) the Commingling Reserve, having an amount equal to €30,850,200.

GMAC ITALIA has also undertaken to immediately increase - upon downgrade of GMAC to a rating of B1 or lower from Moody's - the Commingling Reserve up to the amount calculated in accordance with the definition of Target Commingling Reserve Amount.

On each Interest Payment Date, the Liquidity Reserve will be used to augment the Interest Available Funds and on each Interest Payment Date, funds will be deposited on the Cash Reserve Account out of the Interest Available Funds, up to an amount equal to the Target Liquidity Reserve Amount and in accordance with the Pre-Enforcement Interest Priority of Payments.

"Target Liquidity Reserve Amount" means:

- (a) at each Calculation Date €10,570,000 until the Calculation Date when the Principal Amount Outstanding of the Senior Notes is equal to or lower than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date;
- (b) at each Calculation Date when the Principal Amount Outstanding of the Senior Notes is equal to or lower than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date an amount equal to 4 times the aggregate of the payments done under items (i) to (vii) inclusive in the Pre-Enforcement Interest Priority of

Payments on the immediately preceding Interest Payment Date;

- (c) on the Calculation Date immediately following the Interest Payment Date on which the Senior Notes will be redeemed in full, the Target Liquidity Reserve Amount will be reduced to zero.

On the Interest Payment Date immediately following a Purchase Termination Event the Commingling Reserve and - on each Calculation Date prior to a Purchase Termination Event the Excess Commingling Amount - will be used to augment the Principal Available Funds.

The Excess Commingling Amount will be paid on each Interest Payment Date to the Subordinated Loan Provider as payment of the amounts due and payable to it under the Subordinated Loan Agreement in accordance with item (ii)(B) the Pre-Enforcement Principal Priority of Funds, to the extent not paid under items (xiii) and (xiv) of the Pre-Enforcement Interest Priority of Payments.

"Target Commingling Reserve Amount" means:

- (a) on each Calculation Date until the Calculation Date when the Principal Amount Outstanding of the Senior Notes is equal to or lower than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date, an amount equal to 5.4 per cent. of the Principal Amount Outstanding of the Senior Notes at the Issue Date;
- (b) on the Calculation Date when the Principal Amount Outstanding of the Senior Notes is equal to or lower than 50% of the Principal Amount Outstanding of the Senior Notes, an amount equal to the greater of:
 - 1. 5.4% of current Principal Amount Outstanding of the Senior Notes;
 - 2. 2% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date; and
 - 3. the Principal Component received by the Issuer in respect of the Loans during the Monthly Period immediately proceeding such Calculation Date;
- (c) on the Calculation Date immediately following the Interest Payment Date on which the Senior Notes will be redeemed in full, the Target Commingling Reserve Amount will be reduced to zero;
- (d) at any time upon downgrade of GMAC to a rating of B1 or lower from Moody's the Target Commingling Reserve Amount shall be equal to double the amount that would

have been calculated under a) or b) above prior to such downgrade.

"Excess Commingling Amount" means at each Calculation Date the amount equal to the difference between the Target Commingling Reserve paid on the immediately preceding Interest Payment Date and the Target Commingling Reserve to be paid on the immediately following Interest Payment Date.

Undertaking of the Originator

In accordance with the Cash Management and Accounts Agreement, the Calculation Agent on each Calculation Date shall calculate and indicate in the Investor Report (and send a payment request to GMAC ITALIA in relation to such payments due by the Issuer) the amounts relating to tax payments and any losses, costs, expenses or liabilities, that cannot be paid by the Issuer on the immediately following Interest Payment Date in accordance with the applicable Priority of Payments in respect of:

- (i) any tax expenses or tax liability (including but not limited to taxes relating to *I.R.E.S. - Imposta sul Reddito delle Società and I.R.A.P. - Imposta Regionale sulle Attività Produttive*) which the Issuer is at any time obliged to pay other than: (i) any withholding tax at any time applicable in respect of the Notes; (ii) any withholding tax applicable in respect of interest accruing on the Accounts and in respect of the Eligible Investments (other than by reason of a change in law or the interpretation or administration thereof since the Issue Date and provided that it cannot be avoided by the Issuer at no cost); (iii) any VAT (*imposta sul valore aggiunto*) due in respect of the Transaction Documents or the purchase of services or goods by the Issuer (other than by reason of a change in law or the interpretation or administration thereof since the Issue Date); (iv) any tax (including but not limited to *imposte di registro, imposte di bollo e concessioni governative*) applicable in respect of the Transaction Documents; and (v) any court tax (*contributo unificato per le spese degli atti di giustizia and ogni imposta di bollo, tassa di iscrizione a ruolo o diritti di cancelleria*) relating to proceedings to be paid to the Issuer;
- (ii) any other costs, charges or liabilities arising in connection with regulatory or supervisory requirements (including as a result of any change of law or regulation or interpretation or administration thereof since the Issue Date) but excluding any amounts payable by the Issuer under the Transaction Documents (including, for the avoidance of doubt, any amount due and payable under the Notes); and
- (iii) any other costs, charges or liabilities which may affect the Issuer (other than losses, costs, expenses or liabilities in respect of the normal day to day operating costs of the

Issuer) and which are not directly related to the Securitisation;

but, in each case, with the exception of any losses, costs, expenses or liabilities borne by the Issuer as a consequence of events or situations caused by the wilful default or negligence of the Issuer or of any other third party (other than the Originator and the Subordinated Loan Provider) who provides any services in relation to any of the Transaction Documents.

Upon receipt of the payment request from the Calculation Agent, GMAC ITALIA has undertaken under the Intercreditor Agreement to provide the Issuer with all the necessary monies in order for the Issuer to pay the relevant taxes, losses, costs, expenses or liabilities by paying the amounts referred to above either directly to various third parties as indicated in the payment request by the Calculation Agent or by depositing the required amounts into the Italian Tax Account, within 2 Business Days after having receipt the payment request by the Calculation Agent.

Upon receipt of the relevant funds the Issuer will pay out of the Italian Tax Account the requested tax amounts by electronic means.

The Principal Deficiency Ledger Amount

Provisions will be made by the Issuer against any Realised Losses in accordance with the Pre-Enforcement Interest Priority of Payments. The Principal Deficiency Ledger Amount will form part of the Principal Available Funds and will therefore be applied to make payments due in accordance with the Pre-Enforcement Principal Priority of Payments.

"Principal Deficiency Ledger Amount" means, in respect of each Calculation Date immediately preceding an Interest Payment Date, the amounts retained in and/or credited to the Issuer Account on such Interest Payment Date pursuant to item (ix) of the Pre-Enforcement Interest Priority of Payments.

Eligible Investments

Amounts standing to the credit of the Issuer Account and the Cash Reserve Account during a Monthly Period may be invested by the Account Bank upon instruction by the Cash Manager on behalf of the Issuer in Eligible Investments on each Business Day in a Monthly Period when the amount standing to the credit of the Issuer Account and/or the Cash Reserve Account is equal to or exceeds €500,000 (each day an **"Investment Date"**).

"Eligible Bank" means a bank whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated A-1 + or better by S&P and P-1 or better by Moody's.

"Eligible Investments" means any senior unsubordinated debt security, investment, buy/sell back agreement, repo, commercial paper, deposit or other debt instrument or offshore fund investing

in the money market issued by, held with, or fully and unconditionally guaranteed by, an Eligible Bank which (i) is denominated in euro; (ii) at any time has a maturity date falling not later than the next Interest Payment Date; (iii) if in the form of bonds, notes or financial instruments, has a rating of P-1 from Moody's and A-1(+) from S&P; and (iv) provides for principal to be repaid in respect of such investment which is at least equal to the price paid to purchase such investment or to the amount of such deposit, as applicable, and does not fall to be determined by reference to any formula or index and is not subject to any contingency.

Swap Agreements

The Issuer has entered into the ABN Swap Agreement and the Lloyds Swap Agreement (together, the "**Swap Agreements**" with the Hedging Providers in order to hedge against the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Senior Notes.

TAXATION IN THE REPUBLIC OF ITALY

Italian Taxation

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Senior Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Legislative Decree No. 344 of 12 December, 2003 published in the Gazzetta Ufficiale della Repubblica Italiana (the Official Gazette of the Republic of Italy) of 16 December, 2003, No. 261 (ordinary supplement No. 190), effective as of 1 January, 2004 introduced the reform of taxation of corporations and of certain financial income amending the "Italian Income Taxes Consolidated Code".

In the near future, the Italian Government could be authorised by the Parliament to amend the tax treatment of financial income, which may impact upon the tax regime of the Notes, as described under the Taxation in the Republic of Italy paragraph.

Tax treatment of the Senior Notes

Legislative decree No. 239 of 1 April, 1996, as subsequently amended ("**Decree 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian companies incorporated pursuant to law No. 130 of 30 April, 1999, provided that the notes are issued for an original maturity of not less than 18 months.

Italian resident Senior Noteholders

Where an Italian resident Senior Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Senior Notes are connected (unless he has opted for the application of the *risparmio gestito regime* - see under "*Capital gains tax*", below); (ii) a non-commercial partnership; (iii) a non-commercial private or public institution; or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Senior Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 12.5 per cent. If the Senior Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Senior Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Senior Noteholder is a company or similar commercial entity and the Senior Notes are deposited with an authorised intermediary, interest, premium and other income from the Senior Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Senior Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Senior Noteholder, also to IRAP - the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25th September, 2001 converted into law with amendments by Law No. 410 of 23rd November, 2001, as clarified by the Italian Revenue Agency through Circular No. 47/E of 8th August, 2003, payments of interests, premiums or other

proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 25th January, 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

Pursuant to Article 41*bis*, paragraph 9, of Decree No. 269, a 12.5 per cent. substitute tax on proceeds deriving from the participation in real estate investment funds is applicable to participants qualified as Italian resident taxpayers or non-Italian resident taxpayers that are resident in a country which does not allow for a satisfactory exchange of information with Italy. Such substitute tax could be applied as a provisional or a final tax, depending on the status of the taxpayer.

Where an Italian resident Senior Noteholder is an open-ended or a closed-ended investment fund (the "**Fund**") or a SICAV and the Senior Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Senior Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but to 12.5 per cent. annual substitute tax (the "**Collective Investment Fund Tax**"). The 12.5 per cent. substitute tax is calculated on the net result accrued at the end of the tax period.

Where an Italian resident Senior Noteholder is a pension fund (subject to the regime provided for by articles 14, 14*ter* and 14*quater*, paragraph 1 of legislative decree No. 124 of 21 April, 1993) and the Senior Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Senior Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**").

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Senior Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Senior Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Senior Notes or in a change of the Intermediary with which the Senior Notes are deposited.

Where the Senior Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Senior Noteholder.

Non-Italian resident Senior Noteholders

Where the Senior Noteholder is a non-Italian resident, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (i) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (ii) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (iii) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of a taxpayer in its own country of residence.

The *imposta sostitutiva* will be applicable at the rate of 12.5 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Senior Noteholders which are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

In order to ensure gross payment, non-Italian resident Senior Noteholders must be the beneficial owners of the payments of interest, premium or other income and (i) deposit, directly or indirectly, the Senior Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and (ii) file with the relevant depository, prior to or concurrently with the deposit of the Senior Notes, a statement of the relevant Senior Noteholder, which remains valid until withdrawn or revoked, in which the Senior Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is requested neither for the international bodies nor entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by ministerial decree dated 12th December, 2001.

Early redemption

Without prejudice to the above provisions, in the event that the Notes are redeemed prior to 18 months from the Issue Date, the Issuer will be required to pay a tax equal to 20 per cent. in respect of the interest and other amounts accrued from the date of the issue up to the time of the early redemption. Such payment will be made by the Issuer and will not affect the amounts to be received by the Senior Noteholder by way of interest or other amounts, if any, under the Notes.

Capital gains tax

Any gain obtained from the sale or redemption of the Senior Notes would be treated as part of taxable income (and, in certain circumstances, depending on the "status" of the Senior Noteholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Senior Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Senior Notes are connected.

Where an Italian resident Senior Noteholder is an individual not holding the Senior Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Senior Noteholder from the sale or redemption of the Senior Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 12.5 per cent. Senior Noteholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Senior Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Senior Noteholder holding Senior Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Senior Notes carried out during any given tax year. Italian resident individuals holding Senior Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Senior Noteholders holding the Senior Notes not in connection with an entrepreneurial activity may elect to pay the *imposta*

sostitutiva separately on capital gains realised on each sale or redemption of the Senior Notes (the *risparmio amministrato regime*). Such separate taxation of capital gains is allowed subject to (i) the Senior Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato regime* being punctually made in writing by the relevant Senior Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Senior Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Senior Noteholder or using funds provided by the Senior Noteholder for this purpose. Under the *risparmio amministrato regime*, where a sale or redemption of the Senior Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato regime*, the Senior Noteholder is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Senior Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Senior Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.5 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito regime*, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito regime*, the Senior Noteholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Senior Noteholder which is an Italian open-ended or a closed-ended investment fund or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to Collective Investment Fund Tax.

Any capital gains realised by a Senior Noteholder which is an Italian pension fund (subject to the regime provided for by articles 14, 14^{ter} and 14^{quater}, paragraph 1, of legislative decree No. 124 of 21 April, 1993) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by non Italian-resident Senior Noteholders from the sale or redemption of Senior Notes traded on regulated markets are not subject to the *imposta sostitutiva*.

Capital gains realised by non-Italian resident Senior Noteholders from the sale or redemption of the Senior Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (i) is resident in a country which allows for a satisfactory exchange of information with Italy; or (ii) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (iii) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of a taxpayer in its own country of residence.

If none of the conditions above are met, capital gains realised by non-Italian resident Senior Noteholders from the sale or redemption of the Senior Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 12.5 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Senior Notes are connected, that may benefit from a double taxation treaty with the Republic of Italy providing that capital gains realised upon the sale or redemption of notes are to be

taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon the sale or redemption of the Senior Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, ("**Decree No. 262**"), converted into the Law 24 November 2006, No. 286, published in the Italian Official Gazette No. 277 of 28 November 2006 ("**Ordinary Supplement No. 223**"), the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4% on the value of the inheritance or the gift exceeding EUR 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6% on the entire value of the inheritance or the gift;
- (iii) any other transfer is subject to an inheritance and gift tax applied at a rate of 8% on the entire value of the inheritance or the gift.

Transfer tax

Pursuant to Italian legislative decree No. 435 of 21 November, 1997, which partly amended the regime set forth by Royal Decree No. 3278 of 30 December, 1923, the transfer of the Senior Notes may be subject to the Italian transfer tax, which is currently payable at a rate between a maximum of € 0.0083 and a minimum of €0.00465 per € 51.65 (or fraction thereof) of the price at which the Senior Notes are transferred. Where the transfer tax is applied at a rate of € 0.00465 per € 51.65 (or fraction thereof) of the price at which Senior Notes are transferred, the transfer tax cannot exceed € 929.62.

However, the transfer tax does not apply, *inter alia*, to: (i) contracts entered into on regulated markets relating to the transfer of securities, including contracts between the intermediary and its principal or between qualified intermediaries; (ii) off-market transactions regarding securities listed on regulated markets, provided that the contracts are entered into (a) between banks, SIMs or other financial intermediaries regulated by legislative decree No. 415 of 23 July, 1996, as superseded by legislative decree No. 58 of 24 February, 1998, or stockbrokers; (b) between the subjects mentioned in (a) above, on the one hand, and non-Italian residents, on the other hand; and (c) between the subjects mentioned in (a) above, even if non-resident in Italy, on the one hand, and undertakings for collective investment in transferable securities, on the other hand; (iii) contracts related to sales of securities occurring in the context of a public offering (*offerta pubblica di vendita*) aimed at the listing on regulated markets, or involving financial instruments already listed on regulated markets; or (iv) contracts regarding securities not listed on a regulated market entered into between the authorised intermediaries referred to in (ii)(a) above, on the one hand, and non-Italian residents on the other hand.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income ("**EU Savings Directive**"), Member States are required, from 1st July, 2005, 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. 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) with effect from the same date.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18th April, 2005 ("**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1st July, 2005 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (the "Conditions" and each a "Condition"):

The € 571,300,000 Class A Asset-Backed Floating Rate Notes due 2017 (the "**Class A Notes**" or the "**Senior Notes**") and the € 108,857,164 Class B Asset-Backed Floating Rate Notes due 2017 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**") will be issued by Totally Italian Generated Receivables S.r.l. (Tigra S.r.l.) (the "**Issuer**") on 28 December, 2006 (the "**Issue Date**") in order to finance the purchase of the Initial Claims (as defined below). The Notes will be subject to and have the benefit of a cash management and accounts agreement (the "**Cash Management and Accounts Agreement**") dated 21, December, 2006 (the "**Closing Date**") between the Issuer, GMAC CONTINENTAL LLC, Antwerp branch, as calculation agent (the "**Calculation Agent**", which expression includes any successor or additional calculation agent appointed from time to time in respect of this Securitisation (as defined below)), ABN AMRO BANK N.V., London Branch, as cash manager and account bank (the "**Cash Manager and Account Bank**", which expression includes any successor or additional cash manager and account bank appointed from time to time in respect of this Securitisation, and together with the Calculation Agent, the "**Agents**") and ABN AMRO Trustees Limited, as representative of the holders of the Notes (the "**Representative of the Noteholders**", which expression includes any successor or additional representative of the Noteholders appointed from time to time).

Certain of the statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Cash Management and Accounts Agreement, the Intercreditor Agreement (as defined below), and the other Transaction Documents (as defined below). Any reference in these Conditions to a particular Transaction Document is a reference to such Transaction Document as from time to time created and/or modified and/or supplemented in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so amended and/or modified and/or supplemented.

The holders of the Class A Notes (the "**Class A Noteholders**", or the "**Senior Noteholders**") and the holders of the Class B Notes (the "**Class B Noteholders**", or the "**Junior Noteholders**" and, together with the Senior Noteholders, the "**Noteholders**" and each a "**Noteholder**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Cash Management and Accounts Agreement, the rules of the organisation of the Noteholders (the "**Rules of the Organisation of Noteholders**", which constitute an integral and essential part of these Conditions), the Intercreditor Agreement and the other Transaction Documents applicable to them. Copies of the Cash Management and Accounts Agreement, the Intercreditor Agreement and the other Transaction Documents are available for inspection during normal business hours by the Noteholders at the Specified Office of the Representative of the Noteholders, at the Specified Offices of the Corporate Services Provider and at the Specified Offices of the Cash Manager and the Account Bank.

The Rules of the Organisation of Noteholders are attached hereto as a Schedule. The rights and powers of the Representative of the Noteholders and the Noteholders may be exercised only in accordance with the Rules of the Organisation of Noteholders.

The Issuer has published to prospective Noteholders the *prospetto informativo* required by article 2 of law No. 130 of 30 April, 1999, as amended from time to time (the "**Securitisation Law**"). Copies of the *prospetto informativo* will be available, upon request, to the holder of any Note during normal business hours at the Specified Office of the Representative of the Noteholders, at the Specified Offices of the Corporate Services Provider and at the Specified Offices of the Cash Manager and Account Bank.

Any references below to a "**Class**" of Notes or a "**Class**" of Noteholders will be a reference to the Senior Notes or the Junior Notes, as the case may be, or to the respective holders thereof, respectively. References to "**Noteholders**" or to the "**holders**" of Notes are to the beneficial owners of the Notes.

