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CIDNEO FINANCE Plc

(incorporated as a public limited company in the Republic of Ireland)

Euro 195,800,000 Class A Secured Floating Rate Notes due 2021
(Issue Price: 99.80 per cent.)

Euro 8,700,000 Class B Secured Floating Rate Notes due 2021
(Issue Price: 100 per cent.)

Euro 5,800,000 Class C Secured Floating Rate Notes due 2021
(Issue Price: 100 per cent.)

Application has been made to the Luxembourg Stock Exchange (the "Stock Exchange") to list the Euro 195,800,000 Class A Secured Floating Rate Notes due 2021 (the "Class A Notes"), the Euro 8,700,000 Class B Secured Floating Rate Notes due 2021 (the "Class B Notes") and the Euro 5,800,000 Class C Secured Floating Rate Notes due 2021 (the "Class C Notes" and, together with the Class A Notes and the Class B Notes, the "Notes") of Cidneo Finance Plc, a public limited company organised under the laws of the Republic of Ireland (the "Issuer").

The net proceeds of the offering of the Notes will be applied by the Issuer to (i) purchase a static portfolio (the "Securities Portfolio") of asset-backed securities, fixed rate bonds issued by corporate issuers and hybrid capital securities issued by financial institutions (the "Securities") purchased by the Issuer pursuant to the terms of a securities purchase agreement entered into on 28 September, 2001 between the Issuer and Banca Lombarda e Piemontese S.p.A. (in such capacity, the "Vendor") and (ii) acquire a portfolio (the "Credit Default Swap Portfolio" and, together with the Securities Portfolio, the "Portfolios") of credit default swap agreements (the "Credit Default Swap Agreements") as credit protection seller and BNP PARIBAS acting through its London branch as credit protection buyer ("BNP Paribas London branch" or the "Credit Default Swap Counterparty") and make a deposit (the "Credit Default Swap Reserve") in an account (the "Deposit Account") held with the Account Bank. The principal sources of payment of interest and repayment of principal on the Notes will be from (i) receipts from or in respect of the Securities Portfolio, (ii) the amounts payable to the Issuer by BNP PARIBAS ("BNP PARIBAS" or the "Swap Counterparty") under the currency and interest rate swaps (the "I/R/Fx Swap Agreements") relating to Securities in the Securities Portfolio not denominated in Euro or that bear a fixed rate of interest and (iii) the amounts payable by the Credit Default Swap Counterparty to the Issuer under the Credit Default Swap Agreements. Security will be created over, *inter alia*, the Securities Portfolio, the Credit Default Swap Portfolio and the I/R/Fx Swap Agreements in favour of BNP PARIBAS Trust Corporation UK Limited (the "Trustee") as described more fully in the section entitled "Summary Information – Security for the Notes" to secure, *inter alia*, the payment of interest and the repayment of principal on the Notes.

Interest on the Notes of each Class is payable by reference to successive interest periods (each an "Interest Period"). Interest will be payable quarterly in arrear in Euro on 16 February, 16 May, 16 August and 16 November in each year (each a "Payment Date"). Each Interest Period will commence on (and include) a Payment Date (or in the case of the first Interest Period, 6 November, 2001 (the "Issue Date")) and end on (but exclude) the next succeeding Payment Date (or in the case of the first Interest Period, the Payment Date falling in February, 2002). If any Payment Date is not a Business Day, interest will be payable on the next succeeding Business Day unless such Business Day falls in the next succeeding calendar month, in which event, it will be payable on the immediately preceding Business Day, but in any case without further payments of additional amounts by way of interest or otherwise in respect of the relevant Note or coupon attached thereto. Interest on the Notes of each Class for each Interest Period will accrue on their respective Principal Amount Outstanding (as defined herein) at an annual rate equal to the sum of the Euribor for three month Euro deposits plus, in relation to the Class A Notes, a margin of 0.55 per cent. per annum, in relation to the Class B Notes, a margin of 1.00 per cent. per annum and, in relation to the Class C Notes, a margin of 2.50 per cent. per annum.

Each Class of Notes will initially be represented by a temporary global note in bearer form (each a "Temporary Global Note"), without coupons or talons, which will be deposited with a common depositary (the "Common Depositary") for Euroclear Bank S.A./N.V., as operator of the Euroclear system (the "Euroclear Operator") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on the Issue Date. Interests in each Temporary Global Note will be exchangeable not earlier than 40 days after the Issue Date (upon certification of non-U.S. beneficial ownership) for interests in a permanent global note in bearer form, without coupons or talons attached (each a "Permanent Global Note" and, together with each Temporary Global Note, the "Global Notes") for the Notes of the relevant Class, which will also be deposited with the Common Depositary. Save in certain limited circumstances, Notes in definitive form will not be issued in exchange for the Global Notes.

The Notes will be direct obligations of the Issuer secured over certain assets of the Issuer, including the Securities Portfolio, the Credit Default Swap Portfolio and the I/R/Fx Swap Agreements, as described in the section entitled "Summary Information – Security for the Notes". The Issuer Secured Parties (as defined herein) will agree (or, in the case of holders of Notes, the Conditions will provide that the Noteholders will be deemed to have agreed) that amounts deriving from the Portfolios and the I/R/Fx Swap Agreements will be applied by the Issuer in accordance with the order of priority of application contained in the Deed of Charge and Assignment (see "Credit Structure – Application of Issuer Available Funds").

The Class A Notes are expected, on issue, to be rated AAA by Standard and Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. ("S&P") and Aaa by Moody's Investors Service Inc. ("Moody's" and, together with S&P, the "Rating Agencies"). The Class B Notes are expected, on issue, to be rated A- by S&P and A2 by Moody's. The Class C Notes are expected, on issue, to be rated BBB- by S&P and Baa3 by Moody's. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation.