The principal source of funds available to the Issuer for the payment of amounts due on the Notes will be collections and recoveries made in respect of the Claims. The Claims will be segregated from all other assets of the Issuer by operation of the Securitisation Law and, pursuant to the Intercreditor Agreement, amounts deriving therefrom will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes, to pay costs, fees and expenses due to the Other Issuer Secured Creditors (as defined below) under the Transaction Documents and to pay any other creditor of the Issuer in respect of costs, liabilities, fees or expenses payable to any such other creditor in relation to the securitisation of the Initial Claims by the Issuer through the issuance of the Notes (the "**Securitisation**").

1. Definitions

"**ABN Swap Agreement**" means the interest rate swap transactions entered into between the Issuer, the ABN Hedging Provider and the Representative of the Noteholders documented under the 1992 ISDA Master Agreement (Multicurrency-Cross Border), the schedules thereto, as published by the International Swap & Derivatives Association, Inc.

"**Acceleration Notice**" has the meaning given to it in Condition 10(b).

"**Accounts**" means, collectively, the Issuer Account, the Cash Reserve Account, the Issuer Custody Account, the Cash Reserve Custody Account and the Equity Capital Account, and Account means any one of them.

"**Account Bank**" means ABN AMRO Bank N.V., London Branch, pursuant to the terms of the Cash Management and Accounts Agreement.

"**Additional Claims**" means any claim of the Originator arising from the Loans indicated in the CD delivered by the Originator to the Issuer, pursuant to Clause 11.8(o) of the Transfer Agreement on the relevant Offer Date, including, by way of example and without limitation:

- (a) the claims relating to:
1. the principal and interest due and payable at the Additional Valuation Date (included);
 2. legal and default interest which will accrue in relation to the Loans after the Additional Valuation Date (excluded);
 3. any amounts already accrued at the Additional Valuation Date or accruing after the Additional Valuation Date in relation to the Loans and the Related Securities in respect to damages, expenses (including judicial or extrajudicial expenses);
 4. any other amount (other than any fee charged by the Originator) owed by the Originator at the Additional Valuation Date and any other amount which will accrue after the Additional Valuation Date, in relation to the Loans, the Loan Contracts and the Related Securities;
 5. any monetary claims arising from the enforcement of the Related Securities;
 6. any monetary claims arising from any Proceedings;

- (b) any other claim to any extent relating to the Loans or to the position of the Originator pursuant to the Loans, including the rights arising towards the Debtors for damages or indemnifications;
- (c) any rights and actions transferable under the Securitisation Law belonging to the Originator in relation to the Additional Claims, to the Loans and to the Related Securities, arising from any applicable law - including, by way of example and without limitation, the claw-back action (i.e. azione di ripetizione dell'indebito) provided under article 2033 of the Italian civil code and the related claims in respect of any amount paid by the Originator to the Debtors under the Loan Contracts, in the event the Loan Contracts were, for whatever reason, declared null, void or ineffective - or agreement, as well as from any other deed, agreement or document to any extent relating to, or connected with, the Additional Claims, the Loans and the Related Securities,

and excluding all of the rights and credits accruing to the Originator in relation to the Insurance Policies and the Credit Insurance Policies.

"**Additional Portfolio Criteria**" has the meaning ascribed to it in Clause 4.3 of the Transfer Agreement.

"**Additional Servicing Fee**" means the additional servicing fee payable by the Issuer to the Servicer pursuant to Clause 9.1(b) of the Servicing Agreement.

"**Additional Transfer Date**" means the 14 calendar day of each month or if such day is not a Business Day the immediately following Business Day.

"**Additional Valuation Date**" means the last Business Day of each Monthly Period.

"**Amortisation Period**" means the period starting on the Purchase Termination Date and ending on the earlier of:

- the day on which the Representative of the Noteholders gives an Acceleration Notice; or
- the Interest Payment Date on which the Notes are redeemed in full; or
- the Cancellation Date.

"**APR**" means the annual rate of finance charges stated in the Loan Contract with respect to each Loan.

"**Basic Terms Modification**" has the meaning given in the Rules of the Organisation of Noteholders.

"**Borrower**" means any individual, person or entity that is the principal subject liable for the payment or repayment of amounts due to the Originator under a Loan and any of its successor or assignees. For the avoidance of doubt, Borrower shall include any Commercial Borrower and shall exclude any Dealer.

"**Business Day**" means any day on which banks are open for business in Rome, Frankfurt and London and on which the Trans-European Automated Real Time Gross Transfer System (or any replacing system) is open.

"**Calculation Agent**" means GMAC Continental LLC, Antwerp branch, pursuant to the terms of the Cash Management and Accounts Agreement.

"**Calculation Date**" means the 15 calendar day of each month or if such day is not a Business Day the immediately following Business Day, the first Calculation Date being the 15 February 2007.

"**Cancara**" means Cancara Asset Securitisation Limited.

"**Cancellation Date**" means the Business Day which falls one year after the Maturity Date.

"**Cash Management and Accounts Agreement**" means the cash management and accounts agreement executed on the Closing Date between the Issuer, the Calculation Agent, the Cash Manager, the Account Bank and the Representative of the Noteholders.

"**Cash Manager**" means ABN AMRO Bank N.V., London Branch, pursuant to the terms of the Cash Management and Accounts Agreement.

"**Cash Reserve Account**" means the euro-denominated current account with No. 700514.2, opened with the Account Bank, or any other account as may replace it in accordance with the Cash Management and Accounts Agreement.

"**Cash Reserve Custody Account**" means the euro-denominated current account with No. 700514.4, opened with the Account Bank, or any other account as may replace it in accordance with the Cash Management and Accounts Agreement.

"**Cash Reserve Investments**" has the meaning given to this term in Clause 6.2 of the Cash Management and Accounts Agreement.

"**Certificate**" means a certificate evidencing ownership of the Notes.

"**Claims**" means each and any Initial Claims and Additional Claims.

"**Class of Notes**" means (i) the Senior Notes; or (ii) the Junior Notes, as the context requires.

"**Collection Fee**" means, with respect to an Interest Payment Date, the collection fee for such Interest Payment Date payable by the Issuer to the Servicer pursuant to Clause 9.1(a) of the Servicing Agreement.

"**Collections**" has the meaning ascribed to it in Clause 3.1(c) of the Servicing Agreement.

"**Commingling Reserve**" means the amount equal to €30,850,200 to be deposited on the Cash Reserve Account on the Issue Date by GMAC ITALIA in accordance with the Subordinated Loan Agreement.

"**Conditions**" means the terms and conditions of the Notes constituting Schedule 1 to the Cash Management and Accounts Agreement, and any reference to a numbered Condition is to the correspondingly numbered provision thereof.

"**Corporate Services Agreement**" means the agreement executed on the Closing Date, between the Corporate Services Provider, the Issuer and the Representative of the Noteholders in relation to the performance of certain corporate and administrative services to the Issuer.

"**Corporate Services Provider**" means Structured Finance Management Italy S.r.l, pursuant to the terms of the Corporate Services Agreement.

"**Coupon**" has the meaning given to it in Condition 6 (*Interest*).

"**Coupon Amount**" has the meaning given to it in Condition 6(e) (*Calculation of the Coupon Amounts*).

"**Coupon Amount Arrears**" means the portion of the relevant Coupon Amount for the Notes of any Class, calculated pursuant to Condition 6(e) (*Calculation of the Coupon Amounts*), which remains unpaid on the relevant Interest Payment Date.

"**Cumulative Loss Ratio**" means as at the end of each Monthly Period, the Cumulative Losses divided by the Aggregate Outstanding Principal Discounted Balance of the Initial Claims as of the Initial Transfer Date and of the Additional Claims as at each Additional Transfer Date.

"**Cumulative Loss Trigger**" means 0.50% at the end of the Monthly Period of January or February 2007, 0.72% at the end of the Monthly Period of March, April or May 2007, 0.95% at the end of the Monthly Period of June, July or August 2007, 1.17% at the end of the Monthly Period of September, October or November 2007, 1.39% at the end of the Monthly Period of December 2006, January or February 2008, 1.69% at the end of the Monthly Period of March, April or May 2008, and 2.00% at the end of the Monthly Period of June 2008.

"**Custodian**" has the meaning given to it under Condition 2(a)(Form).

"**Dealer**" means each seller of automobiles that procures the origination of the Loan Contracts by GMAC ITALIA.

"**Debtors**" means any Borrower, any Guarantor and/or any other individual, person or entity, which has entered into any of the Loan Contracts as principal debtor or guarantor or has given any personal security under any of the Loan Contracts.

"**Decree 239 Withholding**" means any withholding or deduction for or on account of Italian tax under Decree 239.

"**Defaulted Claims**" (*crediti in sofferenza*) means any Claim transferred to the Issuer which is classified either (i) as more than 150 calendar days past due of the Scheduled Instalment Date; (ii) as to which the Servicer has knowledge that an Insolvency Proceeding has been opened and is continuing with respect to the relevant Borrower; or (iii) which, consistent with the Credit and Collection Policies, should be treated as uncollectible.

"**Deferred Purchase Price**" or **DPP**" has the meaning ascribed to it in Clause 5.5 of the Transfer Agreement.

"**Delinquent Claims**" (*crediti ad incaglio*) means any Claim transferred to the Issuer, which is between 30 and 149 calendar days past due of the Scheduled Instalment Date.

"**Delinquency Ratio**" means 3 months rolling average of the monthly ratio of the Claims between 30 to 89 calendar days past due/Aggregate Outstanding Balance of the Claims.

"**Discount Component**" means (i) for the Subvented Loans the interest component of each Instalment calculated assuming that the APR in respect of each Loan is equal to the Discount Rate less the interest component of each instalment and (ii) for the Non Subvented Loan zero.

"**Discount Rate per annum**" means, at any date the fixed rate on the Eligible Hedge then in place plus 3.55%.

"**Discount Rate per month**" means $(1 + \text{Discount Rate per annum})^{1/12} - 1$.

"Eligibility Requirements" means the eligibility requirements to be met by the Claims as listed in Schedule 1, part III of the Transfer Agreement.

"Eligible Bank" means a bank whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated A-1 + or better by S&P and P-1 or better by Moody's.

"Eligible Hedge" means:

- (i) the Swap Agreements and
- (ii) any replacement or additional swap, cap or other interest rate hedging arrangements or agreements entered into by the Issuer on terms reasonably acceptable to the Representative of the Noteholders and which is notified to Originator at least 3 Business Days prior; provided further that any such hedge gives the issuer the right to reduce the notional amount thereunder.

"Eligible Investments" means any senior unsubordinated debt security, investment, buy/sell back agreement, repo, commercial paper, deposit or other debt instrument or offshore fund investing in the money market issued by, held with, or fully and unconditionally guaranteed by, an Eligible Bank which (i) is denominated in euro; (ii) at any time has a maturity date falling not later than the next Interest Payment Date; (iii) if in the form of bonds, notes or financial instruments, has a rating of P-1 from Moody's and A-1(+) from S&P; and (iv) provides for principal to be repaid in respect of such investment which is at least equal to the price paid to purchase such investment or to the amount of such deposit, as applicable, and does not fall to be determined by reference to any formula or index and is not subject to any contingency.

"English Deed of Charge and Assignment" means the deed of charge and assignment executed on or about the Issue Date between the Issuer and the Representative of the Noteholders.

"English Law Transaction Documents" means the Swap Agreements, the Cash Management and Accounts Agreement, the English Deed of Charge and Assignment.

"Equity Capital Account" means the euro-denominated current account No. 700514.5, opened with the Account Bank, into which the Issuer's equity capital of € 10,000 shall remain deposited for as long as any Notes are outstanding.

"EURIBOR" has the meaning ascribed to it in Condition 6(c) (*Coupon on the Senior Notes*).

"Event of Default" has the meaning ascribed to it in Condition 10 (*Events of Default*).

"Excess Commingling Amount" means at each Calculation Date the amount equal to the difference between the Target Commingling Reserve paid on the immediately preceding Interest Payment Date and the Target Commingling Reserve to be paid on the immediately following Interest Payment Date.

"Extraordinary Resolution" has the meaning given to it in the Rules of the Organisation of Noteholders.

"First Amortisation Interest Payment Date" means the date which will be agreed upon by, inter alios, the Originator and the Issuer pursuant to Clause 14 of the Intercreditor Agreement.

"Funds Provisioned for Amortisation" means, in respect of each Calculation Date, the amounts, if any, retained in and/or credited to the Issuer Account on the immediately preceding Interest Payment Date under item ((ii)(A)(2)) of the Pre-Enforcement Principal Priority of Payments.

"Further Notes" the meaning ascribed to it in Condition 5(xv).

"Further Portfolios" the meaning ascribed to it in Condition 5(xv).

"Further Securitisation" means the meaning ascribed to it in Condition 5(xv).

"Further Security" the meaning ascribed to it in Condition 5(xv).

"GMAC ITALIA" means GMAC Italia S.p.A..

"GMAC" means GMAC LLC, a Limited Liability Company organised under the laws of Delaware.

"GMAC Group" means GMAC and its Affiliates.

"Hedging Providers" means ABN AMRO BANK N.V. (LONDON BRANCH) and LLOYDS TSB BANK plc.

"Initial Period" has the meaning ascribed to it in Clause 7.4 of the Intercreditor Agreement.

"Initial Portfolio Outstanding Amount" means the aggregate of the outstanding principal amount of all the Initial Claims as at the Initial Valuation Date, being equal to € 704,979,538.

"Initial Portfolio Purchase Price" means the purchase price to be paid by the Issuer to the Originator for the purchase of the Initial Portfolio.

"Insolvency Event" will have occurred in respect of the Issuer if:

- a) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (among which, without limitation, "fallimento", "liquidazione coatta amministrativa", "concordato preventivo" and "amministrazione straordinaria", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which the Issuer is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a pignoramento or similar procedure having a similar effect (other than any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or
- b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- c) the Issuer takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than the Issuer Secured Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

- d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of the Issuer (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under article 2448 of the Italian civil code occurs with respect to the Issuer.

"Intercreditor Agreement" means the agreement executed on the Closing Date between the Issuer, the Noteholders (represented by the Representative of the Noteholders) and the Other Issuer Secured Creditors.

"Interest Available Funds" means on any Calculation Date an amount equal to the sum of:

- (a) the Interest Component received by the Issuer in respect of the Loans in the Portfolio during the Monthly Period immediately preceding such Calculation Date;
- (b) without duplication of (a) above, and upon the occurrence of a Trigger Event an amount equal to the Interest Component invested in Eligible Investments (if any) during the immediately preceding Monthly Period from the Issuer Account, following liquidation thereof on the preceding Liquidation Date;
- (c) all amounts of interest accrued on the Accounts and paid during the Monthly Period immediately preceding such Calculation Date;
- (d) any amount due and payable, although not yet paid, to the Issuer by the Hedging Providers in accordance with the terms of the Swap Agreements on the Interest Payment Date immediately following the relevant Calculation Date;
- (e) without duplication of (c) and (d) above, payments made to the Issuer by any other party to the Transaction Documents during the Monthly Period immediately preceding such Calculation Date (other than payments made to the Issuer by the Originator (i) pursuant to the Warranty and Indemnity Agreement during the Monthly Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties and (ii) in respect of indemnities or damages, relating to principal components on any Claims which are not Defaulted Claims);
- (f) without duplication of (a), (b) and (e) above, any recoveries received in respect of any Defaulted Claims and including items 3 to 6 of the Additional Claims and the Initial Claims, as the case may be;
- (g) any other amount standing to the credit of the Issuer Account as at the end of the Monthly Period immediately preceding the relevant Calculation Date but excluding those amounts constituting Principal Available Funds and the amounts listed below;
- (h) the Liquidity Reserve;
- (i) without duplication of (a) above an amount equal to the Interest Component invested in Eligible Investments (if any) during the immediately preceding Monthly Period from the Cash Reserve Account, following liquidation thereof on the preceding Liquidation Date,

but excluding (a) any amount paid by the Hedging Providers upon termination of the Swap Agreements in respect of any termination payment and, until a replacement hedging provider has been found, exceeding the net amounts which would have been due and payable by the Hedging Providers with respect to the next Interest Payment Date, should the Swap Agreements not have been

terminated; and (b) until a Trigger Event has not occurred and is not continuing, the Investment Earnings in respect of the Issuer Investments.

"Insurance Policies" means any insurance arrangement entered into between an insurance company and the Borrower with respect to the liability and/ or comprehensive insurance of the vehicle.

"Interest Component" means: (i) for the Non-Subvented Loan, the collections deriving from the interest component of each Instalment or, as the case may be, (ii) for the Subvented Loan, the collections deriving from the interest component of each Instalment plus the Discount Component.

"Interest Payment Date" means the 21 calendar day of each month or if such day is not a Business Day the immediately following Business Day, the first Interest Payment Date being the 21 February, 2007.

"Interest Period" has the meaning attributed to it in Condition 6(a) (Interest Payment Dates and Interest Periods).

"Investment Date" has the meaning given to it in Clauses 6.1 and 6.2 of the Cash Management and Accounts Agreement, as the case may be.

"Investor Report" means the report to be prepared by the Calculation Agent and to be distributed in accordance with Clause 9.8 of the Cash Management and Accounts Agreement.

"Issue Date" means 27 December, 2006 or, if later, the day on which the Issuer shall have received evidence that the notice relating to the transfer of the Initial Claims has been published on the Official Gazette and has been registered in the Companies Register of the Issuer.

"Issuer" and Tigua S.r.l. means Totally Italian Generated Receivables S.r.l.

"Issuer Account" means the euro-denominated current account with No. 700514.1, opened with the Account Bank, or any other account as may replace it in accordance with the Cash Management and Accounts Agreement.

"Issuer Available Funds" means, as of each Calculation Date, the aggregate of all Interest Available Funds and all Principal Available Funds.

"Issuer Creditors" means (i) the Issuer Secured Creditors; and (ii) any other third party creditors in respect of any taxes, costs, fees, liabilities or expenses incurred by the Issuer in relation to the Securitisation.

"Issuer Custody Account" means the euro-denominated current account with No. 700514.3 opened with the Account Bank or any other account as may replace it in accordance with the Cash Management and Accounts Agreement.

"Issuer Investment" has the meaning given to this term in Clause 6.1 of the Cash Management and Accounts Agreement.

"Issuer Secured Creditors" means the Noteholders, the Representative of the Noteholders, the Calculation Agent, the Servicer, the Account Bank, the Cash Manager, the Senior Notes Subscribers, the Junior Notes Subscriber, the Corporate Services Provider, the Stichting, the Stichting Corporate Services Provider, the Subordinated Loan Provider, the Hedging Providers and GMAC ITALIA (in respect of any monetary obligation due to it by the Issuer under the Transfer Agreement, the Warranty and Indemnity Agreement and the Senior Notes Subscription Agreement) and Issuer Secured Creditor means any of them.

"Issuer's Rights" means the Issuer's right, title and interest in and to the Claims, any rights that the Issuer has under the Italian Transaction Documents and any other rights that the Issuer has against the Originator, any Other Issuer Creditors (including any applicable guarantors or successors) or third parties for the benefit of the Noteholders in connection with the securitisation of the Claims.

"Italian Deed of Pledge" means the deed of pledge executed on or about the Issue Date between the Issuer and the Representative of the Noteholders.