The Notes will be limited recourse obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of or responsibilities of, and will not be guaranteed by any of, Banca Lombarda e Piemontese S.p.A. (in any capacity), the Lead Manager, the Arrangers, the Computation Agent, the Servicer, the Account Bank, the Swap Counterparty, the Credit Default Swap Counterparty, the Custodian, the Corporate Services Provider, the Trustee, the Shareholders, the Agents or any of their respective affiliates or any other person or entity other than 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 of any Class.

A copy of this Offering Circular and copies of the Transaction Documents (as defined herein) have been delivered to the Registrar of Companies in Dublin pursuant to Section 47 of the Irish Company Act of 1963. Particulars of the dates of, parties to and summaries of the principal terms of, each Transaction Document are set out in various sections of this Offering Circular. Particulars of the consent of KPMG, chartered accountants, to the inclusion of their report in the section of this Offering Circular entitled "The Issuer", are set out in the section of this Offering Circular entitled "General Information".

Particular attention is drawn to the section of this Offering Circular entitled "Special Factors".

Lead Manager

BNP PARIBAS

Arrangers

BNP PARIBAS

**Finanziaria Internazionale Securitisation
Group S.p.A.**

The date of this Offering Circular is 30 October, 2001

Save as set out below, the Issuer accepts responsibility for the information contained in this Offering Circular. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Banca Lombarda e Piemontese S.p.A. accepts responsibility for the information contained in this Offering Circular in the sections entitled "Assets of the Issuer" and "Banca Lombarda e Piemontese S.p.A.". To the best of the knowledge and belief of Banca Lombarda e Piemontese S.p.A. (which has taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

BNP PARIBAS accepts responsibility for the information contained in this Offering Circular in the section entitled "Description of BNP PARIBAS as Swap Counterparty and Credit Default Swap Counterparty". To the best of the knowledge and belief of BNP PARIBAS (which has taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Lead Manager to subscribe for or purchase, any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Lead Manager to inform themselves about and to observe such restrictions.

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

The Notes may not lawfully be offered for sale to persons in Ireland except in circumstances where such offer constitutes an "offer" as described in Article 2 of council Directive No. 89/298/EEC of 17 April 1989. The Notes shall not be acquired by any investor in Ireland for a consideration of less than Euro 50,000 per investor.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any state's securities laws and are subject to United States tax law requirements. Subject to certain exceptions the Notes may not be offered, sold or delivered within the United States or to, or for the account benefit of, U.S. persons (as defined in Regulation S under the securities act). The Notes are being offered for sale outside the United States in accordance with Regulation S under the Securities Act (see the section entitled "Subscription and Sale").

The Notes may not be offered or sold directly or indirectly, and neither this document nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction, 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 the section entitled "Subscription and Sale".

In connection with the issue of the Class A Notes, the Class B Notes and the Class C Notes, BNP PARIBAS London branch may over-allot or effect transactions which stabilise or maintain the market price of the Class A Notes and/or the Class B Notes and/or the Class C Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

In this Offering Circular references to "\$" and "US\$" are to the lawful currency of the United States, references to "£", "GBP", "pounds", "pounds sterling" and "sterling" are to the lawful currency of the United Kingdom, references to "DEM" are to the lawful currency of the Federal Republic of Germany prior to 1 January, 1999, references to "IR" are to the lawful currency of the Republic of Ireland prior to 1 January, 1999, references to "ITL", "Lit.", "Lire" and "Italian Lire" are to the lawful currency of the Republic of Italy prior to 1 January, 1999 and references to "€", "euro", "Euro" and "cents" are to the single currency introduced in the member states of the European Community which adopted the single currency on 1 January, 1999 in accordance with the Treaty of Rome of 25 March, 1957, as amended by, inter alia, the Single European Act 1986 and the Treaty of European Union of 7 February, 1992, establishing the European Union.

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SUMMARY INFORMATION

The following information is a summary of the key features of the issue of the Notes. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information appearing in this Offering Circular. For a discussion of certain factors to be considered in connection with an investment in the Notes, see the section entitled “Special Factors”.

Issuer

Cidneo Finance Plc, a public limited company incorporated in the Republic of Ireland with registered number 346673 and registered office at 8 Pembroke Road, Dublin 4, Ireland (see “The Issuer”).

Vendor

Banca Lombarda e Piemontese S.p.A., a limited liability joint stock company incorporated in the Republic of Italy, registered in the *Registro delle Imprese* (Register of business Enterprises) of Brescia with number 00285280178 and in the register held by the Bank of Italy pursuant to Article 13 of the Italian Banking Act with number 3111. The registered office of the Vendor is at Via Cefalonia 62, 25175 Brescia, Italy (see “Banca Lombarda e Piemontese S.p.A.” below).

Trustee

BNP PARIBAS Trust Corporation UK Limited, whose registered office is at 10 Harewood Avenue, London NW1 6AA, as note trustee pursuant to the Trust Deed to represent the interests of the Noteholders and as security trustee pursuant to the Deed of Charge and Assignment and the Euroclear Pledge Agreement to represent the interests of the Issuer Secured Parties.

Computation Agent

Securitisation Services S.p.A., a limited liability joint stock company incorporated in the Republic of Italy. The registered office of the Computation Agent is at via Vittorio Alfieri 1, 31015 Conegliano, Italy.

Servicer

Securitisation Services S.p.A..

Custodian

BNP PARIBAS Luxembourg, a société anonyme incorporated with limited liability under the laws of the Grand Duchy of Luxembourg, having its registered office at 10A Boulevard Royal, L-2093 Luxembourg, as custodian of the Securities pursuant to the Custody Agreement.