"Italian Law Transaction Documents" means the Italian Deed of Pledge, the Intercreditor Agreement, the Transfer Agreement, the Warranty and Indemnity Agreement, the Senior Notes Subscription Agreement, the Junior Notes Subscription Agreement, the Servicing Agreement, the Stichting Corporate Services Agreement, the Corporate Services Agreement, the Mandate Agreement, the Subordinated Loan Agreement, the Quotaholder's Agreement, this Master Definition Agreement and any other Transaction Document governed by Italian law entered into by the Parties in relation to the Securitisation.

"Italian Tax Account" means the euro denominated account with No. 6464/30074894, IBAN code IT56V0322601607000030074894 opened with the Italian Account Bank, or any other account as may replace it in accordance with the Italian Account Bank Agreement which, for the sake of clarity, shall not be an Account.

"Junior Noteholder" means, initially, GMAC ITALIA S.p.A.

"Junior Notes or Class B Notes" means the notes to be subscribed by GMAC Italia S.p.A.

"Junior Notes Coupon" has the meaning given in Condition 6(d) (Coupon of the Junior Notes).

"Junior Notes Coupon Amount" has the meaning given in Condition 6(e) (Calculation of the Coupon Amounts).

"Junior Notes Subscription Agreement" means the junior notes subscription agreement executed on the Closing Date between, inter alios, the Issuer and GMAC ITALIA.

"Junior Subscriber" means GMAC Italia S.p.A.

"Liquidation Date" means the date falling one Business Day before each Interest Payment Date.

"Liquidity Reserve" means the amount equal to €10,570,000 to be deposited on the Cash Reserve Account on the Issue Date by GMAC ITALIA in accordance with the Subordinated Loan Agreement and thereafter the amount credited on the Cash Reserve Account under item (viii) of the Pre-Enforcement Interest Priority of Payments on the immediately preceding Interest Payment Date.

"Lloyds Swap Agreement" means the interest rate swap transactions entered into between the Issuer, the Lloyds Hedging Provider and the Representative of the Noteholders documented under the 1992 ISDA Master Agreement (Multicurrency-Cross Border), the schedules thereto, as published by the International Swap & Derivatives Association, Inc.

"Loan" means each loan granted by the Originator to its customer for the financing of the purchase of auto vehicles and the portion of premium disbursed by the Originator for purpose of financing the purchase of the Insurance Policies and Credit Insurance Policies by its customer, when the premium is financed upon origination of the Loan, from which the relevant Claim arises.

"Loan Contract" means each loan contract under which a Loan is granted.

"Mandate Agreement" means the agreement executed on the Closing Date between the Issuer and the Representative of the Noteholders.

"Maturity Date" has the meaning given to it in Condition 7(a) (*Early Redemption and Final redemption*).

"Meeting" means a meeting of the Relevant Class Noteholders (whether originally convened or resumed following an adjournment).

"Minimum Hedging Provider Rating" means "P-1" by Moody's in respect of unsecured, unsubordinated short-term debt obligations, and "A-1" by Moody's in respect of unsecured, unsubordinated long-term debt obligations.

"Moody's" means Moody's Investors Service Limited.

"Most Senior Class of Notes" means, at any point in time:

- (a) the Senior Notes; or
- (b) if no Senior Notes are then outstanding, the Junior Notes.

"Note Security" has the meaning given to it in Clause 4.1 of the Intercreditor Agreement.

"Notes" means the notes to be issued by the Issuer in the context of the Securitisation.

"Non-Subvented Loan Purchase Price" means the purchase price of each Claim arising from a Non-Subvented Loan, being an amount equal to the principal outstanding balance of the Claim excluding any unearned income.

"Organisation of Noteholders" means the organisation of the Noteholders created by the issue and subscription of the Notes and regulated by the Rules of the Organisation of Noteholders.

"Originator" or GMAC ITALIA means GMAC Italia S.p.A.

"Originator's Claims" Claims has the meaning ascribed to it in Clause 12.1 of the Transfer Agreement and indicates all the claims of the Originator against the Issuer under the Transfer Agreement other than in respect of the Initial Purchase Price and with the exclusion of the Deferred Purchase Price.

"Other Issuer Secured Creditors" means the Issuer Secured Creditors excluding the Noteholders and the Stichting.

"Outstanding Principal Discounted Balance" means the aggregate of: (a) in relation to Non-Subvented Loan the outstanding principal balance of each Claim excluding any unearned income and (b) in relation to Subvented Loan the aggregate of each contractual instalment discounted at a rate such that the APR applicable in respect of the relevant Subvented Claims, after discounting, is equal to the Discount Rate.

"Parent Support Agreement" means the support agreement dated the Closing Date between the Parent Support Provider and the Issuer.

"Parent Support Provider" means GMAC.

"Portfolio" means the Initial Portfolio and each Additional Portfolio.

"Portfolio Outstanding Amount" means, on each Interest Payment Date, the aggregate Outstanding Principal Discounted Balance of all the Claims.

"Post-Enforcement Priority of Payments" means the provisions relating to the order of priority of payments as set out in Condition 3(f) (*Post-Enforcement Priority of Payments*).

"Pre-Enforcement Interest Priority of Payments" means the provisions relating to the order of priority of payments as set out in Condition 3(d) (*Pre-Enforcement Interest Priority of Payments*).

"Pre-Enforcement Principal Priority of Payments" has the meaning ascribed to it in the Conditions.

"Pre-Enforcement Priority of Payments" means the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments.

"Priority of Payments" means, as the case may be, any of the Pre-Enforcement Principal Priority of Payments, Pre-Enforcement Interest Priority of Payments or the Post-Enforcement Priority of Payments.

"Principal Amount Outstanding" means, on any day:

- (a) in relation to each Class, the aggregate principal amount outstanding of all Notes in such Class; or
- (b) in relation to a Note, the principal amount of that Note upon issue less the aggregate amount of all Principal Payments in respect of that Note which have become due and payable (and which have been actually paid) on or prior to that day.

"Principal Available Funds" means on any Calculation Date an amount equal to the sum of:

- (a) the Principal Component received by the Issuer in respect of the Loans (other than Defaulted Loans) in the Portfolio during the Monthly Period immediately preceding such Calculation Date;
- (b) without duplication of (a) above, an amount equal to the Principal Component (other than those relating to Defaulted Loans) invested in Eligible Investments (if any) during the immediately preceding Monthly Period from the Issuer Account;
- (c) the Principal Deficiency Ledger Amount calculated in respect of such Calculation Date;
- (d) the Funds Provisioned for Amortisation as at such Calculation Date, if any;
- (e) any proceeds deriving from the sale of the Claims (other than Defaulted Claims) in accordance with the Transaction Documents;
- (f) any amount that will be credited and/or retained on the immediately following Interest Payment Date (including the next Interest Payment Date) under item (x) of the Pre-Enforcement Interest Priority of Payments;
- (g) payments made to the Issuer by the Originator pursuant to (i) the Warranty and Indemnity Agreement during the Monthly Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties and (ii) in respect of indemnities or damages, relating to principal components on any Claims which are not Defaulted Claims;

- (h) on the Calculation Date immediately following a Purchase Termination Event the Commingling Reserve and on each Calculation Date prior to a Purchase Termination Event the Excess Commingling Amount.

"Principal Deficiency Ledger" means the ledger established and maintained by the Calculation Agent in respect of the Defaulted Claims pursuant to the Cash Management and Accounts Agreement where any Principal Deficiency Amount will be recorded as a debit entry in accordance with Condition 3(g) (Principal Deficiency Ledgers).

"Principal Deficiency Ledger Amount" means, in respect of each Calculation Date immediately preceding an Interest Payment Date, the amounts retained in and/or credited to the Issuer Account on such Interest Payment Date pursuant to item (ix) of the Pre-Enforcement Interest Priority of Payments.

"Principal Payments" has the meaning given in Condition 7(e) (Mandatory redemption of the Notes).

"Proceedings" means any Insolvency Proceedings and any Enforcement Proceedings.

"Purchase Price" means the Initial Purchase Price or the Additional Purchase Price or the Individual Purchase Price, as the case may be.

"Purchase Termination Date" means the earlier of (i) 18 months after the Issue Date (or the subsequent date, in any case not later than 36 months from the Issue Date, that may be agreed upon between the Issuer, the Originator, the Senior Noteholders, the Junior Noteholder and the Representative of the Noteholders in accordance with Clause 14 of the Intercreditor Agreement) (ii) the day on which a Purchase Termination Event has occurred.

"Purchase Termination Event" means any of the following events:

- (i) the service by the Representative of the Noteholders of an Acceleration Notice in accordance with Condition 10(b);
- (ii) any representation, warranty or statement which is made (or deemed or acknowledged to have been made) by the Originator under the Transfer Agreement and the Warranty and Indemnity Agreement proves to be incorrect in any material respect, or if repeated at any time with reference to the facts and circumstances subsisting at such time would not be accurate in all material respects which incorrectness, if capable of remedy, continues unremedied for a period of 30 calendar days after the earlier of (x) the date on which written notice of such incorrectness will have been given to GMAC ITALIA or (y) becoming aware of such incorrectness by an officer of GMAC ITALIA;
- (iii) the Originator and/or the Parent Support Provider becomes Insolvent;
- (iv) any Transaction Document, or any material provision thereof ceases to be valid and binding on the Originator, as the case may be, or if the Originator states so in writing;
- (v) either of the Originator and/or the Servicer fails to pay any amount due under any of the Transaction Documents to which it is a party and, such failure, is not remedied within 2 (two) Business Days of its due date, being understood that if such failure is caused by administrative difficulties or settlement error, the Originator or the Servicer shall pay the due amount as soon as the administrative difficulties or settlement error has ceased and in any event no later than 4 (four) Business Days as of its due date;

- (vi) the Originator fails to observe or perform any of its obligations under Clause 11 of the Transfer Agreement and, only with respect to Clauses 11.4, 11.5, 11.6, 11.8 from letter (e) to letter (o) of the Transfer Agreement, such default is not remedied by the Originator within 30 (thirty) calendar days from earlier of the (x) on which the Originator obtains knowledge of such default or (y) the date on which a written notice of default has been delivered to the Originator by the Issuer;
- (vii) it becomes impossible or unlawful for GMAC ITALIA and/or the Parent Support Provider to continue its business and/or discharge its obligations as contemplated by the Transaction Documents or the Parent Support Agreement, as applicable;
- (viii) the termination of the appointment of the Servicer (unless the appointed substitute servicer is an entity of the GMAC Group covered by the Parent Support Agreement) following the occurrence of a Servicer Termination Event;
- (ix) on any Calculation Date the Outstanding Principal Discounted Balance of all non Defaulted Claims plus cash on deposit in the Issuer Account plus cash attributed to Principal Deficiency Ledger Amount is less than or equal to $1.1904 \times$ Principal Amount Outstanding of the Senior Notes as computed at the Calculation Date;
- (x) the validity and/or the effectiveness of any transfer of the Claims is challenged by GMAC ITALIA or any entity of the GMAC Group;
- (xi) the Parent Support Provider fails to comply with any of its obligations under the Parent Support Agreement in material respect and such failure is unremedied for 5 (five) Business Days;
- (xii) the aggregate notional balance of the Eligible Hedge agreements then in place is lower than the Senior Notes balance;
- (xiii) that in respect of the Claims referred to in the CD delivered, pursuant to Clause 11.8(o) of the Transfer Agreement, by the Originator on the Initial Transfer Date litigation is commenced in court or threatened in writing in excess of the aggregate amount of € 10 million;
- (xiv) the fact that, at the Valuation Date, the Delinquency Ratio exceeds 4.0 per cent;
- (xv) the fact that, at the Valuation Date, the S&P Default Ratio exceeds 0.4 per cent;
- (xvi) the Cumulative Loss Ratio exceeds the Cumulative Loss Trigger;
- (xvii) the Issuer incurs in or is obliged to pay Increased Costs and such disbursement and an agreement is not met pursuant the terms set out in Clause 20.6 of the Transfer Agreement;
- (xviii) the fact that an Acceleration Notice is notified in accordance with the Senior Notes;

either of the 364 calendar days Liquidity Facilities granted to TAPCO and GRESHAM are not renewed.

"Quotaholder's Agreement" means the quotaholders' agreement in relation to the Issuer dated the Closing Date between the Issuer, the Representative of the Noteholders, Stichting Total Auto Receivables GMAC Italia Trust and GMAC ITALIA.

"Rating Agency" means Moody's Investors Service Inc.

"**Realised Loss**" means, in respect of a Claim which has become a Defaulted Claim during a Monthly Period, the aggregate, as at the end of such Monthly Period, of the amount of principal of such Defaulted Claim (i) scheduled to be paid after such date and not yet paid; and (ii) scheduled to be paid before such date and not yet paid.

"**Reference Banks**" means ABN AMRO Bank N.V. and LLOYDS TSB BANK plc, both acting through their London Branch.

"**Register**" means the Registro dell'Emittente held by the Issuer in respect of the Notes.

"**Related Securities**" means any guarantee or security (*garanzia personale o reale*) granted, or existing in any other way, to the Originator in order to secure or guarantee the payment and/or the fulfilment of the obligations of a Debtor in respect of a Claim with the exclusion of the lien (*privilegio*) on the vehicle under R.D.L. 15/03/1927 n. 436, which is not registered by GMAC ITALIA.

"**Relevant Date**" means, in respect of any payment in relation to the Notes, whichever is the later of:

- (b) the date on which the payment in question first becomes due; and
- (c) if the full amount payable has not been received by the Italian Paying Agent or the Representative of the Noteholders on or prior to such date, the date on which, the full amount having been so received, notice to that effect has been given to the Noteholders in accordance with Condition 17 (*Notices*).

"**Reporting Date**" means the 10 calendar day following the end of each Monthly Period, or if such day is not a Business Day the immediately following Business Day, the first Reporting Date being the 10 February, 2007.

"**Representative of the Noteholders**" means the representative of the Noteholders which will be appointed pursuant to the Intercreditor Agreement.

"**Revolving Period**" means the period commencing on the Initial Transfer Date and ending upon the Purchase Termination Date.

"**Rules of the Organisation of Noteholders**" means the rules of the Organisation of Noteholders attached hereto as a Schedule as amended, modified or supplemented from time to time.

"**S&P Default Ratio**" means 3 month rolling average of the monthly ratio of the Outstanding Balance of the S&P Defaulted Claims/Outstanding Balance of the Claims.

"**Screen Rate**" has the meaning ascribed to in Condition 6(c) (Coupon of the Senior Notes).

"**Securitisation**" means the securitisation of the Claims carried out by the parties to this Master Definition Agreement.

"**Secured Amounts**" means all the amounts due, owing or payable by the Issuer, whether present or future, actual or contingent, to the Noteholders under the Notes and the other Issuer Secured Creditors pursuant to the relevant Transaction Documents.

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

"**Senior Noteholders**" means, initially, Tulip and Gresham.

"**Senior Notes or Class A Notes**" means the notes issued by the Issuer that will be subscribed by the Senior Subscribers.

"**Senior Notes Coupon**" has the meaning given in Condition 6(c) (Coupon of the Senior Notes).

"**Senior Notes Coupon Amount**" has the meaning given in Condition 6(e) (*Calculation of the Coupon Amounts*).

"**Senior Notes Subscription Agreement**" means the senior notes subscription agreement executed between, inter alios, the Issuer and the Senior Subscribers on the Closing Date.

"**Senior Subscribers**" means TAPCO and GRESHAM.

"**Servicer**" means GMAC Italia S.p.A. pursuant to the terms of the Servicing Agreement.

"**Servicing Agreement**" means the agreement executed on the Closing Date between the Issuer and the Originator.

"**Specified Office**" means:

- (a) as for the Cash Manager and Account Bank - ABN AMRO Bank N.V. London Branch, 82 Bishopsgate, London EC2N 4BN;
- (b) as for the Representative of the Noteholders: ABN AMRO Trustees Limited, 82 Bishopsgate, London EC2N 4BN, United Kingdom;
- (c) as for the Calculation Agent: GMAC Continental LLC at its office at 1209 Orange Street, Wilmington, Delaware 19801, United States, acting through its Belgium branch at Noorderlaan 401 B-2030 Antwerp; and
- (d) as for the Corporate Services Provider: Structured Finance Management Italy S.r.l., Corso Monforte 36, 20122 Milano, Italy.

"**Stichting Corporate Services Agreement**" means the agreement entered into on the Closing Date between Stichting Total Auto Receivables GMAC Italia Trust, the Issuer, the Representative of the Noteholders and the Stichting Corporate Services Provider.

"**Stichting Corporate Services Provider**" means STRUCTURED FINANCE MANAGEMENT (NETHERLANDS) B.V., pursuant to the terms of the Stichting Corporate Services Agreement.

"**Subordinated Loan Agreement**" means the subordinated loan agreement dated the Closing Date between the Subordinated Loan Provider and the Issuer.

"**Subordinated Loan Provider**" means GMAC Italia S.p.A. pursuant to the terms of the Subordinated Loan Agreement.

"**Subvented Loan**" means a Loan where the APR is less than the Discount Rate.

"**Swap Agreements**" means the ABN Swap Agreement and the Lloyds Swap Agreement

"**Swap Trigger**" means the occurrence of an early termination of a Swap Agreement due to:

- (a) (i) the downgrade, below the Minimum Hedging Providers Rating, of the unsecured and unsubordinated debt obligations of the Hedging Providers, and (ii) the failure by the Hedging Providers to take such action as is required in the Swap Agreements to remedy such downgrade;
- (b) the occurrence of an Event of Default (as defined in the Swap Agreements (which, for the avoidance of doubt, is not the same as an Event of Default under the Notes) and as designated as such by the Issuer) in respect of the Hedging Providers.

"Target Commingling Reserve Amount" means:

- (a) on each Calculation Date until the Calculation Date when the Principal Amount Outstanding of the Senior Notes is equal to or lower than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date, an amount equal to 5.4 per cent. of the Principal Amount Outstanding of the Senior Notes at the Issue Date;
- (b) on the Calculation Date when the Principal Amount Outstanding of the Senior Notes is equal to or lower than 50% of the Principal Amount Outstanding of the Senior Notes, an amount equal to the greater of:
 - 1. 5.4% of current Principal Amount Outstanding of the Senior Notes;
 - 2. 2% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date; and
 - 3. the Principal Component received by the Issuer in respect of the Loans during the Monthly Period immediately preceding such Calculation Date;
- (c) on the Calculation Date immediately following the Interest Payment Date on which the Senior Notes will be redeemed in full, the Target Commingling Reserve Amount will be reduced to zero;
- (d) at any time upon downgrade of GMAC to a rating of B1 or lower from Moody's the Target Commingling Reserve Amount shall be equal to double the amount that would have been calculated under a) or b) above prior to such downgrade.

"Target Liquidity Reserve Amount" means

- (a) at each Calculation Date €10,570,000 until the Calculation Date when the Principal Amount Outstanding of the Senior Notes is equal to or lower than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date;
- (b) at each Calculation Date when the Principal Amount Outstanding of the Senior Notes is equal to or lower than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date an amount equal to 4 times the aggregate of the payments done under items (i) to (vii) inclusive in the Pre-Enforcement Interest Priority of Payments on the immediately preceding Interest Payment Date;
- (c) on the Calculation Date immediately following the Interest Payment Date on which the Senior Notes will be redeemed in full, the Target Liquidity Reserve Amount will be reduced to zero.

"Transaction Documents" means, among others, the Italian Law Transaction Documents, the English Law Transaction Documents, the Parent Support Agreement and any other contractual documentation relating to the Securitisation.

"Transfer Agreement" means the transfer agreement entered into on 21 December, 2006 between the Originator and the Issuer.

"Trigger Event" means the occurrence of one or more of the following:

- (a) a Servicer Termination Event;
- (b) an Event of Default; or
- (c) a Purchase Termination Event.

A Trigger Event will no longer exist when the Notes are paid in full and either such Notes are retired or cancelled in accordance with the terms of the Conditions.

"Tulip" means TULIP ASSET PURCHASE COMPANY B.V..

"Warranty and Indemnity Agreement" means the warranty and indemnity agreement entered into on 21 December, 2006, between the Originator and the Issuer.

"Written Resolution" means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting of such holders of Notes in accordance with the Rules of the Organisation of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of Notes.

2. Form, Denomination and Title

(a) Form

The Notes will be issued in registered form (*titoli nominativi*) and will be represented by the Certificates deposited with an Italian bank or a financial institution duly authorised for the purposes of Decree 239 to be appointed by the relevant Noteholder (the "**Custodian**"). On the Closing Date the Custodian will be BNP Paribas Securities Services, whose offices are at Via Ansperto 5, 20123 Milan, Italy. Following satisfaction of payment of all amounts due in respect of the Notes pursuant to these Conditions, the Notes shall be cancelled and the Certificates surrendered to the Issuer.

(b) Denomination

The Notes are issued in the denomination of €50,000 and integral multiple of €1 in excess thereof.

(c) Register

The Issuer shall keep the Register with the names and addresses of the Noteholders, together with the particulars of the Notes held by them and of all transfers of the Notes at its offices. The Issuer shall notify the Representative of the Noteholders, the Calculation Agent, the Cash Manager and the Account Bank of any variation or modification of the names and addresses of the Noteholder or, as the case may be, of the latest transferees to whom Notes have been transferred in accordance with these Conditions.

(d) Title

The Notes will be held by the Custodian on behalf of the Noteholders. Title to the Notes will at all times be evidenced on the Certificates and the Register.

Title to the Notes shall be evidenced by recording on each Certificate the name and relevant details of the relevant Noteholder and registration in the Register in accordance with the provisions of articles 2021 to 2023 (inclusive) of the Italian civil code.

(e) *Replacement of the Certificates*

If any Certificate is mutilated, defaced, lost, stolen or destroyed, it may (subject to article 2027 of the Italian civil code and all other applicable laws and regulations) be replaced at the specified office of the Issuer. Replacement of any mutilated, defaced, lost, stolen or destroyed Certificates 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. The mutilated or defaced Certificates must be surrendered before the replacement Certificates will be issued.

(f) *Holder Absolute Owner*

The Issuer, the Representative of the Noteholders, the Calculation Agent, the Cash Manager and Account Bank shall be entitled (to the fullest extent permitted by applicable laws) to deem and treat any person whose name is registered in the Register and recorded on the corresponding Certificates as the absolute owner of the Notes for all purposes (whether or not such Notes shall be overdue and notwithstanding any notice to the contrary, any notice of ownership or writing thereon or notice of any previous loss or theft thereof or any interest therein) and shall not be liable for doing so.

3. Status, Ranking and Priority

(a) *Status*

The Notes are limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the Claims and under the Transaction Documents. The Notes are secured over certain assets of the Issuer pursuant to the Italian Deed of Pledge and the English Deed of Charge and Assignment. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a *contratto aleatorio* and they accept the consequences thereof, including but not limited to the provisions under article 1469 of the Italian civil code. The rights arising from the Italian Deed of Pledge and the English Deed of Charge and Assignment for the benefit of the Noteholders are included in each Note.

(b) *Ranking*

- (i) The Notes of each Class will at all times rank without preference or priority and *pari passu* among themselves.
- (ii) In respect of the obligations of the Issuer to pay interest on the Notes prior to the service of an Acceleration Notice:
 - (A) the Senior Notes rank *pari passu* and without any preference or priority among themselves and in priority to the Junior Notes;

- (B) the Junior Notes rank *pari passu* and without any preference or priority among themselves, but subordinate to the Senior Notes.
- (iii) In respect of the obligations of the Issuer to repay principal on the Notes prior to the service of an Acceleration Notice:
 - (A) the Senior Notes rank *pari passu* and without any preference or priority among themselves and in priority to the repayment of principal on the Junior Notes;
 - (B) the Junior Notes rank *pari passu* and without any preference or priority among themselves, but subordinate to the repayment of principal on the Senior Notes and no amount of principal in respect of the Junior Notes shall become due and payable or be repaid until redemption in full of the Senior Notes.
- (iv) In respect of the obligations of the Issuer (a) to pay interest and (b) to repay principal following the service of an Acceleration Notice:
 - (A) the Senior Notes will rank *pari passu* and without any preference or priority among themselves and in priority to the Junior Notes;
 - (B) the Junior Notes will rank *pari passu* and without any preference or priority among themselves, but subordinate to payment in full of all amounts due (including payment of interest and repayment of principal) under the Senior Notes.
- (v) The Intercreditor Agreement and the Rules of the Organisation of Noteholders provide that the Representative of the Noteholders shall have regard to the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Senior Noteholders and the interests of the Junior Noteholders, the Representative of the Noteholders is required under the Intercreditor Agreement and the Rules of the Organisation of Noteholders to have regard only to the interests of the Senior Noteholders, until the Senior Notes have been entirely redeemed.

(c) *Sole obligations*

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

(d) *Pre-Enforcement Interest Priority of Payments*

Prior to the service of an Acceleration Notice, the Interest Available Funds as calculated on each Calculation Date will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payments or provisions as stated in the following order of priority (the “**Pre-Enforcement Interest Priority of Payments**”), but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer (to the extent not paid by GMAC ITALIA under the Transaction Documents);
- (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations of the Issuer to third parties (not being Other Issuer Secured Creditors) incurred in relation to this Securitisation (to the extent not paid by GMAC ITALIA under the Transaction Documents);
 - (B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;
 - (C) any and all costs, fees and expenses to be paid by the Issuer to the Corporate Services Provider and/or to any agency in relation to the notification to the Debtors to be carried out in accordance with Clause 7 of the Corporate Services Agreement;
- (iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of the Collection Fee and any amounts (excluding the Additional Servicing Fee so long as a Trigger Event has not occurred and is continuing) to be reimbursed to the Servicer under the terms of the Servicing Agreement;
- (iv) *fourth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Representative of the Noteholders, to the Cash Manager and to the Account Bank, or any appointee thereof;
- (v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable to the Hedging Providers, under the terms of the Swap Agreements (other than any termination payment due to the Hedging Providers following the occurrence of a Swap Trigger);
- (vi) *sixth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Calculation Agent, the Corporate Services Provider, the Stichting Corporate Services Provider, each under the Transaction Document(s) to which each of them is a party;
- (vii) *seventh*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class A Notes;
- (viii) *eighth*, for so long as there are Senior Notes outstanding, to credit the Cash Reserve Account with the amount required, if any, such that the Liquidity Reserve equals the Target Liquidity Reserve Amount;
- (ix) *ninth*, other than that portion of Interest Available Funds consolidated by item (i) of the Interest Available Funds in or towards reduction of the Principal Deficiency Ledger to zero;

- (x) *tenth*, to credit to or retain in the Issuer Account an amount equal to the portion of Principal Available Funds utilised under item (i) of the Pre-Enforcement Principal Priority of Payments on the preceding Interest Payment Date or, to the extent that such amounts have not already been credited to or retained in the Issuer Account, on any preceding Interest Payment Date;
- (xi) *eleventh*, in or towards satisfaction, of any termination payment due and payable to the Hedging Providers under the terms of the Swap Agreements following the occurrence of a Swap Trigger;
- (xii) *twelfth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to GMAC ITALIA in respect of Originator's Claims (if any) under the terms of the Transfer Agreement;
- (xiii) *thirteenth*, in or towards satisfaction of all amounts of interest due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (xiv) *fourteenth*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (xv) *fifteenth*, in or towards satisfaction of all amounts due and payable to GMAC ITALIA under the terms of the Warranty and Indemnity Agreement;
- (xvi) *sixteenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Secured Creditor incurred in the course of the Issuer's business in relation to this Securitisation (other than amounts already provided for in this Pre-Enforcement Interest Priority of Payments);
- (xvii) *seventeenth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Junior Notes; and
- (xviii) *eighteenth*, in or towards satisfaction of the Deferred Purchase Price due and payable to the Originator under the Transfer Agreement.

(e) *Pre-Enforcement Principal Priority of Payments*

Prior to the service of an Acceleration Notice, the Principal Available Funds as calculated on each Calculation Date will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payment or provision as stated in the following order of priority (the “**Pre-Enforcement Principal Priority of Payments**” and, together with the Pre-Enforcement Interest Priority of Payments, the “**Pre-Enforcement Priority of Payments**”), but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (i) *first*, to pay all the amounts due under items (i) to (vii) of the Pre-Enforcement Interest Priority of Payments, to the extent not paid under the Pre-Enforcement Interest Priority of Payments due to insufficiency of Interest Available Funds;
- (ii) *second*,
 - (A) during the Revolving Period:

1. if the transfer of Additional Claims has occurred on the immediately preceding Additional Transfer Date, in or towards payment of the purchase price of Additional Claims acquired from the Originator in accordance with the terms of the Transfer Agreement; or
 2. if the transfer of Additional Claims has not occurred on the immediately preceding Additional Transfer Date, to credit or retain, as the case may be, all Principal Available Funds to the Issuer Account;
- (B) during the Amortisation Period in or towards repayment, of: (I) the Excess Commingling Amount to the Subordinated Loan Provider as payment of the amounts due and payable to it under the Subordinated Loan Agreement, to the extent not paid under items (xiii) and (xiv) of the Pre-Enforcement Interest Priority of Payments, and (II) the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full,
- as the case may be;
- (iii) *third*, in or towards satisfaction of all amounts due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement, if any, to the extent not paid under items (xiii) and (xiv) of the Pre-Enforcement Interest Priority of Payments and item (ii)(B) above;
 - (iv) *fourth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes are redeemed in full; and
 - (v) *fifth*, in or towards satisfaction of the Deferred Purchase Price due and payable to the Originator under the Transfer Agreement,

provided, however, that payments to be made to the Originator under item (ii)(A)(1) above, if any, may only be paid to the Originator by the Issuer on the relevant Interest Payment Date or, if later, on the Business Day on which the Issuer has received evidence that the notice of the relevant assignment of the Additional Claims has been published in the Gazzetta Ufficiale della Repubblica Italiana (Official Gazette of the Republic of Italy) and has been registered in the Companies Register of the Issuer. In the latter case, such amounts will be retained by the Issuer in the Issuer Account until such Business Day, in accordance with the terms of the Cash Management and Accounts Agreement.

(f) *Post-Enforcement Priority of Payments*

At any time following delivery of an Acceleration Notice or in the event that the Issuer opts for the early redemption of the Notes under Condition 7(d) (*Optional redemption*) or Condition 7(e) (*Optional redemption in whole for taxation, legal or regulatory reasons*), all amounts received or recovered by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims, the Note Security and/or any of the other Transaction Documents will be applied by or on behalf of the Representative of the Noteholders as stated in the following order of priority (the “**Post-Enforcement Priority of Payments**” and, together with the Pre- Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the “**Priority of Payments**”), but, in each case, only if and to the extent that payments of a higher priority have been made in full:

- (i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer (to the extent not paid by GMAC ITALIA under the Transaction Documents);

- (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
 - (A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations of the Issuer to third parties (not being Other Issuer Secured Creditors) incurred in relation to this Securitisation (to the extent not paid by GMAC ITALIA under the Transaction Documents);
 - (B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;
 - (C) any and all costs, fees and expenses to be paid by the Issuer to the Corporate Services Provider and/or to any agency in relation to the notification to the Debtors to be carried out in accordance with Clause 7 of the Corporate Services Agreement;
- (iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of the Collection Fee and any amounts (excluding the Additional Servicing Fee so long as a Trigger Event has not occurred and is continuing) to be reimbursed to the Servicer under the terms of the Servicing Agreement;
- (iv) *fourth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Representative of the Noteholders, the Cash Manager and the Account Bank each, under the Transaction Document(s) to which each of them is a party;
- (v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to the Hedging Providers under the terms of the Swap Agreements (other than any termination payment due to the Hedging Providers following the occurrence of a Swap Trigger);
- (vi) *sixth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of interest (including any interest accrued but unpaid) on the Class A Notes at such date;
- (vii) *seventh*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes;
- (viii) *eighth*, in or towards satisfaction of any termination payment due and payable to the Hedging Providers under the terms of the Swap Agreements following the occurrence of a Swap Trigger;
- (ix) *ninth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to GMAC ITALIA in respect of the Originator's Claims (if any) under the terms of the Transfer Agreement;
- (x) *tenth*, in or towards satisfaction of all amounts of interest due and payable to the Subordinated Loan Provider (including any interest accrued but unpaid) under the Subordinated Loan Agreement;

- (xi) *eleventh*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (xii) *twelfth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to GMAC ITALIA under the terms of the Warranty and Indemnity Agreement;
- (xiii) *thirteenth*, in or towards repayment, *pro rata* and *pari passu*, of all amounts due and payable in respect of interest (including any interest accrued but unpaid) on the Junior Notes at such date;
- (xiv) *fourteenth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes; and
- (xv) *fifteenth*, in or towards satisfaction of the Deferred Purchase Price due and payable to the Originator under the Transfer Agreement,

provided however that if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments above shall be less than 10 per cent. of the Principal Amount Outstanding of all Classes of Notes, the Representative of the Noteholders may at its discretion invest such monies in some or one of the investments authorised pursuant to the Intercreditor Agreement. The Representative of the Noteholders at its discretion may vary such investments and may accumulate such investments and the resulting income until the earlier of: (i) each day on which the accumulations, together with any other funds for the time being under the control of the Representative of the Noteholders and available for such purpose, amount to at least 10 per cent. of the Principal Amount Outstanding of all Classes of Notes and (ii) the Business Day, immediately following the service of an Acceleration Notice, that would have been an Interest Payment Date; then such accumulations and funds shall be applied to make the payments above.

(g) *Principal Deficiency Ledger*

On each Calculation Date, the Calculation Agent will record the Realised Losses arisen during the immediately preceding Monthly Period in the Principal Deficiency Ledger by debiting any Realised Loss to the Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Senior Notes, taking into account any Realised Loss previously debited to such Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments.

4. Security

As security for the Secured Amounts, the Issuer will, pursuant to the Intercreditor Agreement, the Italian Deed of Pledge and the English Deed of Charge and Assignment, create the following security (together, the "**Note Security**"):

- (a) in favour of the Issuer Secured Creditors, an Italian law pledge over all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled to from time to time pursuant to the Transfer Agreement, Warranty and Indemnity Agreement, Senior Notes Subscription Agreement, Junior Notes Subscription Agreement, Servicing Agreement, Stichting Corporate Services Agreement, Corporate Services Agreement, Subordinated Loan Agreement, Intercreditor Agreement, Quotaholder's Agreement; and

- (b) in favour of the Representative of the Noteholders for itself and as trustee for the Noteholders and the other Issuer Secured Creditors, (i) an English law assignment by way of security of all the Issuer's rights under the Swap Agreements, the Cash Management and Accounts Agreement and all other contracts, agreements, deeds and documents, present and future, governed by English law, to which the Issuer may become a party in relation to the Notes, the Claims and the Portfolio and (ii) a charge over the Accounts (other than the Equity Capital Account) and (iii) a charge over the Eligible Investments held from time to time in the Issuer Custody Account and in the Cash Reserve Custody Account and the proceeds thereof and the rights and benefits arising from such accounts.

The rights arising from the Notes Security in favour of the Noteholders which are incorporated in each of the Notes are transferred together with the transfer of any Notes at the time of transfer of such Note. Each holder of any of the Notes from time to time will have the benefit of such rights.

In addition, by operation of Italian law, the Issuer's right, title and interest in and to the Claims is segregated from all other assets of the Issuer and amounts deriving therefrom will be available both prior to and following a winding-up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and the other Issuer Secured Creditors in accordance with the Priority of Payments.

5. Covenants

For so long as any Note remains outstanding, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders and provided that it has previously informed the Senior Noteholders and the Junior Noteholders or as provided in or envisaged by any of the Transaction Documents and, in relation to roman (ix) below, provided that it has previously informed in writing Moody's:

(i) *Negative pledge*

create or permit to subsist any Security Interest whatsoever upon, or with respect to the Claims, or any part thereof or any of its present or future business, undertaking, assets or revenues relating to this Securitisation (other than under the Note Security) or sell, lend, part with or otherwise dispose of all or any part of the Claims or any part thereof or any of its present or future business, undertaking, assets or revenues relating to this Securitisation whether in one transaction or in a series of transactions;

(ii) *Use of Property*

use, invest, sell, transfer, exchange, factor, assign, lease, lend or dispose of, or otherwise with any of its property, assets or undertakings present or future or any interest, right or benefit in respect of any thereof or grant any option or right to acquire the same;

(iii) *Restrictions on activities*

- (A) without prejudice to Clause xiv (*Further securitisations*) below, 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;
- (B) have any subsidiary (*società controllata*) or affiliate company (*società collegata*) (as defined in article 2359 of the Italian civil code) or any employees or premises;

- (C) at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents or do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or
- (D) become the owner of any real estate asset;
- (iv) *Dividends or distributions*
- pay any dividend or make any other distribution or return or repay any equity capital to its quotaholders, other than in accordance with the provisions of the Quotaholder's Agreement, or increase its equity capital;
- (v) *Borrowings*
- without prejudice to sub-Condition (xiv) (*Further securitisations*) below, incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of any indebtedness or of any obligation of any person;
- (vi) *Merger*
- consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (vii) *Waiver or consent*
- permit any of the Transaction Documents (i) to be amended, terminated or discharged, if in its reasonable opinion such amendment, termination or discharge may negatively affect the interests of the Senior Noteholders or (ii) to become invalid or ineffective or the priority of the Security Interests created thereby to be reduced or consent to any variation thereof or exercise any powers of consent, direction or waiver pursuant to the terms of any of the Transaction Documents or permit any party to the Transaction Documents or any other person whose obligations form part of the Note Security to be released from its respective obligations in a way which may negatively affect the interests of the Senior Noteholders;
- (viii) *Loans*
- purchase any Additional Claims unless all of the Additional Portfolio Criteria for the Additional Claims and the Eligibility Requirements are met or agree to any request by the Servicer to reduce the rate of interest on any Loan;
- (ix) *Bank accounts*
- without prejudice to sub-Condition (xv) (*Further securitisations*) below, have an interest in any bank account other than the Accounts and the Italian Tax Account;
- (x) *Statutory documents*
- amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by any compulsory provision of Italian law or by the competent regulatory authorities;
- (xi) *Corporate records, financial statements and books of account*

cease to maintain corporate records, financial statements and books of account separate from those of the Originator and of any other person or entity; or

(xii) *Compliance with corporate formalities and applicable law*

cease to comply with all necessary corporate formalities and/or any applicable law in all material respect;

(xiii) *Residency and centre of main interests*

become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administered in Italy or cease to have its centre of main interests in Italy;

(xiv) *Separateness*

permit or consent to any of the following occurring:

- (a) its books and records being maintained with or co-mingled with those of any other person or entity;
- (b) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity;
- (c) its assets or revenues being co-mingled with those of any other person or entity; or
- (d) its business being conducted other than in its own name;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

- (A) separate financial statements in relation to its financial affairs are maintained;
- (B) all corporate formalities with respect to its affairs are observed;
- (C) separate stationery, invoices and cheques are used;
- (D) it always holds itself out as a separate entity; and
- (E) any known misunderstandings regarding its separate identity are corrected as soon as possible.