Account Bank

BNP PARIBAS acting through its London branch at 10 Harewood Avenue, London NW1 6AA.

Agent Bank

BNP PARIBAS Luxembourg.

Principal Paying Agent

BNP PARIBAS Luxembourg.

Swap Counterparty

BNP PARIBAS whose registered office is at 16, Boulevard des Italiens, 75009 Paris (see “BNP PARIBAS as Swap Counterparty and Credit Default Swap Counterparty”).

Credit Default Swap Counterparty

BNP PARIBAS acting through its London branch at 10 Harewood Avenue, London NW1 6AA (see “BNP PARIBAS as Swap Counterparty and Credit Default Swap Counterparty”).

Calculation Agent

BNP PARIBAS.

Corporate Services Provider

Structured Finance Management (Ireland) Limited, a limited liability company incorporated in the Republic of Ireland with registered office at 8 Pembroke Road, Dublin 4, Ireland.

Form and status of the Notes

The Notes of each Class will be in bearer form and constituted by the Trust Deed and will be direct, secured, limited recourse obligations of the Issuer in each case secured by the security as more fully set out in the Conditions of each Class of Notes. The priority of the Notes of each Class in terms of security and as to payment of interest and repayment of principal are described in the section entitled “Credit Structure – Application of Issuer Available Funds”.

The authorised denominations of the Notes of each Class will be Euro 100,000 in each case. The Notes of each Class will initially be represented by a Temporary Global Note in bearer form, without coupons or talons attached, which will be deposited with the Common Depository on the Issue Date. Interests in each Temporary Global Note will be exchangeable not earlier than 40 days after the Issue Date (upon certification of non-U.S. beneficial ownership) for interests in a Permanent Global Note in bearer form, without coupons or talons attached, for the Notes of the relevant Class, which will also be deposited with the Common Depository. Save in certain limited circumstances, Notes in definitive form will not be issued in exchange for the Global Notes.

Interest

Each Class A Note, Class B Note and Class C Note will bear interest on its Principal Amount Outstanding from (and including) the Issue Date. Interest on the Notes will (subject to the Pre-Enforcement Priority of Payments) be payable quarterly in arrear in Euro on each Payment Date. The first Interest Period will commence on (and include) the Issue Date and end on (but exclude) 16 February, 2002. Each successive Interest Period will commence on (and include) a Payment Date and end on (but exclude) the next succeeding Payment Date. If any Payment Date is not a Business Day, interest shall be payable on the next succeeding Business Day unless such Business Day falls in the next succeeding calendar month, in which event, interest shall be payable on the immediately preceding Business Day, but, in any case, without further payments of additional amounts by way of interest or otherwise in respect of the relevant Note or Coupon attached thereto.

Interest on the Notes for each Interest Period will accrue at an annual rate equal to the sum of Euribor for three month Euro deposits plus the following margin:

- (a) in relation to the Class A Notes, a margin of 0.55 per cent. per annum;
- (b) in relation to the Class B Notes, a margin of 1.00 per cent. per annum; and
- (c) in relation to the Class C Notes, a margin of 2.50 per cent per annum.

In the event that, on any Payment Date, the Class B Note Trigger Threshold has been exceeded and any of the Class A Notes is then outstanding, no amount of interest on the Class B Notes shall be payable on such Payment Date in respect of the Class B Notes. Similarly, in the event that, on any Payment Date, the Class C Note Trigger Threshold has been exceeded and any of the Class A Notes or the Class B Notes is then outstanding, no amount of interest on the Class C Notes shall be payable on such Payment Date in respect of the Class C Notes. The shortfall equal to the aggregate amount of interest which would otherwise be due on the Class B Notes and/or the Class C Notes on such Payment Date, will not become due on such Payment Date, shall accrue interest during each Interest Period thereafter during which it remains outstanding at the Rate of Interest for the Class B Notes and/or the Class C Notes for such Interest Period and a *pro rata* share of such shortfall calculated by the ratio borne by the then Principal Amount Outstanding of such Class B Note and/or Class C Note to the then Principal Amount Outstanding of all the Class B Notes and/or the Class C Notes shall be aggregated with the amount of, and treated as if it were, interest due on, each Class B Note and/or Class C Note on the next succeeding Payment Date (subject always to the provisions of Class B Condition 4(k) and/or Class C Condition 4(k)).

In addition to the above, in the event that the Issuer Available Funds are insufficient on any Payment Date to pay interest in full on the Class B Notes or the Class C Notes there shall be payable on such Payment Date by way of interest on each Class B Note or Class C Note, a *pro rata* share of the Issuer Available Funds for such payment in respect of the Class B Notes or the Class C Notes and calculated in accordance with Class B Condition 4 or Class C Condition 4 and that amount of interest which cannot be paid will be deferred in accordance with Class B Condition 4(j) or Class C Condition 4(j) and become payable to the extent that the Issuer has funds available in accordance with the Deed of Charge and Assignment, on the next Payment Date (see “Special Factors – Limited-Recourse Obligations”).

Final Redemption

Unless previously redeemed in full, the Issuer will redeem each Class of Notes at their respective Principal Amount Outstanding on the Payment Date falling in November, 2021, subject to Condition 15 of the Conditions of each Class of Notes.

Mandatory Redemption of the Notes

The Notes will be subject to mandatory *pro rata* redemption in part on each Payment Date falling on or after May, 2003 in an aggregate principal amount equal to:

- (a) in the case of the Class A Notes, the Class A Note Actual Redemption Amount (if any);
- (b) in the case of the Class B Notes, the Class B Note Actual Redemption Amount (if any); and
- (c) in the case of the Class C Notes, the Class C Note Actual Redemption Amount (if any).