(xv) *Further securitisations*

None of the covenants in this Condition 5 (Undertakings and covenants) of the Intercreditor Agreement shall prohibit the Issuer from:

- (i) acquiring, by way of separate transactions unrelated to this Securitisation, further portfolios of monetary claims in addition to the Claims either from the Originator or from any other entity (the "**Further Portfolios**");
- (ii) securitising such Further Portfolios (each, a "**Further Securitisation**") through the issue of further debt securities additional to the Notes (the "**Further Notes**");

- (iii) entering into agreements and transactions, with the Originator or any other entity, that are incidental to or necessary in connection with such Further Securitisation including, *inter alia*, the ring-fencing or the granting of security over such Further Portfolios and any right, benefit, agreement, instrument, document or other asset of the Issuer relating thereto to secure such Further Notes (the "**Further Security**"), provided that:
- (A) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not comprise or extend over any of the Claims or any of the other Issuer's Rights;
 - (B) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of the Further Notes contain provisions to the effect that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such Further Notes, are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security;
 - (C) the Issuer confirms in writing to the Representative of the Noteholders that each person party to such Further Securitisation agrees and acknowledges that the obligations of the Issuer to such person in connection with such Further Securitisation are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security and that each creditor in respect of such Further Securitisation or the representative of the holders of such Further Notes has agreed to limitations on its ability to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer, on terms in all significant respects equivalent to those contained in the Agreement;
 - (D) Moody's give written confirmation to the Representative of the Noteholders that the issue of such Further Notes would not adversely affect the then current rating of the Senior Notes;
 - (E) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of such Further Notes will include:
 - (1) covenants by the Issuer in all significant respects equivalent to those covenants provided in paragraphs (A) to (D) above; and
 - (2) provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this proviso; and
 - (F) the Representative of the Noteholders is satisfied that conditions (A) to (E) of this proviso have been satisfied.

In giving any consent to the foregoing, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as it may itself consent thereto on behalf of Noteholders) or may impose such other conditions or requirements as the Representative of the

Noteholders may deem reasonable and expedient (in its absolute discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer as to the matters contained therein.

6. Interest

(a) Interest Payment Dates and Interest Periods

Each Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date in an amount determined in accordance with this Condition 6, payable in euro in arrear on 21 February, 2007, and thereafter monthly in arrear on 21 of each month in each year, subject as provided in Condition 8 (*Payments*) provided, however, that, if any such date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day (each such date, an "**Interest Payment Date**"). Each period beginning on (and including) an Interest Payment Date (or, in the case of the first Interest Period, the Issue Date) and ending on (but excluding) the next (or, in case of the first Interest Period, the first) Interest Payment Date is herein called an "**Interest Period**".

(b) Termination of Interest

Each Note of each Class shall cease to bear interest from and including its due date for final redemption unless, upon due presentation, payment of principal is improperly withheld or refused or default is otherwise made in respect of payment thereof, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder; and
- (ii) the Cancellation Date.

(c) Coupon of the Senior Notes

The coupon payable from time to time in respect of the Senior Notes (the "**Senior Notes Coupon**"), for each Interest Period shall be determined by the Calculation Agent on the Calculation Date immediately preceding such Interest Period on the basis of the following provisions and provided that it has received on the immediately preceding Reporting Date from Tulip and Cancara the amounts relating to the costs, fees, expenses sustained during the preceding Interest Period.

The Senior Notes Coupon for such Interest Period shall be the lower of:

- (A) the aggregate of the cost of funds communicated to the Calculation Agent by Tulip and Cancara for their costs, fees; and
- (B) EURIBOR plus 200 bps.

In the event the Calculation Agent has not received on the Reporting Date by Tulip and Cancara the above mentioned amounts, the Senior Notes Coupon for such Interest Period shall be equal to EURIBOR plus 200 bps or the average aggregate of the cost of funds communicated to the Calculation Agent by Tulip and Cancara for their costs, fees in respect of the previous Senior Notes Coupon.

"EURIBOR" for an Interest Period means: provided, however, that in respect of the first Interest Period linear interpolation shall apply, the rate offered in the euro-zone inter-bank market for one-month deposits in euro (i) which appears on Bloomberg page EUR003M index in the menu MMCV1 (the "**Screen Rate**") or (A) such other page as may replace the Bloomberg page EUR003M index in the menu MMCV1 on that service for the purpose of displaying such information or (B) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the Bloomberg page EUR003M index at or about 11.00 a.m. (Brussels time) on the day which is two Business Days prior to the first day of the relevant Interest Period; or

- (i) if the Screen Rate is unavailable at such time for one-month deposits in euro, then the rate for any relevant period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded upwards) of the rates notified to the Calculation Agent at its request by each of the Reference Banks as the rate at which one-month deposits in euro in a representative amount are offered by that Reference Bank to leading banks in the euro-zone inter-bank market at or about 11.00 a.m. (Brussels time) on the relevant Calculation Date; or
- (ii) if, at that time, the Screen Rate is unavailable and only one of the Reference Banks provide such offered quotation to the Calculation Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotation of that Reference Bank providing such quotation; or
- (iii) if, at that time, the Screen Rate is unavailable and none of the Reference Banks provides the Calculation Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of sub paragraphs (i) or (ii) above shall have applied.

(d) *Coupon of the Junior Notes*

The coupon payable from time to time in respect of the Junior Notes (the "**Junior Notes Coupon**") for each Interest Period shall be determined by the Calculation Agent on the Calculation Date immediately preceding such Interest Period on the basis of the provisions set out under Condition 6(c), and the Junior Notes Coupon for such Interest Period shall be equal to Euribor plus 180 bps:

(e) *Calculation of the Coupon Amounts*

The Calculation Agent will, on each Calculation Date in relation to each Interest Period, determine the coupon amount in respect of each Class of Notes for the relevant Interest Period (each such amount, a "**Coupon Amount**"). The Coupon Amount shall be determined:

- (i) in respect of the Senior Notes, by applying the Senior Notes Coupon for such Interest Period to the Principal Amount Outstanding of the Senior Notes during such Interest Period, multiplying the product of such calculation by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards) (such amount, from time to time calculated, the "**Senior Notes Coupon Amount**"); and
- (ii) in respect of the Junior Notes, by applying the Junior Coupon for such Interest Period to the Principal Amount Outstanding of the Junior Notes during such Interest Period, multiplying the product of such calculation by the actual number of days in the Interest Period concerned divided by 360, rounding the resultant figure to the nearest

cent (half a cent being rounded upwards) (such amount, from time to time calculated, the "**Junior Notes Coupon Amount**").

(f) *Publication of the Coupon and the Coupon Amount*

The Calculation Agent as soon as practicable after the determination of each Coupon and the applicable EURIBOR, each Coupon Amount for each Interest Period and the relative Interest Payment Date will give notice, through the Investor Report to the Issuer, the Corporate Services Provider, the Cash Manager, the Account Bank, the Servicer, the Originator, the Hedging Providers, the Representative of the Noteholders and, to the Noteholders.

(g) *Amendments calculations*

In the event before the Purchase Termination Date, the Issuer, the Originator, the Senior Noteholders, the Junior Noteholder and the Representative of the Noteholders have agreed to postpone the Purchase Termination Date, new Senior Notes Coupons and Junior Notes Coupons could be agreed between the above parties.

The Calculation Agent will be entitled to recalculate any Coupon or Coupon Amount (on the basis of the foregoing provisions) in the event of an extension or shortening of the relevant Interest Period and in the event of an extension of the Purchase Termination Date.

(h) *Determination or calculation by Representative of the Noteholders*

If the Calculation Agent does not at any time for any reason determine the Coupon or the Coupon Amount for any Class of Notes in accordance with this Condition 6, the Representative of the Noteholders giving prior written notice to the Senior Noteholders and the Junior Noteholder shall (but without incurring, in the absence of willful default (*dolo*) or negligence (*colpa*), any liability to any person as a result):

- (i) determine or procure that a qualified third party determine the Coupon for each Class of Notes at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedures described in this Condition 6), it shall deem fair and reasonable in all the circumstances; and/or (as the case may be);
- (ii) calculate or procure that a qualified third party calculate the relevant Coupon Amount in the manner specified in this Condition 6,

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

(i) *Coupon Amount Arrears*

Without prejudice to the right of the Representative of the Noteholders to serve to the Issuer an Acceleration Notice pursuant to Condition 10 (*Events of Default*), sub-condition (a)(i) (*Non-payment*), prior to the service of an Acceleration Notice, in the event that on any Interest Payment Date there are any Coupon Amount Arrears in respect of any Class of Notes, such Coupon Amount Arrears shall be deferred to the following Interest Payment Date or to the date an Acceleration Notice is served to the Issuer, whichever comes first. Any such Coupon Amount Arrears shall not accrue additional interest. A *pro rata* share of such Coupon Amount Arrears shall be aggregated with the amount of, and treated for the purpose of this Condition as if it were, interest due, subject to this Condition 6(i), on each Senior Note or Junior Note, as the case may be, on the next succeeding Interest Payment Date.

(j) *Notification of Coupon Amount Arrears*

If, on any Calculation Date, the Calculation Agent determines that any Coupon Amount Arrears will arise on the immediately succeeding Interest Payment Date, notice to this effect shall be given or procured to be given by the Issuer to the Representative of the Noteholders, and to the Noteholders (or to the Junior Subscriber only with respect to Coupon Amount Arrears arising only in respect of the Junior Notes) in accordance with Condition 17 (*Notices*), specifying the amount of the Coupon Amount Arrears to be deferred on such following Interest Payment Date in respect of each Class of Notes.

7. Redemption, purchase and cancellation

(a) *Early redemption and final redemption*

In the event that the Issuer is required to redeem any Notes in whole or in part prior to the Initial Period, then whether or not the redemption would take place following an Event of Default under the Notes or pursuant to any requirement of the Issuer to redeem the Notes following the service of an Acceleration Notice in connection with any such Event of Default, the Issuer may, with the consent of the Senior Noteholders, delay the redemption of the Notes until the Initial Period has elapsed, provided that if so instructed by the Senior Noteholders in accordance with the Conditions, it shall redeem the Notes immediately without having to wait the elapse of the Initial Period.

Unless previously redeemed and cancelled as provided in this Condition 7, the Issuer shall redeem the Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Interest Payment Date falling on 21 December 2017 (the "**Maturity Date**"), subject as provided in Condition 8 (*Payments*).

In the event before the Purchase Termination Date, the Issuer, the Originator, the Senior Noteholders, the Junior Noteholder and the Representative of the Noteholders have agreed to postpone the Purchase Termination Date, a new Maturity Date on the Notes could be agreed between the above parties.

As soon as the Originator and the Issuer have come to a mutual agreement, the Originator and the Issuer will promptly send a notice to the Representative of the Noteholders, the Senior Noteholders and the Junior Noteholder, duly signed by both of them, containing the new Purchase Termination Date, First Amortisation Interest Payment Date and the new Coupon for the Notes and such other changes they have agreed upon.

(b) *Cancellation Date*

If the Notes cannot be redeemed in full on the Maturity Date, as a result of the Issuer having insufficient funds for application in or towards such redemption, any amount unpaid shall remain outstanding and these Conditions shall continue to apply in full in respect of the Notes until the Cancellation Date, at which date any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes shall be finally and definitively cancelled.

(c) *Mandatory pro rata redemption in whole or in part*

(i) After the Initial Period and on each Interest Payment Date thereafter, if no Acceleration Notice has been delivered to the Issuer by the Representative of the Noteholders and if at the close of business on the Calculation Date immediately preceding the relevant Interest Payment Date there are Principal Available Funds, the

Issuer will apply such Principal Available Funds on the Interest Payment Date following each such Calculation Date in or towards the mandatory redemption of the Notes of each Class in the following order of priority:

- (A) *first*, the Senior Notes, until the Senior Notes have been redeemed in full;
- (B) *second*, the Junior Notes, until the Junior Notes have been redeemed in full,

and will cause details of such mandatory redemption to be published in accordance with Condition 17 (*Notices*) by not later than one Business Day prior to such Interest Payment Date.

- (ii) The principal amount redeemable in respect of each Note on any Interest Payment Date (each, a "**Principal Payment**") shall be a *pro rata* share of the Principal Available Funds determined in accordance with the provisions of this Condition 7 to be available to redeem Notes of the relevant Class on such date, calculated by reference to the ratio borne by the then Principal Amount Outstanding of such Note to the then Principal Amount Outstanding of the Notes of such Class (rounded down to the nearest cent), provided always that no such Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

(d) *Optional redemption*

- (i) Prior to the service of an Acceleration Notice, the Issuer may redeem the Notes of all Classes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Senior Notes only, if all the Junior Noteholders consent to waive all their rights under the Junior Notes) and to make all payments ranking in priority, or *pari passu*, thereto, on any Interest Payment Date when the Portfolio Outstanding Amount is equal to, or less than, 10 per cent. of the lower of: (i) the Initial Portfolio Outstanding Amount; and (ii) the Initial Portfolio Purchase Price, subject to the Issuer:
 - (A) giving not more than 60 nor less than 30 days' notice to the Representative of the Noteholders and the Noteholders, in accordance with Condition 17 (*Notices*), of its intention to redeem all Classes of Notes (in whole but not in part); and
 - (B) having provided, prior to giving any such notice, to the Representative of the Noteholders a certificate signed by the chairman of the board or the sole director of the Issuer (as applicable) to the effect that it will have sufficient funds on such Interest Payment Date to discharge all its obligations under the Notes (or the Senior Notes only, if all the Junior Noteholders consent to waive all their rights under the Junior Notes) and any obligations ranking in priority, or *pari passu*, thereto; and
 - (C) giving not more than 60 nor less than 30 days' written notice to the Bank of Italy of its intention to redeem all Classes of Notes (in whole but not in part),

provided, however, that the consideration for the purchase of the Claims to be paid by the Originator may not exceed:

- (a) the Outstanding Principal Discounted Balance of the Claims to be repurchased provided that none of such Claims qualify as *Crediti ad Incaglio* or as *Crediti in Sofferenza*; or
 - (b) the aggregate of (I) the Outstanding Principal Discounted Balance of the Claims which are classified neither as *Crediti ad Incaglio* nor as *Crediti in Sofferenza* and (II) the market value of the Claims which are classified as *Crediti ad Incaglio* and/or as *Crediti in Sofferenza* as determined by one or more a third-party experts independent from the Originator and the Parties involved in the Securitisation and appointed by the Issuer and the Representative of the Noteholders by mutual consent, if among the Claims to be transferred there are Claims classified as *Crediti ad Incaglio* and/or *Crediti in Sofferenza*.
- (ii) The Issuer (and the Representative of the Noteholders acting in the name and on behalf of the Issuer) is entitled, pursuant to the Transfer Agreement and the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes in the circumstances described in this Condition 7(d).
- (e) *Optional redemption in whole for taxation, legal or regulatory reasons*
- (i) Prior to the service of an Acceleration Notice, the Issuer may redeem the Notes of all Classes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post-Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Senior Notes only, if all the Junior Noteholders consent to waive all their rights under the Junior Notes) and to make all payments ranking in priority, or *pari passu*, thereto, on any Interest Payment Date if:
 - (A) by reason of a change in law or the interpretation or administration thereof since the Issue Date, the assets of the Issuer in respect of this Securitisation (including the Claims, the Collections and the other Issuer's Rights) become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any applicable taxing authority having jurisdiction;
 - (B) either the Issuer or any agent appointed in respect of the Senior Notes or any custodian of the Senior Notes is required (by reason of a change in law or the interpretation or administration thereof since the Issue Date) to deduct or withhold any amount (other than in respect of a Decree 239 Withholding) in respect of any Class of Senior Notes, from any payment of principal or interest on such Interest Payment Date 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 Republic of Italy or any political sub-division thereof or any authority thereof or therein or any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Senior Notes before the Interest Payment Date following the change in law or the interpretation or administration thereof; or
 - (C) any amounts of interest payable on the Loans to the Issuer are required (by reason of a change in law or the interpretation or administration thereof since

the Issue Date) to be deducted or withheld from the Issuer 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 Republic of Italy or any political sub-division thereof or any authority thereof or therein or any other applicable taxing authority having jurisdiction; or

- (D) it is or will become unlawful for the Issuer (by reason of a change in law or the interpretation or administration thereof since the Issue Date) to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party;

subject to the Issuer:

- (1) giving not more than 60 nor less than 30 days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders and the Noteholders, pursuant to Condition 17 (*Notices*), of its intention to redeem all (but not some only) the Notes; and
 - (2) providing to the Representative of the Noteholders:
 - (b) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international repute (approved in writing by the Representative of the Noteholders) opining on the relevant change in law or interpretation or administration thereof;
 - (c) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) stating that the obligation to make such deduction or withholding or the suffering by the Issuer of such deduction or withholding cannot be avoided or, as the case may be, the events under paragraph (D) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable endeavours; and
 - (d) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have the funds on such Interest Payment Date to discharge its obligations under: (i) the Notes (or the Senior Notes only, if all the Junior Noteholders consent to waive all their rights under the Junior Notes) and any obligations ranking in priority, or *pari passu*, thereto; and (ii) any additional taxes payable by the Issuer by reason of such early redemption of the Notes.
- (ii) Any certificate and legal opinion given by or on behalf of the Issuer may be relied on by the Representative of the Noteholders without further investigation and, if so relied on, shall be conclusive and binding on the Noteholders and on the Other Issuer Secured Creditors.
- (iii) The Issuer (and the Representative of the Noteholders acting in the name and on behalf of the Issuer) is entitled, pursuant to the Transfer Agreement and the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes in the circumstances described in this Condition 7(e).

(f) *Calculation of Interest Available Funds, Principal Available Funds, Principal Payments and Principal Amount Outstanding*

On each Calculation Date, the Calculation Agent will calculate, based upon the information delivered to the Calculation Agent as set forth in Clause 17.1 of the Cash Management and Accounts Agreement:

- (i) the Interest Available Funds;
- (ii) the Principal Available Funds;
- (iii) the Purchase Price for the Additional Claims offered for purchase to and purchased subject to Clause 2.4(b) of the Transfer Agreement by the Issuer on the immediately preceding Additional Transfer Date, and shall, upon information received by the Corporate Services Provider, indicate whether such Purchase Price shall be paid on the next Interest Payment Date or retained in the Issuer Account to be paid to the Originator upon receipt by the Cash Manager of the confirmation by the Corporate Services Provider of the publication of the notice of the assignment of Additional Claims in the *Gazzetta Ufficiale della Repubblica Italiana* and the registration of the notice in the Companies Register of the Issuer;
- (iv) if the transfer of Additional Claims has not occurred on the immediately preceding Additional Transfer Date, the Principal Available Funds to be credited to the Issuer Account;
- (v) the Principal Payments (if any) due on the Notes of each Class on the next following Interest Payment Date;
- (vi) the Principal Amount Outstanding of the Notes of each Class on the next following Interest Payment Date;
- (vii) the Principal Amount Outstanding of all Notes on the next following Interest Payment Date;
- (viii) the interest payable (if any) in respect of the Notes of each Class on the next following Interest Payment Date;
- (ix) the Principal Deficiency Ledger Amount to be provisioned for on the immediately following Interest Payment Date;
- (x) the debit balance that will be outstanding in respect of the Principal Deficiency Ledger on the next Interest Payment Date;
- (xi) the amount equal to the portion of Principal Available Funds utilised under item (i) of the Pre-Enforcement Principal Priority of Payments on the preceding Interest Payment Date or, to the extent that such amounts have not already been credited to or retained in the Issuer Account, on any preceding Interest Payment Date;
- (xii) the Coupon Amount Arrears, if any, that will arise in respect of each Class of Notes on the immediately following Interest Payment Date;

- (xiii) the earnings on Eligible Investments in respect of the Issuer Investments in respect of the immediately preceding Liquidation Date and shall indicate whether such earnings on Eligible Investments shall be paid to the Servicer as Additional Servicing Fee or if they shall form part of the Issuer Available Funds;
- (xiv) the earnings on Eligible Investments in respect of the Cash Reserve Investments in respect of the immediately preceding Liquidation Date;
- (xv) the amount invested in Eligible Investments out of the Issuer Account on the immediately preceding Investment Date;
- (xvi) the amount invested in Eligible Investments out of the Cash Reserve Account on the immediately preceding Investment Date;
- (xvii) the amount to be credited to the Cash Reserve Account in accordance with the Pre-Enforcement Interest Priority of Payments;
- (xviii) the Excess Commingling Amount;
- (xix) the amount of the Liquidity Reserve;
- (xx) the amount of the Commingling Reserve;
- (xxi) the Target Liquidity Reserve Amount;
- (xxii) the Target Commingling Reserve Amount;
- (xxiii) any amount relating to the payment of taxes that shall be credited to the Italian Tax Account; and
- (xxiv) the payments (if any) to be made to each of the parties to the Intercreditor Agreement under the relevant Transaction Document.

(g) Calculations final and binding

Each determination by or on behalf of the Issuer under Condition 7(f) (*Calculation of Interest Available Funds, Principal Available Funds, Principal Payments and Principal Amount Outstanding*) shall in each case (in the absence of wilful misconduct, bad faith or manifest error) be final and binding on all persons.

(h) Notice of Determination and Redemption

The Calculation Agent will notify within the Investor Report each determination of a Principal Payment (if any), Coupon Amount Arrears (if any), and the Principal Amount Outstanding in relation to each Class of Notes to the Representative of the Noteholders, the Cash Manager and the Noteholders.

(i) Notice of no Principal Payment

During the Amortisation Period, if no Principal Payment is due to be made on the Notes of any Class on an Interest Payment Date, the Calculation Agent will notify such event within the Investor Report.

(j) *Notice irrevocable*

Any such notice as is referred to in Condition 7(h) (*Notice of Determination and Redemption*) or Condition 7(i) (*Notice of no Principal Payment*) shall be irrevocable and the Issuer shall, in the case of a notice under Condition 7(h), be bound to redeem the relevant Notes to which such notice refers (in whole or in part, as applicable) in accordance with this Condition 7.

(k) *Determinations by the Representative of the Noteholders*

If the Issuer does not at any time for any reason determine or cause to be determined a Principal Payment or the Principal Amount Outstanding in accordance with the preceding provisions of this Condition 7, the Representative of the Noteholders shall determine or procure that a qualified third party determine such Principal Payment and/or, as applicable, Principal Amount Outstanding (but without the Representative of the Noteholders incurring, in the absence of wilful default (*dolo*) or negligence (*colpa*), any liability to any person as a result) and each such determination shall be deemed to have been made by the Issuer.

(l) *No purchase by the Issuer*

The Issuer shall not purchase any of the Notes.

(m) *Cancellation*

All Notes redeemed in full will forthwith be cancelled upon such redemption and accordingly may not be reissued or resold.

8. Payments

(a) *Payments*

Payments of principal and interest in respect of the Notes will be made to the account maintained by the relevant Noteholder (whose details will be notified in writing by the relevant Noteholder to the Cash Manager and Account Bank not later than five Business Days prior to the relevant Interest Payment Date) being the person entitled in accordance with article 2021 of the Italian civil code. The Issuer shall be deemed to have discharged its payment obligations in respect of the Notes *pro tanto* to the extent of payments made by it or on its behalf in accordance with the instructions of the relevant Noteholder.

(b) *Payments subject to tax laws*

All payments in respect of the Notes are subject in all cases to any fiscal or other applicable laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

(c) *Payments on Business Days*

If the due date for payment of any amount in respect of any Note is not a Business Day the holder shall not be entitled to payment until the next succeeding Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

(d) *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 6 (*Interest*) or Condition 7

(*Redemption, purchase and cancellation*), whether by the Cash Manager and Account Bank, the Calculation Agent or the Representative of the Noteholders shall (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Issuer, all Noteholders and all Other Issuer Secured Creditors and (in the absence of, wilful misconduct, bad faith or manifest error) or negligence no liability to the Representative of the Noteholders, the Noteholders or the Other Issuer Secured Creditors shall attach to the Reference Banks, the Cash Manager and Account Bank, the Calculation Agent or the Representative of the Noteholders in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under Condition 6 (*Interest*) or Condition 7 (*Redemption, purchase and cancellation*).

9. Taxation

All payments in respect of Notes will be made without withholding or deduction for or on account of any present or future taxes, whether or not in the form of a substitute tax, duties or charges of whatsoever nature other than a Decree 239 Withholding or any other withholding or deduction required to be made by applicable law. The Issuer shall not be obliged to pay any additional amount to any Noteholder on account of such withholding or deduction.

10. Events of Default

(a) *Events of Default*

Subject to the other provisions of this Condition 10, each of the following events shall be treated as an "**Event of Default**":

- (i) *Non-payment*: the Issuer fails to repay any amount of principal (when due and payable) in respect of the Senior Notes within five days of the due date for repayment of such principal or fails to pay any Coupon Amount in respect of the Senior Notes within three days of the relevant Interest Payment Date; or
- (ii) *Breach of other obligations*: the Issuer fails to perform or observe any of its other obligations under or in respect of the Senior Notes, the Intercreditor Agreement or any other Transaction Document to which it is a party, which in the reasonable opinion of the Representative of the Noteholders materially and adversely (other than in respect of the obligation to pay any Coupon Amount and repay any amount of principal (when due and payable) in respect of the Senior Notes as described in item (i) above) affects the rights of the Noteholders and such default continues or is not cured within 30 days or such longer period as the Representative of the Noteholders may agree (in its sole discretion) after the Representative of the Noteholders has given written notice of such default to the Issuer
- (iii) *Ineffective Security*: any Security Interest purported to be created under the Italian Deed of Pledge and/or the English Deed of Charge and Assignment becomes invalid or ineffective and such invalidation or ineffectiveness continues or is not cured within 30 days or such longer period as the Representative of the Noteholders may agree (in its sole discretion) after the Representative of the Noteholders has given written notice of such default to the Issuer; or
- (iv) *Insolvency Event*: an Insolvency Event occurs in relation to the Issuer or the Issuer becomes Insolvent; or

- (v) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Senior Notes or the Transaction Documents to which the Issuer is a party.

(b) *Delivery of an Acceleration Notice*

If an Event of Default occurs, then (subject to Condition 10(c) (*Consequences of delivery of an Acceleration Notice*)) the Representative of the Noteholders may, at its sole discretion, and shall:

- (i) if so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes; or
- (ii) if so directed by an Extraordinary Resolution of the Most Senior Class of Notes,

give written notice (an "**Acceleration Notice**") to the Issuer and to the Servicer declaring the Notes to be due and payable provided that:

- (A) in the case of the occurrence of any of the events mentioned in Condition 10(a)(ii) (*Breach of other obligations*), the Representative of the Noteholders shall have certified to the Issuer that the occurrence of such event is in its opinion materially prejudicial to the interests of the holders of the Most Senior Class of Notes; and
- (B) in each case, it shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities (provided that supporting documents are delivered) to which it may thereby become liable or which it may incur by so doing.

(c) *Consequences of delivery of an Acceleration Notice*

Upon the delivery of an Acceleration Notice, the Notes of each Class shall become immediately due and repayable at their Principal Amount Outstanding together with any interest accrued but which has not been paid on any preceding Interest Payment Date in accordance with Condition 6(i) (*Coupon Amount Arrears*) without further action, notice or formality. The Noteholders hereby irrevocably appoint, as from the date hereof and with effect on the date on which the Notes shall become due and payable following the service of an Acceleration Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors from and including the date on which the Notes shall become due and payable, such monies to be applied in accordance with the Post-Enforcement Priority of Payments.

11. **Enforcement**

(a) *Proceedings*

The Representative of the Noteholders may, at its discretion and without further notice, take such steps or institute such proceedings against the Issuer as it thinks fit at any time after the delivery of an Acceleration Notice to enforce repayment of the Notes and payment of accrued interest thereon and any other amounts owed but unpaid by the Issuer or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document, but, in either case, it shall not be bound to do so unless it shall have been:

- (i) so requested in writing by the holders of at least 51 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes; or

- (ii) so directed by an Extraordinary Resolution of the Most Senior Class of Notes,

and, in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

The Representative of the Noteholders shall become entitled, pursuant to the Mandate Agreement, to dispose of the Portfolio in whole or in part.

(b) Restrictions on disposal of Issuer's assets

If an Acceleration Notice has been delivered by the Representative of the Noteholders other than because of non-payment of any amount due in respect of the Notes, the Representative of the Noteholders will not be entitled to dispose of the assets of the Issuer or any part thereof unless either:

- (i) a sufficient amount would be realised to allow payment in full of all amounts owing to the Senior Noteholders after payment of all other claims ranking in priority to the Senior Notes in accordance with the Post-Enforcement Priority of Payments; or
- (ii) the Representative of the Noteholders is of the reasonable opinion, which shall be binding on the Noteholders and the other Issuer Secured Creditors, reached after considering at any time and from time to time the advice of a merchant or investment bank or other financial adviser selected by the Representative of the Noteholders (and if the Representative of the Noteholders is unable to obtain such advice having made reasonable efforts to do so, this Condition 11(b)(ii) shall not apply) that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts due in respect of the Senior Notes after payment of all other claims ranking in priority to the Senior Notes in accordance with the Post-Enforcement Priority of Payments,

and the Representative of the Noteholders shall not be bound to make the determination contained in Condition 11(b)(ii) unless the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

12. Representative of the Noteholders

(a) Legal representative

The Representative of the Noteholders is ABN AMRO Trustees Limited at its registered offices at 82 Bishopsgate, London EC2N 4BN, United Kingdom and is the legal representative (*rappresentante legale*) of the Noteholders in accordance with these Conditions, the Rules of the Organisation of Noteholders and the other Transaction Documents.

(b) Powers of the Representative of the Noteholders

The duties and powers of the Representative of the Noteholders are set forth in the Rules of the Organisation of Noteholders.

(c) Meetings of Noteholders

The Rules of the Organisation of Noteholders contain provisions for convening Meetings of Noteholders as well as the subject matter of Meetings and the relevant quorums.

(d) *Individual action*

The Rules of the Organisation of Noteholders contain provisions limiting the powers of the Noteholders, *inter alia*, to bring individual actions or take other individual remedies to enforce their rights under the Notes. In particular, such actions will be subject to the Meeting of Noteholders approving by way of Extraordinary Resolution such individual action or other remedy. No individual action or remedy can be taken by a Noteholder to enforce his or her rights under the Notes before the Meeting of Noteholders has so approved such action or remedy in accordance with the provisions of the Rules of the Organisation of Noteholders.

(e) *Resolutions binding*

The resolutions passed at any Meeting of the Noteholders under the Rules of the Organisation of Noteholders will be binding on all Noteholders whether or not they are present at the meeting.

(f) *Written resolutions*

A Written Resolution will take effect as if it were an Extraordinary Resolution passed at a Meeting of the Noteholders.

13. Modification and Waiver

(a) *Modification*

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Secured Creditors, but provided that it has previously informed in writing the Senior Noteholders and the Junior Noteholders at the address resulting from the Register, as notified to it by the Issuer, from time to time, concur with the Issuer and any other relevant parties in making:

- (i) any amendment or modification to these Conditions (other than in respect of a Basic Terms Modification) or any of the other Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be proper to make and will not be, in the reasonable opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Senior Noteholders and Junior Noteholders; or
- (ii) any amendment or modification to these Conditions or to any of the Transaction Documents if, in the reasonable opinion of the Representative of the Noteholders, such amendment or modification is of a formal, minor or technical nature; is made to correct a manifest error or an error which is, in the reasonable opinion of the Representative of the Noteholders, proven; or is necessary for the purposes of clarification.

The Representative of the Noteholders may not alter in any way the payment instructions and cash flows described in the Cash Management and Accounts Agreement without the prior approval of the Meeting of the Noteholders in accordance with the Rules of the Organisation of Noteholders unless:

- (i) an amendment or modification is required to correct a manifest error or an error which is, in the reasonable opinion of the Representative of the Noteholders, of a formal, minor or technical nature, provided that no such amendment or modification

will be made which is or may be, in the sole opinion of the Representative of the Noteholders, with notice to be sent to the Senior Noteholders and the Junior Noteholders subsequent to such amendment/modification, materially prejudicial to the interests of the Noteholders;

- (ii) an amendment or modification is required and such amendment or modification is, in the reasonable opinion of the Representative of the Noteholders, having received the prior consent of the Noteholders, in the interests of, or at least not materially prejudicial to the interests of the Issuer Secured Creditors and in respect thereof the Representative of the Noteholders may consent with the relevant Issuer Secured Creditor and may rely on the opinion of the relevant Issuer Secured Creditor as to whether any act, matter or thing is or is not in the interests of, or not prejudicial to, the interests of the Issuer Secured Creditors.

(b) *Waiver*

In addition, the Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Secured Creditor, but provided it has previously informed in writing the Senior Noteholders and the Junior Noteholders, at the address resulting from the Register, as notified to it by the Issuer, from time to time, authorise or waive any proposed breach or breach of the Notes (including an Event of Default) or of the Intercreditor Agreement or any other Transaction Document if, in the opinion of the Representative of the Noteholders, the interests of the Senior Noteholders and the Junior Noteholders will not be materially prejudiced by such authorisation or waiver.

(c) *Restriction on power to waive*

The Representative of the Noteholders shall not exercise any powers conferred upon it by Condition 13(b) (*Waiver*) in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 50 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification.

(d) *Notification*

Any such authorisation, waiver, modification or determination shall be notified to the Rating Agencies and, unless the Representative of the Noteholders agrees otherwise, shall be notified to the Noteholders, in accordance with Condition 17 (*Notices*), as soon as practicable after it has been made.

14. Representative of the Noteholders and Agents

(a) *Organisation of Noteholders*

The Organisation of Noteholders will be established upon and by virtue of the issuance of the Notes and will remain in force and in effect until repayment in full of the Notes.

(b) *Appointment of Representative of the Noteholders*

Pursuant to the Rules of the Organisation of Noteholders, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of

Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who is appointed by the Senior Subscribers and the Junior Subscriber pursuant to the Intercreditor Agreement. Each Noteholder is deemed to accept such appointment.

(c) *Reliance on third parties' advice*

Pursuant to the Rules of the Organisation of the Noteholders, the Representative of the Noteholders may act on the advice, certificate, opinion or information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of negligence (*colpa*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission or cable and, in the absence of negligence (*colpa*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, certificate, opinion or information contained in, or purported to be conveyed by, any such letter, telex, telegram, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same.

(d) *Agents solely agents of Issuer*

In acting under the Cash Management and Accounts Agreement and in connection with the Notes, the Account Bank, the Calculation Agent and the Cash Manager act solely as agents of the Issuer and (to the extent provided therein) the Representative of the Noteholders and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

(e) *Initial Agents*

The initial Account Bank, the initial Calculation Agent and the initial Cash Manager and their initial Specified Offices are listed in Condition 17 (*Notices*) below. The Issuer reserves the right (with the prior written approval of the Representative of the Noteholders) to terminate the appointment of the Account Bank, the Calculation Agent or the Cash Manager and to appoint a successor Account Bank, Calculation Agent or Cash Manager at any time, in accordance with the terms of the Cash Management and Accounts Agreement and these Conditions.

(f) *Maintenance of Agents*

The Issuer undertakes that it will ensure that it maintains:

- (i) at least one Account Bank and Cash Manager which are Eligible Banks; and
- (ii) an Account Bank in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any termination or appointment change in any of the Account Bank, Calculation Agent and Cash Manager, and of any changes in the Specified Offices shall promptly be given to the Noteholders by the Issuer in accordance with Condition 17 (*Notices*).

15. Statute of limitation

Claims against the Issuer for payments in respect of the Notes will be barred and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the Relevant Date in respect thereof.

16. Limited recourse and non-petition

(a) *Limited recourse*

Notwithstanding any other provision of these Conditions, the obligation of the Issuer to make any payment under the Notes shall be equal to the lesser of (i) the nominal amount of such payment and (ii) the actual amount received or recovered from time to time by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims and the Transaction Documents and which the Issuer or the Representative of the Noteholders is entitled to apply in accordance with the applicable Priority of Payments and the terms of the Intercreditor Agreement.

(b) *Non-petition*

Without prejudice to the right of the Representative of the Noteholders to enforce the Notes Security or to exercise any of its other rights, no Noteholder shall be entitled to institute against the Issuer, or join any other person in instituting against the Issuer, any reorganisation, liquidation, bankruptcy, insolvency or similar proceedings until one year and one day has elapsed since the later of (A) the earlier of (i) the day on which the Notes have been paid in full and (ii) the Cancellation Date and (B) the day on which the Notes have been paid in full.

17. Notices

(a) *Valid notices*

All notices to the Noteholders shall be validly given if such notice is sent to the address of each Noteholder as resulting from the Register with a copy to the Servicer, the Calculation Agent and the Cash Manager and Account Bank.

(b) *Date of publication*

Any notice shall be deemed to have been given on the date of receipt.

(c) *Other methods*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

(d) *Initial Specified Offices*

The "**Specified Offices**" of the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider and the Cash Manager and Account Bank are as follows:

- (i) Representative of the Noteholders: ABN AMRO Trustees Limited, 82 Bishopsgate, London EC2N 4BN, United Kingdom;

- (ii) Calculation Agent: GMAC Continental LLC at its office at 1209 Orange Street, Wilmington, Delaware 19801, United States, acting through its Belgium branch at Noorderlaan 401 B-2030 Antwerp;
- (iii) Cash Manager and Account Bank: ABN AMRO BANK N.V. (London Branch), 82 Bishopsgate, London EC2N 4BN, United Kingdom;
- (iv) Corporate Services Provider: Structured Finance Management Italy S.r.l., Corso Monforte 36, 20122 Milano, Italy.

18. Governing Law and Jurisdiction

(a) Governing law

The Notes, these Conditions, the Rules of the Organisation of Noteholders and the Italian Law Transaction Documents are governed by, and shall be construed in accordance with, Italian law. The English Law Transaction Documents are governed by, and shall be construed in accordance with, English law.

The Parent Support Agreement is governed by, and shall be construed in accordance with, the internal laws of the State of New York.

(b) Jurisdiction

- (i) The Courts of Milan are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, these Conditions, the Rules of the Organisation of Noteholders and the Italian Law Transaction Documents and, accordingly, any legal action or proceedings arising out of or in connection with any Notes, these Conditions, the Rules of the Organisation of Noteholders or any Italian Law Transaction Document may be brought in such courts. The Issuer has in each of the Italian Law Transaction Documents irrevocably submitted to the jurisdiction of such courts.
- (ii) The Courts of England and Wales are to have jurisdiction to settle any disputes that may arise out of or in connection with the English Law Transaction Documents and, accordingly, any legal action or proceedings arising out of or in connection with any English Law Transaction Document may be brought in such courts. The Issuer has in each of the English Law Transaction Documents irrevocably submitted to the jurisdiction of such courts.