The Actual Redemption Amount for each Class of Notes will in each case be calculated by the Computation Agent on each Calculation Date pursuant to the terms of the Servicing and Treasury Management Agreement and payable in accordance with the Deed of Charge and Assignment. The Actual Redemption Amount for each Class of Notes on any Payment Date will be an amount equal to the lesser of (i) the Principal Amount Outstanding of the relevant Class of Notes and (ii) the Principal Repayment Amount for the relevant Class of Notes on that date.

In no case will the Actual Redemption Amount for any Class of Notes exceed the Principal Amount Outstanding of the Notes of the relevant Class.

Optional Redemption

On any Payment Date falling on or after November, 2006 and provided that not less than 30 days' notice has been given by the Issuer to the Trustee, the Servicer, the Principal Paying Agent, the Computation Agent, and the holders of each Class of Notes then outstanding the Issuer may in accordance with Condition 5(c) of the relevant Class of Notes redeem all (but not some only) of each of the Notes of each Class then outstanding, at their respective Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption provided that: (a) on or prior to the relevant Payment Date, all Securities have been redeemed by the issuers thereof or have been disposed of in accordance with the provisions of the Servicing and Treasury Management Agreement, the Deed of Charge and Assignment and the Euroclear Pledge Agreement and all Credit Default Swap Agreements been terminated by the Credit Default Swap Counterparty and the redemption amount or proceeds of disposal thereof have been deposited in the Collection Account; and (b) prior to giving any such notice, the Issuer shall have certified to the Trustee that it will have the funds available, not subject to any interest of any other person, required to redeem all (but not some only) of the Class A Notes, the Class B Notes and the Class C Notes together with all accrued but unpaid interest thereon to the date of redemption and to pay all Swap Unwind Costs and all amounts expressed to be payable or required to be provided for under the Deed of Charge and Assignment in priority to the Class A Notes, the Class B Notes and the Class C Notes.

Optional Redemption for Tax Reasons

If the Issuer at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that: (a) the Issuer is, or on the next scheduled Payment Date under any Note, the Issuer will be, required to deduct or withhold from any payment under any Class A Note, Class B Note and/or Class C Note to the holder thereof for or on account of any tax (so long as such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect), whether or not as a result of any change in law or interpretation thereof; or (b) any amount is, or on the next scheduled payment date under any Security will be, required to be deducted or withheld from any payment under any Security to the Issuer or the Custodian or their respective nominees or agents for or on account of any tax (so long as such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect), whether or not as a result of any change in law or interpretation; or (c) the Issuer is, or on the next scheduled Payment Date, the Issuer will be, subject to a corporate tax rate greater than 25%, then the Issuer may redeem all (but not some only) of the Notes of the relevant Class or Classes on any Payment Date following the occurrence of such event at their then respective Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption upon giving not less than 30 days' notice to the Trustee, the Principal Paying Agent and the holders of the Notes. The Issuer's right to redeem the Notes in such circumstances is subject to the following conditions: (i) on or prior to the relevant Payment Date, all Securities shall have been redeemed by the issuers thereof or have been disposed of in accordance with the provisions of the Servicing

and Treasury Management Agreement, the Deed of Charge and Assignment and the Euroclear Pledge Agreement and all Credit Default Swap Agreements been terminated by the Credit Default Swap Counterparty and the redemption amount or proceeds of disposal thereof deposited in the Collection Account; and (ii) prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds available, not subject to any interest of any other person, required to redeem all (but not some only) of the Notes of the relevant Class or Classes and to pay all Swap Unwind Costs and all amounts expressed to be payable and to provide for any amounts required to be provided for under the Deed of Charge and Assignment in priority to the Notes of the relevant Class or Classes.

Subordination of the Notes

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes both prior to and following the enforcement of the security for the Notes (subject, in each case, to the relevant Priority of Payments), the relevant Conditions of the Notes and the Deed of Charge and Assignment will provide that in relation to the application of Issuer Available Funds, the Class A Notes will rank *pari passu* amongst themselves but in priority to the Class B Notes and the Class C Notes, the Class B Notes will rank *pari passu* amongst themselves but in priority to the Class C Notes but subordinate to the Class A Notes, and the Class C Notes will rank *pari passu* amongst themselves but subordinate to the Class A Notes and the Class B Notes. Accordingly the holders of the Class B Notes will not be entitled to receive any interest otherwise due on any Payment Date unless and until all amounts of interest then due and payable to the holders of the Class A Notes and all other amounts due on the relevant Payment Date in priority to interest then due on the Class B Notes have been paid in full. The holders of the Class C Notes will not be entitled to receive any amount of interest otherwise due on any Payment Date unless and until all amounts of interest then due and payable to the holders of Class A Notes and Class B Notes and all other amounts due on the relevant Payment Date in priority to interest then due on the Class C Notes have been paid in full.

Prior to service of an Issuer Enforcement Notice, the Issuer's obligations to pay interest and to repay principal on the Notes is subordinated to the Issuer's obligation to pay amounts due to the Trustee under the Trust Deed and/or the Deed of Charge and Assignment and/or the Euroclear Pledge Agreement, the Custodian under the Custody Agreement, the Account Bank under the Bank Agreement, the Computation Agent and the Servicer under the Servicing and Treasury Management Agreement, the Principal Paying Agent and the Agent Bank under the Agency Agreement, the Swap Counterparty under the I/R/Fx Swap Agreements (with the exception of the Swap Unwind Costs), the Credit Default Swap Unwind Costs under the Credit Default Swap Agreements (with the exception of Credit Default Swap Unwind Costs incurred as a result of a default by the Credit Default Swap Counterparty), Credit Protection Interest Amounts under the Credit Default Swap Agreements, the Corporate Services Provider under the Corporate Services Agreement, the Irish tax authority under applicable Irish law and any Connected Third Party Creditors. Furthermore, prior to service of an Issuer Enforcement Notice, the Issuer's obligation to repay principal on the Notes is subordinated to Credit Protection Payments due and payable from the Issuer to the Credit Default Swap Counterparty under any Credit Default Swap Transaction to the extent that such amounts have not been paid in full following the application of the credit balance of the Deposit Account.

In addition, prior to service of an Issuer Enforcement Notice, the Issuer's obligation to pay interest and to repay amounts of principal on the Notes will be subordinated to the payment of obligations which must be paid to preserve the corporate existence of the Issuer and/or comply with applicable law.

For a description of the claims against the Issuer which are secured by the Deed of Charge and Assignment and the Euroclear Pledge Agreement, the order of application of funds of the Issuer on each Payment Date and on an enforcement of the security for the obligations of the Issuer and the circumstances in which payment may be made from the Issuer's funds other than on a Payment Date, see the section entitled "Credit Structure – Application of Issuer Available Funds".

Limited Recourse

If following the service of an Issuer Enforcement Notice and following the enforcement of the Issuer Security and the exercise by the Trustee of its rights to direct the Issuer and take any action in respect of the Securities Portfolio, the Credit Default Swap Portfolio, the I/R/Fx Swap Agreements and any asset or amount derived therefrom or, if no Issuer Enforcement Notice has been served, on the Payment Date falling in November, 2021, the funds available to the Issuer and/or the Trustee in accordance with the terms of the Deed of Charge and Assignment for application in or towards any payment obligation in respect of any Class of the Notes are not sufficient to pay such obligation in full, the holders of the relevant class of

Notes will only be entitled to receive payments in respect of such obligation to the extent of the available funds (if any) and any shortfall will not be due and payable, will be deemed to be released by the relevant Noteholders and will be cancelled (see “Special Factors – Limited Recourse Obligations”).

Withholding Tax

If any withholding tax is applicable to the Notes, payments of interest and repayment of principal on the Notes will be subject to such withholding tax without the Issuer being obliged to pay any additional amounts as a consequence. The applicability of withholding tax is discussed under the section entitled “Taxation”.

Rating of the Notes

It is a condition to the issuance of the Notes that the Class A Notes be issued with a rating of at least AAA by S&P and Aaa by Moody’s, that the Class B Notes be issued with a rating of at least A- by S&P and A2 by Moody’s and that the Class C Notes be issued with a rating of at least BBB- by S&P and Baa3 by Moody’s. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning credit rating agency.**

Listing of the Notes

Application has been made to list the Notes of each Class on the Luxembourg Stock Exchange. No application has been made to list any Class of Notes on any other stock exchange.

Securities Purchase Agreement

On 28 September, 2001 (the “Transfer Date”) the Vendor and the Issuer entered into the Securities Purchase Agreement, pursuant to which the Vendor sold to the Issuer the Securities Portfolio pursuant to a suspensive sale (*condizione risolutiva*) arrangement and under the terms of which the Issuer shall pay the aggregate Initial Purchase Price on the Issue Date. On the date hereof the Vendor and the Issuer entered into the Securities Purchase Agreement Amendment Agreement pursuant to which the period during which the suspensive sale arrangement applies was extended. The rights of the Issuer with respect to the Securities purchased will include (a) the right to receive payments of principal, interest, premiums, fees and other amounts owing under or in respect of the Securities and (b) all related rights under any guarantees (if any) of the obligations of any of the issuers of the Securities.

Warranty and Indemnity Deed

On the Transfer Date the Vendor and the Issuer entered into the Warranty and Indemnity Deed, pursuant to which the Vendor has represented and warranted to the Issuer, *inter alia*, that, as of the Transfer Date and the Issue Date:

- (a) each of the Securities is freely and immediately transferable and the assignment and/or transfer of the Securities by the Vendor to the Issuer pursuant to the Securities Purchase Agreement is effective to vest the Issuer with the entire beneficial ownership thereof and such assignment and transfer will not affect the legality, validity or enforceability of any obligation of any issuer of the Securities (i) under the relevant law applicable to such of the Securities or (ii) under any applicable law, regulation or order of any competent authority;
- (b) with respect to each type of class of the Securities, no issuer or guarantor of the relevant type or class of the Securities is entitled to exercise any rights of rescission, counterclaim, set-off or defence to or in respect of the operation of any of the terms of the relevant Security in respect of any amount payable or repayable thereunder that would render the relevant type or class of the Securities unenforceable, in whole or in part, or subject to any right of rescission, counterclaim, set-off or defence, and no such right of rescission, counterclaim, set-off or defence has been asserted or threatened;
- (c) the description of the Securities Portfolio and the particulars of the terms and conditions of the Securities and of the Securities Purchase Agreement and the Warranty and Indemnity Deed set out in this Offering Circular (and, in particular, in the section entitled “Assets of the Issuer”) are true and accurate in all material respects;
- (d) no stamp, documentary, transfer, VAT or similar tax or duty is payable on or in connection with the transfer and delivery of the Securities to the Issuer pursuant to the Securities Purchase Agreement;

- (e) it is not aware of (i) any failure to make any payment when due or any other material default under the Securities or (ii) any litigation having been commenced in relation to, or otherwise connected with, the Securities;
- (f) it has received, and is not aware of any event or circumstances by reason of which it, or any transferee or assignee of the Securities, may not continue to be entitled to receive, payments under the Securities free from any withholding on account of tax or otherwise;
- (g) it is not aware of any circumstances which would prevent the creation of any Security Interest over or in respect of the Securities.