(c) Process agent

The Issuer has in the English Deed of Charge and Assignment, agreed, *inter alia*, at all times to maintain an agent for service of process in England. The Issuer appoints General Motors Acceptance Corporation (UK) PLC, a company incorporated in England and Wales with limited liability (registered number 00275607) whose registered office is located at Wesley House, 19 Chapel Street, Luton, Beds, LU 1 2 SE., as such agent. Any writ, judgment or other notice of legal process issued out of the English Courts in respect of any English Law Transaction Document shall be sufficiently served on the Issuer if delivered to such agent at its address for the time being. The Issuer undertakes not to revoke the authority of the above agent, and if, for any reason, such agent no longer serves as process agent of the Issuer to receive service of process, the Issuer shall promptly appoint another such agent and advise the Representative of the Noteholders of the details of such new agent.

SCHEDULE - RULES OF THE ORGANISATION OF NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

Article 1

General

The Organisation of Noteholders is created by the issue and by the subscription of the Notes, and shall remain in force and in effect until full repayment and cancellation of the Notes.

The contents of these rules are deemed to form part of each Note issued by the Issuer.

Article 2

Definitions

In these rules, the following terms shall have the following meanings:

"Basic Terms Modification" means:

- (a) a modification of the date of maturity of the relevant Class of Notes;
- (b) a modification which would have the effect of postponing any date for payment of interest on the Notes;
- (c) a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of the relevant Class of Notes or the coupon applicable in respect of the relevant Class of Notes;
- (d) a modification which would have the effect of altering the majority required to pass a specific resolution or the quorum required at any Meeting;
- (e) a modification which would have the effect of altering the currency of payment of the relevant Class of Notes or any alteration of the date of priority of redemption of the relevant Class of Notes;
- (f) a modification which would have the effect of altering the authorisation or consent by the Noteholders, also as pledgees, to applications of funds as provided for in the Transaction Documents; and
- (g) an amendment of this definition;

"Blocked Notes" means the Notes which have been blocked with the relevant Custodian for the purposes of obtaining a Voting Certificate or a Blocked Voting Instruction and will not be released until the conclusion of the Meeting;

"Blocked Voting Instruction" means, in relation to any Meeting, a document:

- (b) certifying that the Blocked Notes have been blocked with the relevant Custodian and will not be released until the conclusion of the Meeting specified in such document;
- (c) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the relevant proxy that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 Hours before the time fixed for the Meeting, such instructions may not be amended or revoked;

- (d) listing the total number of the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
- (e) authorising a named individual or individuals to vote in respect of the Blocked Notes in accordance with such instructions;

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 (*Chairman of the Meeting*);

"**Class of Notes**" means (i) the Senior Notes; or (ii) the Junior Notes, as the context requires;

"**Extraordinary Resolution**" means a resolution of a Meeting of the Relevant Class Noteholders, duly convened and held in accordance with the provisions contained in these rules on any of the subjects covered by Article 21 (*Powers exercisable by Extraordinary Resolution*);

"**Issuer's Rights**" means the Issuer's right, title and interest in and to the Claims, any rights that the Issuer has acquired under the Transaction Documents and any other rights that the Issuer has acquired against any Other Issuer Secured Creditors (including any applicable guarantors or successors) or third parties for the benefit of the Noteholders in connection with the securitisation of the Claims;

"**Meeting**" means a meeting of the Relevant Class Noteholders (whether originally convened or resumed following an adjournment);

"**Note Security**" has the meaning set forth in Condition 4(a) (*Note Security*);

"**Proxy**" means, in relation to any Meeting, a person appointed to vote under a Blocked Voting Instruction;

"**Register**" means the Registro dell'Emittente held by the Issuer in respect of the Notes;

"**Relevant Class Noteholders**" means (i) the Senior Noteholders and/or (ii) the Junior Noteholders or a combination of the Senior Noteholders and/or the Junior Noteholders, as the context requires;

"**Relevant Fraction**" means:

- (i) for all business other than voting on an Extraordinary Resolution, one-tenth of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);
- (ii) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and
- (iii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), three-quarters of the Principal Amount Outstanding of the Notes of the relevant Class of Notes;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

- (iv) for all business other than voting on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the Principal Amount Outstanding of the Notes of that Class of Notes represented or held by the Voters actually present at the Meeting (in case of a Meeting of a particular Class of Notes), or the fraction of the Principal Amount Outstanding of the Notes of all relevant Classes (in case of a joint Meeting of a combination of Classes of Notes); and

- (v) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), one-third of the Principal Amount Outstanding of the Notes of the relevant Class;

"**Voter**" means, in relation to any Meeting, the holder of a Blocked Note;

"**Voting Certificate**" means, in relation to any Meeting, a certificate issued by the relevant Custodian and dated, stating:

- i. that the Blocked Notes have been blocked in an account with the relevant Custodian and will not be released until the conclusion of the Meeting; and
- ii. that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes;

"**24 Hours**" means a period of 24 hours including all or part of a day upon which banks are open for business in the place where the Meeting of the Relevant Class Noteholders is to be held and in the place where the Cash Manager has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

"**48 Hours**" means two consecutive periods of 24 Hours.

Capitalised terms not defined herein shall have the meaning attributed to them in the terms and conditions of the Notes.

Article 3

Organisation purpose

Each holder of the Notes is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and the taking of any action for the protection of their interests.

In these rules, any reference to Noteholders shall be considered as a reference to the Senior Noteholders and/or the Junior Noteholders, as the case may be.

TITLE II

THE MEETING OF NOTEHOLDERS

Article 4

General

Any resolution passed at a Meeting of the Relevant Class Noteholders, duly convened and held in accordance with these rules, shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting.

Subject to the proviso of Article 21 (*Powers exercisable by Extraordinary Resolution*) any resolution passed at a Meeting of the Senior Noteholders, duly convened and held as aforesaid, shall also be binding upon all the Junior Noteholders All the Noteholders of the relevant Class of Notes, whether or not absent or dissenting, shall be bound by such resolution irrespective of its effect upon such Noteholders and such Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

Notice of the result of every vote on a resolution duly passed by the Noteholders shall be published by and at the expense of the Issuer, in accordance with the Conditions and given to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of the Meeting.

Subject to the provisions of these rules and the Conditions, joint Meetings of the Senior Noteholders and the Junior Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution and the provisions of these rules shall apply *mutatis mutandis* thereto.

The following provisions shall apply while Notes of two Classes of Notes are outstanding:

- (a) business which, in the reasonable opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the holders of Notes of such Class of Notes;
- (b) business which, in the reasonable opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of one such Class of Notes and the holders of the other Class of Notes shall be transacted either at separate Meetings of the holders of each such Class of Notes or at a single Meeting of the holders of each of such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion;
- (c) business which, in the reasonable opinion of the Representative of the Noteholders, affects more than one Class of Notes and gives rise to an actual or potential conflict of interest between the holders of one such Class of Notes and the holders of the other Class of Notes shall be transacted at separate Meetings of the holders of each Class of Notes; and
- (d) in the case of separate Meetings of the holders of each Class of Notes, these rules shall be applied as if references to the Notes and the Noteholders were to the Notes of the relevant Class of Notes and to the holders of such Notes and, in the case of single Meetings of all the Noteholders, as if references to the Notes and the Noteholders were to the Notes of each of the Classes of Notes and to the respective holders of the Notes.

In this paragraph "**business**" includes (without limitation) the passing or rejection of any resolution.

Article 5

Issue of Voting Certificates and Blocked Voting Instructions

Noteholders may obtain a Voting Certificate from the Custodian or require the Custodian to issue a Blocked Voting Instruction by arranging for their Notes to be blocked in an account with the same Custodian not later than 48 Hours before the time fixed for the Meeting of the Relevant Class Noteholders. A Voting Certificate or Blocked Voting Instruction shall be valid until the release of the Blocked Notes to which it relates. So long as a Voting Certificate or Blocked Voting Instruction is valid, the individual name therein (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Blocked Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Blocked Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

Article 6

Validity of Voting Certificates and Blocked Voting Instructions

Noteholders whose identity is the same as that shown in the Voting Certificate and the Register as at the day of the relevant Meeting and Proxies (as nominated in the relevant Blocked Voting Instructions by the relevant Noteholder) can attend and vote at a Meeting.

A Voting Certificate and a Blocked Voting Instruction shall be valid only if deposited at the registered office of the Issuer, or at such other place as the Representative of the Noteholders shall designate or approve not less than 24 Hours before the time

fixed for the Meeting and, if not deposited before such deadline, the Voting Certificate or the Blocked Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Custodian so requires, a notarised copy of each Blocked Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Custodian shall not be obliged to investigate the validity of any Blocked Voting Instruction or the authority of any Proxy.

Article 7

Convening of Meeting

The Issuer or the Representative of the Noteholders may convene a Meeting at any time, and the Issuer shall be obliged to do so upon the request in writing of Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the relevant Class of Notes. If the Issuer fails to convene a Meeting when obliged to do so, the Meeting may be convened by the Representative of the Noteholders.

Whenever the Issuer is about to convene any such Meeting, it shall immediately give notice in writing to the Representative of the Noteholders of the date thereof and of the nature of the business to be transacted thereat. Every such Meeting shall be held at such time and place as the Representative of the Noteholders may designate or approve.

Unless the Representative of the Noteholders decides otherwise pursuant to Article 4 (*General*), each Meeting shall be attended by Noteholders of each Class of Notes.

Article 8

Notice

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the relevant Custodian (with a copy to the Issuer and to the Representative of the Noteholders). Any notice to Noteholders shall be given in accordance with Condition 17 (*Notices*). The notice shall set out the full text of any resolutions to be proposed and shall state that the Notes must be blocked in an account with the relevant Custodian for the purpose of obtaining Voting Certificates or appointing Proxies not later than 48 Hours before the time fixed for the Meeting.

Article 9

Chairman of the Meeting

Any individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but: (i) if no such nomination is made; or (ii) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting; those present shall elect one of themselves to take the chair, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

Article 10

Quorum

The quorum at any Meeting shall be at least one Voter representing or holding not less than the Relevant Fraction relative to (i) that Class of Notes (in case of a Meeting of one Class of Notes) or (ii) all relevant Classes of Notes (in case of a joint Meeting).

Article 11

Adjournment for want of quorum

If within 15 minutes after the time fixed for any Meeting the quorum is not present, then:

- (a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines; provided, however, that:
 - (A) the Meeting shall be dissolved if the Issuer so decides; and
 - (B) no Meeting may be adjourned by resolution of a Meeting that represents less than the Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment for want of quorum.

Article 12

Adjourned Meeting

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

Article 13

Notice following adjournment

Article 8 (*Notice*) shall apply to any Meeting adjourned for want of quorum save that:

- (a) at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be given; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the convening of a Meeting which has been adjourned for any other reason.

Article 14

Participation

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) the Issuer or its representative and the Cash Manager;
- (c) the financial advisers to the Issuer;
- (d) the legal counsel to each of the Issuer, the Representative of the Noteholders and the Cash Manager;
- (e) the Representative of the Noteholders; and
- (f) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

Article 15

Passing of resolution

A resolution is validly passed when the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

Article 16

Show of hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result of the show of hands is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

Article 17

Poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters holding a Voting Certificate or being a Proxy. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting for any other business.

Article 18

Votes

Every Voter shall have:

- (a) on a show of hands, one vote; and

- (b) on a poll, one vote in respect of each €10,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the votes (if any) to which he may be entitled as a Noteholder or as a holder of a Voting Certificate or a Proxy.

Unless the terms of any Blocked Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

Article 19

Vote by Proxies

Any vote by a Proxy in accordance with the relevant Blocked Voting Instruction shall be valid even if such Blocked Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that the Cash Manager has not been notified in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Blocked Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment except for any appointment of a Proxy in relation to a Meeting which has been adjourned for want of a quorum. Any person appointed to vote at such a Meeting must be re-appointed under a Blocked Voting Instruction to vote at the Meeting when it is resumed.

Article 20

Exclusive powers of the Meeting

The Meeting shall have exclusive powers on the following matters:

- (a) to approve any Basic Terms Modification;
- (b) to approve any proposal by the Issuer for any alteration, abrogation, variation or compromise of the rights of the Issuer, the Representative of the Noteholders or the Noteholders under any Transaction Document, the Notes or the Terms and Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes or any Transaction Document;
- (c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (d) to direct the Representative of the Noteholders to serve an Acceleration Notice under Condition 10(b) (*Delivery of an Acceleration Notice*);
- (e) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any Transaction Document or any act or omission which might otherwise constitute an Event of Default;
- (f) to direct the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any resolution of the Noteholders;
- (g) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, otherwise than in accordance with the Transaction Documents; and
- (h) to appoint and remove the Representative of the Noteholders.

Article 21

Powers exercisable by Extraordinary Resolution

Without limitation to the exclusive powers of the Meeting listed in Article 20 (*Exclusive powers of the Meeting*), each Meeting shall have the following powers exercisable only by way of an Extraordinary Resolution:

- (a) approval of any Basic Terms Modification;
- (b) (without prejudice to the discretionary powers vested in the Representative of the Noteholders under these rules, the Conditions, the Law Transaction Documents, or otherwise) approval of any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Representative of the Noteholders or the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these rules, the Notes, the Conditions any of the Italian Law Transaction Documents or otherwise;
- (c) approval of any scheme or proposal for the exchange or substitution of any of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;
- (d) (without prejudice to the discretionary powers vested in the Representative of the noteholders under these rules, the Conditions, the Italian Law Transaction Documents, or otherwise) approval of any alteration of the provisions contained in these rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;
- (e) discharge or exoneration of the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to these rules, the Notes, the Conditions or any other Transaction Document;
- (f) giving any direction or granting any authority or sanction which under the provisions of these rules, the Conditions or the Notes, is required to be given by Extraordinary Resolution;
- (g) authorisation and sanctioning of actions of the Representative of the Noteholders under these rules, the Notes, the Conditions, the terms of the Intercreditor Agreement or any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders;
- (h) authorisation to each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes;

provided however that:

- I. no Extraordinary Resolution involving a Basic Terms Modification passed by the Relevant Class Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Noteholders of the other Class of Notes (to the extent that Notes of such Class of Notes are then outstanding); and
- II. no Extraordinary Resolution of the Junior Noteholders shall be effective unless (A) the Representative of the Noteholders is of the reasonable opinion that it will not be materially prejudicial to the interests of the Senior Noteholders (to the extent that the Senior Notes are then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Senior Noteholders (to the extent that the Senior Notes are then outstanding).

Without prejudice to the powers of each of the Meeting listed in Article 20 (Exclusive powers of the Meeting), the appointment and the removal of the Representative of the Noteholders shall be resolved only by unanimous and concordant Extraordinary Resolutions at the Meeting of the Senior Noteholders and Junior Noteholders.

Article 22

Challenge of resolution

Any Noteholder can challenge a resolution which is not passed in conformity with the provisions of these rules.

Article 23

Minutes

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the resolutions and proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at such meeting shall be deemed to have been duly passed or transacted.

Article 24

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Article 25

Individual actions and remedies

The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

- (a) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;
- (b) the Representative of the Noteholders will, within 30 days of receiving such notification, convene a Meeting of the Noteholders of the relevant Class of Notes or, as the case may be, of all of the Classes of Notes, in accordance with these rules at the expense of such Noteholder;
- (c) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be prevented from seeking such enforcement or remedy (provided that the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed); and
- (d) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution.

No individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has been held to resolve on such action or remedy and in accordance with the provisions of this Article 25.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 26

Appointment, removal and remuneration

Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Class of Notes in accordance with the provisions of Article 21 (Powers exercisable by Extraordinary Resolution) this Article 26, save in respect of the appointment of the first Representative of the Noteholders which will be ABN AMRO Trustees Limited.

Save for ABN AMRO Trustees Limited as first Representative of the Noteholders, the Representative of the Noteholders shall be:

- (a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction, in either case provided it is licensed to conduct banking business in Italy; or
- (b) a financial institution registered under article 107 of the Banking Act; or
- (c) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Class of Notes at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in (a), (b) or (c) above, and, provided that a Meeting of the holders of each Class of Notes has not appointed such a substitute within 60 days of such termination, such representative may appoint such a substitute. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders as from the date hereof. Such remuneration shall be payable in accordance with the Intercreditor Agreement and the Priority of Payments up to (and including) the date when the Notes have been repaid in full and cancelled in accordance with the Conditions.

Article 27

Duties and powers

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders subject to and in accordance with the Conditions, these rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the "**Relevant Provisions**").

Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the directions of a Meeting of Noteholders and for representing the interests of the Noteholders a Class of Notes *vis-à-vis* the Issuer. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders.

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of the discretions vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers it expedient, whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions vested in it as aforesaid. Any such delegation may be made upon such terms and conditions, and subject to such regulations (including power to sub-delegate), as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by any misconduct or default on the part of such delegate or sub-delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and of any renewal, extension or termination of such appointment, and shall make it a condition of any such delegation that any delegate shall also, as soon as reasonably practicable, give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders in any judicial proceedings, including, but not limited to, proceedings involving the Issuer in creditors' agreement (*concordato preventivo*), forced liquidation (*fallimento*) or compulsory administrative liquidation (*liquidazione coatta amministrativa*).

The Representative of the Noteholders shall have regard to the interests of all the Issuer Secured Creditors as regards the exercise and performance of all powers, authorities, duties and discretions of the Representative of the Noteholders under these rules, the Intercreditor Agreement or under the Mandate Agreement (except where expressly provided otherwise), but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard to the interests only: (i) of the Most Senior Class of Notes outstanding, and (ii) subject to item (i), of whichever Issuer Secured Creditor ranks higher in the applicable Priority of Payments hereof for the payment of the amounts therein specified if, in its opinion, there is or may be a conflict between all or any of the interests of one or more Classes of Noteholders or between one or more Classes of Noteholders and any other Issuer Secured Creditors (or any combination thereof). The foregoing provision shall not affect the payment order set forth in the applicable Priority of Payments.

Article 28

Resignation of the Representative of the Noteholders

The Representative of the Noteholders may resign 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 incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Class of Notes has appointed a new Representative of the Noteholders provided that if a new Representative of the Noteholders has not been so appointed within 60 days of the date of such notice of resignation, the Representative of the Noteholders may appoint a new Representative of the Noteholders.