The Warranty and Indemnity Deed also contains representations and warranties given by the Vendor in favour of the Issuer that each Security is a debt security that, *inter alia*:

- (a) is denominated in US Dollars, Sterling or Euro or a component national currency unit thereof;
- (b) is an obligation of an obligor incorporated in an Eligible Jurisdiction (whether or not another obligor on or in respect of such security is incorporated in another jurisdiction);
- (c) provides for a fixed amount of principal payable in cash no later than its stated maturity (other than the Perpetual Securities);
- (d) does not require that the holder thereof extend additional credit at any time on or after the date of acquisition thereof by the Issuer;
- (e) is not issued or guaranteed by a sovereign or supra-national entity.

If any of the warranties relating to the Securities set out in the Warranty and Indemnity Deed are incorrect as at the Issue Date or at any time thereafter, then the Vendor will be obliged to repurchase the relevant Security or Securities for a consideration in cash equal to the Initial Purchase Price thereof plus in each case, all accrued interest thereon from the Transfer Date to the date of repurchase of the relevant Security or Securities and all costs and expenses of the Issuer relating to the purchase, ownership, transfer, delivery and resale of the relevant Security or Securities (as described in the Securities Purchase Agreement) from the Transfer Date to the date of repurchase of the relevant Security or Securities and less the aggregate of all principal and interest paid to the Issuer in respect of the relevant Security or Securities.

Initial Custody Agreement and Custody Agreement

On the Transfer Date the Issuer and the Custodian entered into the Initial Custody Agreement pursuant to which the Securities are held by or on behalf of the Custodian, who will also, prior to the Issue Date, provide certain administrative and servicing functions in relation to the Securities. Pursuant to the terms of the Custody Agreement to be entered into on the Issue Date between the Issuer, the Initial Custodian, the Custodian, the Computation Agent and the Trustee, the Initial Custodian and the Issuer agreed to terminate the Initial Custody Agreement and that the Custodian will, *inter alia*, take over the administrative functions in relation to the Securities previously provided by the Initial Custodian.

Pursuant to the terms of the Custody Agreement, prior to the security constituted by the Security Documents being enforced, the Issuer will be entitled to exercise or instruct the Custodian or another third party to exercise on its behalf all rights and powers of the Issuer (including, without limitation, all voting rights) as owner of the Securities. The Custodian will only be obliged to take any action in relation to the Securities to the extent it has been specifically instructed so to do by the Issuer or, on or after the Issue Date, the Computation Agent on its behalf or, following the security constituted by the Security Documents being enforced, instructed so to do by the Trustee or any receiver appointed under the Security Documents.

The Securities will be held at all times in the pledged client account of the Custodian but designated in the ledger of the Issuer with the Euroclear Operator.

The Bank Agreement, Collection Account and Deposit Account

All amounts received by the Issuer in respect of the Securities, the Credit Default Swap Agreements, the I/R/Fx Swap Agreements, the Securities Purchase Agreement and any other Transaction Documents will be deposited in the Collection Account to be opened in the name of the Issuer and maintained with the Account Bank under the Bank Agreement. In addition, the net proceeds of the issue of the Notes will be deposited in the Collection Account on the Issue Date. On each Payment Date prior to the enforcement of the security for the Notes, amounts standing to the credit of the Collection Account and the Deposit Account will be applied in accordance with the Deed of Charge and Assignment as described in the section entitled "Credit Structure – Pre-Enforcement Priority of Payments". Following the security for the Notes

becoming enforceable, amounts standing to the credit of the Collection Account and the Deposit Account will be applied in accordance with the Deed of Charge and Assignment as described in the section entitled “Credit Structure – Post-Enforcement Priority of Payments”.

On the Issue Date the Deposit Account will be credited with Euro 10 million to be applied, on any Credit Protection Payment Date, towards Credit Protection Payments payable in connection with the Credit Default Swap Agreements (see “Credit Structure – Pre-Enforcement Priority of Payments”).

Minimum Ratings

The Account Bank will be required under the terms of the Bank Agreement to have ascribed to it the Minimum Ratings.

The Bank Agreement will provide that if the Account Bank’s long-term and short-term unsecured, unsubordinated and unguaranteed debt obligations are rated less than the Minimum Ratings, the Account Bank will use its reasonable endeavours (and in any event within one month of the date on which it ceases to have the Minimum Ratings) at its election either (a) to novate its rights and obligations under the Bank Agreement including in respect of any of the Collection Account and the Deposit Account to another entity whose long-term and short-term unsecured, unsubordinated and unguaranteed debt obligations carry at least the Minimum Ratings or whose obligations under the Bank Agreement including in respect of either of the Collection Account and the Deposit Account, as so novated, are guaranteed by an entity whose long-term and short-term unsecured, unsubordinated and unguaranteed debt obligations carry at least the Minimum Ratings or (b) to obtain a guarantee of its obligations under the Bank Agreement including in respect of either of the Collection Account and the Deposit Account from an entity whose long-term and short-term unsecured, unsubordinated and unguaranteed debt obligations carry at least the Minimum Ratings, subject in the case of (a) above to the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by such novation and subject to confirmation from each of the Rating Agencies that such action will not affect the then current ratings of each Class of Note then outstanding.

I/R/Fx Swap Agreements

In order to hedge the exposure of the Issuer to any mismatch between (i) the currencies of the Securities and the currency of the Notes and (ii) the interest rates of the Securities and those of each Class of Notes, on or about the Issue Date the Issuer will enter into the I/R/Fx Swap Agreements with the Swap Counterparty, the confirmations of which, originally entered into between the Swap Counterparty and Banca Lombarda e Piemontese S.p.A. on the Transfer Date, will be novated in favour of the Issuer pursuant to the Swap Novation Agreement.

Credit Default Swap Agreements

The Issuer will enter into the Credit Default Swap Agreements with the Credit Default Swap Counterparty on or about the Issue Date pursuant to which the Issuer will become the credit protection seller with the Credit Default Swap Counterparty as credit protection buyer under a portfolio of credit default swaps. Pursuant to each Credit Default Swap Agreement, the Issuer will be obliged to make a Credit Protection Payment to the Credit Default Swap Counterparty following the notification of the occurrence of a Credit Event by the Credit Default Swap Counterparty in relation to any Reference Entity and with respect to which a Credit Event Notice has been duly delivered in accordance with the terms of the relevant Credit Default Swap Agreement on or prior to the Scheduled Termination Date or the Early Termination Date. A Credit Default Swap Transaction under which the Issuer is obliged to make a Credit Protection Payment will terminate on the relevant Credit Protection Payment Date (see “Description of Credit Default Swap Agreements”).

Security for the Notes

As security for its obligations under, *inter alia*, the Notes, on the Issue Date the Issuer will, pursuant to the Deed of Charge and Assignment, create security interests over the Securities, the Collection Account, the Deposit Account, the Euroclear Cash Account and the Euroclear Securities Account maintained by the Custodian pursuant to the Custody Agreement together with its rights under the Charged Documents in favour of the Trustee as security trustee for the benefit of the Issuer Secured Parties. On the Issue Date, the Issuer will also create security pursuant to the Euroclear Pledge Agreement in favour of the Trustee as security trustee for the Issuer Secured Parties in respect of its rights to the Euroclear Entitlements. The orders of priority of application of payments prior to and upon enforcement of the security are more fully described in the section entitled “Credit Structure – Application of Issuer Available Funds”.

Servicing and Treasury Management Agreement

Pursuant to the Servicing and Treasury Management Agreement, the Issuer and the Trustee will appoint the Computation Agent to provide certain computation and treasury management services in respect of the Securities Portfolio and the receipts generated thereby. The Computation Agent will also operate the Collection Account and the Deposit Account on behalf of the Issuer and maintain records as to amounts received by the Issuer under or in respect of the Securities by way of a repayment of principal or a payment of interest, premium or otherwise and payments made pursuant to the I/R/Fx Swap Agreements and the Credit Default Swap Agreements.

Pursuant to the Servicing and Treasury Management Agreement, the Computation Agent will also agree to provide, *inter alios*, the Issuer, the Principal Paying Agent and the Trustee with certain reporting requirements as set out below:

- (a) preparing, on or prior to each Payments Report Date, the Payments Report which will contain details of amounts to be paid by the Issuer on the Payment Date next succeeding the relevant Payments Report Date in accordance with the Pre-Enforcement Priority of Payments; and
- (b) preparing, on or prior to each Investor's Report Date, the Investor's Report which will include, *inter alia*, information as to the performance of and proceeds derived from the Securities Portfolio and the Credit Default Swap Portfolio and the amount of any payments of principal and interest on the Notes.

Furthermore, pursuant to the Servicing and Treasury Management Agreement, the Issuer and the Trustee will appoint the Servicer to use its reasonable endeavours to procure the appointment of a Sales Agent to sell or otherwise dispose of any Defaulted Securities. The Servicer will use its reasonable endeavours to appoint a Sales Agent on such terms as the Servicer may agree with such Sales Agent to effect the sale of any Defaulted Security in the circumstances contemplated in the Servicing and Treasury Management Agreement. The fees, costs, expenses and stamp and other taxes incurred in connection with such disposal shall be deducted from the proceeds of sale in respect of the sale of the relevant Defaulted Security. Save in the case of gross negligence or wilful default by the Servicer in the appointment of the Sales Agent, the Servicer shall not be responsible for the actions of any such Sales Agent nor be liable for any losses or liabilities incurred in connection with the sale of any Security by the Sales Agent or otherwise if no sale can be effected.

To effect a sale of the Securities Portfolio for the purposes of redeeming all of the Notes in accordance with Conditions 5(c) and 5(d) of each Class of Notes, the Sales Agent will solicit offer prices in respect of all the Securities in order to dispose of all of the Securities. The Issuer will not be entitled to dispose of the Securities pursuant to Condition 5(c) or 5(d) of each Class of Notes unless the proceeds of such disposal (after payment and deduction of all costs and expenses relating thereto) would be sufficient to enable the Issuer to redeem the Notes of each Class in full and to pay or provide in full for all Swap Unwind Costs and all amounts required to be paid or provided for in priority to each Class of Notes pursuant to the Deed of Charge and Assignment.

The written consent of the Trustee to the release of the security constituted by the Security Documents over or in respect of any Security will be required prior to any disposal of any Security.

The Agents

BNP PARIBAS Luxembourg will be appointed as Principal Paying Agent and as Agent Bank pursuant to the Agency Agreement.

Corporate Services Agreement

Pursuant to the Corporate Services Agreement, the Issuer will appoint Structured Finance Management (Ireland) Limited as Corporate Services Provider to perform certain administrative, secretarial and managerial functions pursuant to the Corporate Services Agreement.