Article 29

Exoneration of the Representative of the Noteholders

The Representative of the Noteholders shall not assume any other obligations in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

Without limiting the generality of the foregoing, the Representative of the Noteholders:

- (a) shall not be under obligation to take any steps to ascertain whether a Swap Trigger, an Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders or any Noteholder hereunder or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Swap Trigger, no Event of Default or such other event, condition or act has occurred;

- (b) shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other party to the Transaction Documents of the provisions of, and its obligations under, these rules, the Notes, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each such other party is observing and performing all such provisions and obligations;
- (c) shall not be under any obligation to give notice to any person of the execution of these rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;
- (d) shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these rules, the Notes, the Conditions, any Transaction Document, or any other document, or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer or any other party to the Transaction Documents; (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith or with any Transaction Document; (iii) the suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Claims; or (v) any accounts, books, records or files maintained by the Issuer, the Servicer, the Cash Manager or any other person in respect of the Claims;
- (e) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds, to the persons entitled thereto;
- (f) shall have no responsibility for the maintenance of any rating of the Senior Notes by the Rating Agency or any other credit or rating agency or any other person;
- (g) shall not be responsible for, or for investigating, any matter which is the subject of any recitals, statements, warranties or representations of any party, other than the Representative of the Noteholders contained herein or in any Transaction Document;
- (h) shall not be bound or concerned to examine, or enquire into, or be liable for, any defect or failure in the right or title of the Issuer to the Claims or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry, or whether capable of remedy or not;
- (i) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of, or otherwise protecting or perfecting, these rules, the Notes or any Transaction Document;
- (j) shall not be under any obligation to insure the Claims or any part thereof;
- (k) shall not have regard to the consequences of any modification of these rules, the Notes, the Conditions or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory; and
- (l) shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Secured Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Secured Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information.

The Representative of the Noteholders, notwithstanding anything to the contrary contained in these rules:

- (i) may, without the consent of the Noteholders or any Other Issuer Secured Creditors, but provided it has previously informed in writing the Senior Noteholders and the Junior Noteholders at the address resulting from the Register, as notified to it by the Issuer, from time to time, concur with the Issuer and any other relevant parties in making any amendment or modification to these rules (other than a Basic Terms Modification), the Conditions or any other Transaction Document, which, in the opinion of the Representative of the Noteholders, it may be proper to make and will not be in the reasonable opinion of the Representative of the Noteholders materially prejudicial to the interests of the holders of the Senior Noteholders and the Junior Noteholders; and
- (ii) may, without the consent of the Noteholders, but provided it has previously informed in writing the Senior Noteholders and the Junior Noteholders at the address resulting from the Register, as notified to it by the Issuer, from time to time, concur with the Issuer and any other relevant parties in making any amendment or modification (other than in respect of a Basic Terms Modification) to these rules, the Conditions or to any of the Transaction Documents, if, in the reasonable opinion of the Representative of the Noteholders, such amendment or modification is of a formal, minor or technical nature; is made to correct a manifest error or an error which is, in the reasonable opinion of the Representative of the Noteholders, proven; or is necessary for the purposes of clarification.
- (iii) may, without the consent of the Noteholders or any Other Issuer Secured Creditor, but provided it has previously informed in writing the Senior Noteholders and the Junior Noteholders, authorise or waive any proposed breach or breach of the Notes (including an Event of Default) or of the Intercreditor Agreement or any other Transaction Document if, in the opinion of the Representative of the Noteholders, the interests of the Most Senior Class of Notes will not be materially prejudiced by such authorisation or waiver; provided that the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 50 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification;
- (iv) may act on the advice, certificate, opinion or information (whether or not addressed to the Representative of the Noteholders) obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of negligence (*colpa*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission or cable and, in the absence of negligence (*colpa*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, certificate, opinion or information contained in, or purported to be conveyed by, any such letter, telex, telegram, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same;
- (v) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the authorized representative of the Issuer, as the case may be, and the Representative of the Noteholders shall not be bound, in any such case, to call for further evidence or be responsible for any loss that may be occasioned as a result of acting on such certificate;
- (vi) save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these rules, the Notes, any Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise, or non-exercise thereof except insofar as the same are incurred as a result of its negligence (*colpa*) or wilful misconduct (*dolo*);

- (vii) shall be at liberty to leave in custody these rules, the Transaction Documents and any other documents relating thereto or to the Notes in any part of the world with any bank, financial institution or company whose business includes undertaking the safe custody of documents, or with any lawyer or firm of lawyers considered by the Representative of the Noteholders to be of good reputation and the Representative of the Noteholders shall not be responsible for or required to insure against, any loss incurred in connection with any such custody and may pay all sums required to be paid on account of, or in respect of, any such custody;
- (viii) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders is entitled to convene a Meeting of the Noteholders of any or all Classes of Notes in order to obtain instructions as to how the Representative of the Noteholders should exercise such discretion provided that nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. The Representative of the Noteholders shall not be obliged to take any action in respect of these rules, the Notes, the Conditions or any Transaction Document unless it is indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities (provided that supporting documents are delivered) which it may incur by taking such action;
- (ix) in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the relevant Noteholders;
- (x) may call for, and shall be at liberty to accept and place full reliance on as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository, to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as entitled to a particular principal amount of Notes;
- (xi) may certify whether or not an Event of Default is, in its reasonable opinion, materially prejudicial to the interests of the Noteholders or the holders of the Most Senior Class of Notes and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Secured Creditors and any other relevant person;
- (xii) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these rules, the Notes, the Conditions or any other Transaction Document is capable of remedy and, if the Representative of the Noteholders certifies that any such default is, in its reasonable opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Secured Creditors and any relevant person;
- (xiii) may assume, without enquiry, that no Notes are for the time being held by, or for the benefit of, the Issuer;
- (xiv) shall be entitled to call for, and to rely upon, a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement, any Other Issuer Secured Creditor or the Rating Agency in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document or in respect of the ratings of the Senior Notes and it shall not be bound, in any such case, to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be incurred by its failing to do so; and
- (xv) shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation hereto or to the Notes, the Conditions or any Transaction Document, that such exercise will not be materially prejudicial to the interests of the Noteholders if the Rating Agency has confirmed that the then current ratings of the Senior Notes would not be adversely affected by such exercise, or have otherwise given their consent.

Any consent or approval given by the Representative of the Noteholders under these rules, the Notes, the other Conditions or any Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

No provision of these rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, or expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified against any loss or liability which it may incur as a result of such action.

Article 30

Note Security

The Representative of the Noteholders shall be entitled to exercise all the rights granted by the Issuer in favour of the Representative of the Noteholders on behalf of the Noteholders and the other Issuer Secured Creditors under the Note Security.

The Representative of the Noteholders, acting on behalf of the Issuer Secured Creditors, may:

- (a) prior to enforcement of the Note Security, appoint and entrust the Issuer to collect, in the Issuer Secured Creditors' interest and on their behalf, any amounts deriving from the Note Security and may instruct, jointly with the Issuer, the obligors whose obligations form part of the Note Security to make any payments to be made thereunder to an Account of the Issuer;
- (b) agree that all funds credited to the Accounts with the exception of the Investment Earnings from time to time shall be applied prior to enforcement of the Note Security, in accordance with the Conditions and the Intercreditor Agreement; and
- (c) agree that cash deriving from time to time from the Note Security and the amounts standing to the credit of the Accounts with the exception of the Investment Earnings shall be applied prior to enforcement of the Note Security, in and towards satisfaction not only of amounts due to the Issuer Secured Creditors, but also of such amounts due and payable to the other Issuer Secured Creditors that rank *pari passu* with, or higher than, the Issuer Secured Creditors, according to the applicable Priority of Payments and, to the extent that all amounts due and payable to the Issuer Secured Creditors have been paid in full, also towards satisfaction of amounts due to the other Issuer Secured Creditors that rank below the Issuer Secured Creditors. The Issuer Secured Creditors irrevocably waive any right which they may have hereunder in respect of cash deriving from time to time from the Note Security and amounts standing to the credit of the Accounts with the exception of the Investment Earnings which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the Note Security, under the Note Security, except in accordance with the foregoing, the Conditions and the Intercreditor Agreement.

The Representative of the Noteholders, on behalf of the Issuer Secured Creditors, acknowledges and agrees that the sums representing the net subscription price of the Notes will be applied in and towards satisfaction of the purchase price of the Initial Claims on the Issue Date in accordance with the Transfer Agreement.

Article 31

Indemnity

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) all costs, liabilities, losses, charges, expenses (provided, in each case, that supporting documents are delivered), damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or by any person to whom the Representative of the Noteholders has delegated any power, authority or discretion or any appointee thereof, in relation to the preparation and execution of, the exercise or the purported exercise of, its powers, authority and discretion and performance of its duties under and in any other manner in relation to these rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to these rules, the Notes, the Conditions or any Transaction Document, against the Issuer or any other person for enforcing any obligations under these rules, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of negligence (*colpa*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders.

TITLE IV

THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF AN ACCELERATION NOTICE

Article 32

Powers

It is hereby acknowledged that, upon service of an Acceleration Notice and/or failure by the Issuer to exercise its rights, the Representative of the Noteholders shall, pursuant to the Mandate Agreement, be entitled, in its capacity as legal representative of the Organisation of Noteholders, also in the interest and for the benefits of the Other Issuer Secured Creditors, pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Claims. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, all and any of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents.

In particular and without limiting the generality of the foregoing, following the service of an Acceleration Notice, the Representative of the Noteholders will be entitled, until the Notes have been repaid in full or cancelled in accordance with the Conditions:

- (a) to request the Account Bank to transfer all monies and securities standing to the credit of the Issuer Account, the Cash Reserve Account, the Issuer Custody Account and the Cash Reserve Custody Account, as the case may be, to, respectively, a replacement Issuer Account, a replacement Cash Reserve Account, a replacement Issuer Custody Account, a replacement Cash Reserve Custody Account, as applicable, opened for such purpose by the Representative of the Noteholders with a replacement Account Bank;
- (b) to require performance by any Issuer Creditor of its obligations under the relevant Transaction Document to which such Issuer Creditor is a party, to bring any legal actions and exercise any remedies in the name and on behalf of the Issuer that are available to the Issuer under the relevant Transaction Document against such Issuer Creditor in case of failure to perform and generally to take such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Secured Creditors in respect of the Portfolio, the Claims and the Issuer's Rights;
- (c) to instruct the Servicer in respect of the recovery of the Issuer's Rights;
- (d) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all Collections (by way of a power of attorney granted under the terms of the Intercreditor Agreement in respect of the relevant

Accounts) and of the Claims and to sell or otherwise dispose of the Claims or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its absolute discretion, deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments; provided however that if the amount of the monies at any time available to the Issuer or the Representative of the Noteholders for the payments above shall be less than 10 per cent. of the Principal Amount Outstanding of all Classes of Notes the Representative of the Noteholders may at its discretion invest such monies (or cause such monies to be invested) in some or one of the investments authorised below. The Representative of the Noteholders at its discretion may vary such investments (or cause such investments to be varied) and may accumulate such investments and the resulting income until the earlier of: (i) the day on which the accumulations, together with any other funds for the time being under the control of the Representative of the Noteholders and available for such purpose, amount to at least 10 per cent. of the Principal Amount Outstanding of all Classes of Notes and (ii) the Business Day, immediately following the service of an Acceleration Notice, that would have been an Interest Payment Date. Such accumulations and funds shall be applied to make the payments listed in the Post-Enforcement Priority of Payments. Any monies which under these rules or the Intercreditor Agreement or the Conditions may be invested by the Representative of the Noteholders may be invested in the name or under the control of the Representative of the Noteholders in any investments or other assets in any part of the world whether or not they produce income or by placing the same on deposit in the name or under the control of the Representative of the Noteholders at such bank or other financial institution and in such currency as the Representative of the Noteholders may think fit. The Representative of the Noteholders may at any time vary any such investments for or into other investments or convert any monies so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise, except insofar as such loss is incurred as a result of its negligence (*colpa*) or wilful misconduct (*dolo*); and

- (e) to distribute the monies from time to time standing to the credit of the Accounts and such other accounts as may be opened by the Representative of the Noteholders pursuant to paragraph (a) above to the Noteholders and the Other Issuer Secured Creditors in accordance with the Post-Enforcement Priority of Payments. For the purposes of this Article 32, all the Noteholders and the Other Issuer Secured Creditors irrevocably appoint, as from the date hereof and with effect on the date on which the Notes will become due and payable following the service of an Acceleration Notice, the Representative of the Noteholders as their exclusive agent in their name and on their behalf (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors from and including the date on which the Notes will become due and payable, such monies to be applied in accordance with the applicable Priority of Payments.

TITLE V

GOVERNING LAW AND JURISDICTION

Article 33

Governing law and jurisdiction

These rules are governed by, and will be construed in accordance with, the laws of Italy.

All disputes arising out of or in connection with these rules, including those concerning their validity, interpretation, performance and termination, shall be settled by the Courts of Milan.

THE ISSUER

Totally Italian Generated Receivables S.r.l. (Tigra S.r.l.) (the "**Issuer**") is a limited liability company with a sole quotaholder (*Società a responsabilità limitata con socio unico*) incorporated in the Republic of Italy under article 3 of Italian law No. 130 of 30 April, 1999 (*disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Securitisation Law**") with the name of SPV Project 62 S.r.l.. By way of an extraordinary quotaholders' resolution held on 1 August 2006 the corporate name of the Issuer was changed into "Totally Italian Generated Receivables S.r.l. (Tigra S.r.l.)". The Issuer is registered with the companies' register of Brescia under number 08831061000, with the register held by *Ufficio Italiano dei Cambi* pursuant to article 106 of the Banking Act under number 37774 and with the register held by the Bank of Italy pursuant to article 107 of the Banking Act under number 33190.0. The registered office of the Issuer is via Romanino, 1, 25122 Brescia, Italy. Since the date of its incorporation, the Issuer has not engaged in any business other than the purchase of the Initial Claims, the entering into of the Transaction Documents and the activities ancillary thereto and has not declared or paid any dividends or incurred any indebtedness, other than the Issuer's costs and expenses of incorporation or otherwise pursuant to the Transaction Documents. The duration of the Issuer is established until 31 December, 2050. The Issuer has no employees.

The authorised, issued and fully paid up equity capital of the Issuer is € 10,000. The sole quotaholder of the Issuer is Stichting Total Auto Receivables GMAC Italia Trust.

The principal corporate objectives of the Issuer, as set out in article 2 of its by-laws (*statuto*), include the acquisition of monetary receivables for the purposes of securitisation transactions and the issuance of asset-backed securities pursuant to article 3 of the Securitisation Law.

USE OF PROCEEDS

Monies available to the Issuer on the Issue Date consisting of:

- (i) the proceeds from the issue of the Senior Notes, being € 571,300,000;
- (ii) the amount to be drawn down by the Issuer under the Subordinated Loan Agreement, in an amount equal to € 41,420,200,

will be applied by the Issuer on the Issue Date:

- (a) to credit € 41,420,200 to the Cash Reserve Account;
- (b) to pay GMAC ITALIA € 571,300,000 as partial consideration for the Initial Claims pursuant to the terms of the Transfer Agreement.

The ongoing costs of the Securitisation will be payable from the Issuer Available Funds in accordance with the Priority of Payments set out in Condition 3 (*Status, Ranking and Priority*).

TRANSACTION COSTS AND PROCEEDS

Fees to be paid and other costs to be borne by the Issuer for implementing the Securitisation are detailed in the Transaction Documents, which are available for inspection by the Noteholders at the registered office of the Issuer.

The order of priority pursuant to which the Issuer Secured Creditors will agree to be paid by the Issuer in connection with all the Issuer's payment obligations under the Securitisation referred to in this *Prospetto Informativo* is set out in the Intercreditor Agreement and in Condition 3 (*Status, Ranking and Priority*).

The Issuer does not expect to receive significant proceeds from the Securitisation.

PRIVATE PLACEMENT OF THE NOTES

The Notes will be issued and placed directly by the Issuer.

The Senior Notes will be entirely subscribed in a private placement by TULIP ASSET PURCHASE COMPANY B.V. a private limited liability company incorporated in The Netherlands, whose registered office is at Gustav Mahlerlaan 10, 1082 PP, Amsterdam, the Netherlands and by GRESHAM Receivables (No 14) UK Limited, a limited liability company incorporated in England and Wales, whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Tower 42 (Level 11), International Financial Centre, 25 Old Broad Street, London, EC2N 1HQ, United Kingdom (the "**Senior Subscribers**").

The Junior Notes will be entirely subscribed in a private placement by GMAC Italia S.p.A. a joint stock company (*società per azioni*) incorporated and organised under the laws of the Republic of Italy with registered office at Piazzale dell'Industria, 40, 00144 Rome, Italy (the "**Junior Subscriber**" and together with the Senior Subscribers, the "**Subscribers**").

SUBSCRIPTION AND SALE

The Notes may not be offered, sold or delivered and neither this document nor any other offering material relating to the Notes may be distributed or made available to the public in the Republic of Italy.

The Senior Notes and the Junior Notes subscribed by the Senior Subscribers or the Junior Subscriber, as the case may be, pursuant to the Senior Notes Subscription Agreement or the Junior Notes Subscription Agreement, as the case may be, will be acquired for investment only and not with a view to any public distribution thereof. The Subscribers will not offer to sell or otherwise dispose of the Notes so acquired by them (or any interest therein) in violation of any of the registration requirements of the US Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws in any jurisdiction where they are being offered for sale to such Subscribers.

The Subscribers acknowledge that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that it has no right to require the Issuer to register under the Securities Act of 1933, as amended, or any such other securities law any Notes to be acquired by the Subscribers.

Each of the Subscribers was not in the United States (as defined in Regulation S under the Securities Act (the "**Regulation S**") when the Notes were offered to it and is outside the United States as of the date of the execution of the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

The offering of the Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) and the Bank of Italy pursuant to Italian securities legislation and, accordingly, each Subscriber represents, warrants and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy any Notes, the Prospectus nor any other document relating to the Notes other than:

- (a) to professional investors (*operatori qualificati*), as defined in article 31, second paragraph, of CONSOB regulation No. 11522 of 1 July, 1998, as amended; or
- (b) in circumstances which are exempted from the rules on solicitation of investments pursuant to article 100 of legislative decree No. 58 of 24 February, 1998 (the "**Financial Services Act**") and article 33, first paragraph, of CONSOB regulation No. 11971 of 14 May, 1999, as amended.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in Italy under the paragraphs (a) or (b) above must be:

1. made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and the Banking Act; and
2. in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy pursuant to which the issue or the offer of securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, *inter alia*, on the aggregate value of the securities issued or offered in the Republic of Italy and their characteristics; and

3. in accordance with any other applicable law and regulations.

Each Subscriber acknowledges that:

- (a) no action has or will be taken which would allow an offering (nor a *sollecitazione all'investimento*) of the Notes to the public in the Republic of Italy; and
- (b) no application has been made to obtain an authorisation from CONSOB for the offering of the Notes in the Republic of Italy;
- (c) no notice has been sent to the Bank of Italy in compliance with Article 129 of the Banking Act for the offering of the Notes in the Republic of Italy.

Each of the Subscribers and the Issuer represents that no action has been taken by it that would, or is intended to, permit a public offer of the Notes or possession or distribution of the Prospectus or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Subscribers undertake that they will not, directly or indirectly, offer or sell any Notes or have in their possession, distribute or publish the Prospectus or any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of their knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by them will be made on the same terms.

Each of the Subscribers acknowledges and accepts that in no event may the Notes be sold or offered for sale (on the Issue Date or at any time thereafter) to individuals (*persone fisiche*) residing in the Republic of Italy and undertakes not to sell or offer for sale (on the Issue Date or at any time thereafter) the Notes to individuals (*persone fisiche*) residing in the Republic of Italy in any event.

Each of the Subscribers may sell, offer, transfer or dispose of the Notes in particular circumstance to some entities, and in some of those circumstance with the Originator prior written consent. The Subscribers agree that they will obtain any consent, approval or permission which is required for the offer, purchase or sale by them of Notes under the laws and regulations in force in any jurisdiction to which they are subject or in which they make such offers, purchases or sales and they will comply with all such laws and regulations.

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