Governing Law

The Class A Notes (and, if definitive notes are issued, the Class A Coupons), the Class B Notes (and, if definitive notes are issued, the Class B Coupons), the Class C Notes (and, if definitive notes are issued, the Class C Coupons) and the Transaction Documents are, or will be governed by, and will be construed in accordance with, English law and the English courts shall have jurisdiction to settle any dispute in relation thereto, except for the Euroclear Pledge Agreement, which will be governed by, and construed in accordance with, Belgian law and the Belgian courts shall have jurisdiction to settle any dispute in relation

thereto, and the Securities Purchase Agreement and the Securities Purchase Agreement Amendment Agreement, which are governed by, and to be construed in accordance with, Italian law and the arbitral tribunal of Milan has jurisdiction to settle any dispute in relation thereto.

SPECIAL FACTORS

The following is a summary of certain aspects of the transaction of which Noteholders should be aware, but it is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this document and reach their own views prior to making any investment decision.

Limited Recourse Obligations

The Issuer will not have any assets on or after the Issue Date other than its rights in respect of the Portfolios, the Accounts and its rights under the Transaction Documents to which it is a party.

The Notes are limited recourse obligations of the Issuer and amounts payable thereunder on the Maturity Date or on prior enforcement are payable solely from amounts received by the Issuer from or in respect of the Securities, the I/R/Fx Swap Agreements, the Credit Default Swap Agreements and from the other assets of the Issuer secured in favour of the Issuer Secured Parties pursuant to the Deed of Charge and Assignment and the Euroclear Pledge Agreement. Therefore where the aggregate funds available to the Issuer in accordance with the provisions of the relevant Priority of Payments for application towards any payment obligation due by the Issuer on the relevant date are not sufficient to meet all such payment obligations in full then only a *pro rata* share of funds available on the relevant date shall be payable to each Noteholder and the balance outstanding will not become due, will be deemed to be released by the Class A Noteholders, the Class B Noteholders and/or the Class C Noteholders, as the case may be, and will be cancelled in accordance with Condition 15 of the relevant Class or Classes of Notes.

In the event that, on any Payment Date, the Class B Note Trigger Threshold has been exceeded and any of the Class A Notes is then outstanding, no amount of interest on the Class B Notes shall be payable on such Payment Date in respect of the Class B Notes. Similarly, in the event that, on any Payment Date, the Class C Note Trigger Threshold has been exceeded and any of the Class A Notes or the Class B Notes is then outstanding, no amount of interest on the Class C Notes shall be payable on such Payment Date in respect of the Class C Notes. The shortfall equal to the aggregate amount of interest which would otherwise be due on the Class B Notes and/or the Class C Notes on such Payment Date, will not become due on such Payment Date, shall accrue interest during each Interest Period thereafter during which it remains outstanding at the Rate of Interest for the Class B Notes and/or the Class C Notes for such Interest Period and a *pro rata* share of such shortfall calculated by the ratio borne by the then Principal Amount Outstanding of such Class B Note and/or Class C Note to the then Principal Amount Outstanding of all the Class B Notes and/or the Class C Notes shall be aggregated with the amount of, and treated as if it were, interest due on, each Class B Note and/or Class C Note on the next succeeding Payment Date (subject always to the provisions of Class B Condition 4(k) and/or Class C Condition 4(k)).

In addition to the above, in the event that the funds available to the Issuer on any Payment Date in accordance with the Deed of Charge and Assignment for application in or towards the payment of interest which would otherwise be due on the Class B Notes and/or the Class C Notes are insufficient to pay in full the aggregate amount of interest which would otherwise be due on the Class B Notes and/or the Class C Notes on such Payment Date, then there shall be payable on such Payment Date by way of interest on each Class B Notes and/or Class C Note, a *pro rata* share of the funds (if any) available for the payment of interest in respect of the Class B Notes and/or the Class C Notes in accordance with the order of priority described in the section entitled “Credit Structure – Pre-Enforcement Priority of Payments” as calculated in accordance with Class B Condition 4(j) and/or Class C Condition 4(j). The shortfall equal to the amount by which the aggregate amount of interest paid on the Class B Notes and/or the Class C Notes on any Payment Date in accordance with Class B Condition 4(j) and/or Class C Condition 4(j), falls short of the aggregate amount of interest which would otherwise be due on the Class B Notes and/or the Class C Notes on that date, will not become due on that date, shall accrue interest during each Interest Period thereafter during which it remains outstanding at the Rate of Interest for the Class B Notes and/or the Class C Notes for such Interest Period and a *pro rata* share of such shortfall calculated by the ratio borne by the then Principal Amount Outstanding of such Class B Note and/or Class C Note to the then Principal Amount Outstanding of all the Class B Notes and/or the Class C Notes shall be aggregated with the amount of, and treated as if it were, interest due on, each Class B Note and/or Class C Note on the next succeeding Payment Date (subject always to the provisions of Class B Condition 4(j) and/or Class C Condition 4(j)).

None of Banca Lombarda e Piemontese S.p.A. (in any capacity), the Lead Manager, the Arrangers, the Computation Agent, the Servicer, the Account Bank, the Swap Counterparty, the Credit Default Swap Counterparty, the Custodian, the Corporate Services Provider, the Trustee, the Shareholders, the Agents or any of their respective affiliates or any other person or entity other than the Issuer will be obliged to make

payments on the Notes. Consequently, holders of the Notes must rely solely on distributions on and/or the net proceeds of enforcement of, the assets comprised in the Security and for payment of principal and interest thereon, as described above.

Priority of Payments

Payments of interest and principal in respect of each Class of Notes will not be made until all amounts required to be paid or provided for in priority to each class of Notes pursuant to the Deed of Charge and Assignment have been paid in full. Prior to the delivery of an Issuer Enforcement Notice, (i) the rights to receive payments of principal in respect of the Class C Notes are junior and subordinate to the rights to receive payments of principal in respect of the Class B Notes and the Class A Notes and the rights to receive payments of interest in respect of the Class C Notes are junior and subordinate to the rights to receive payments of interest in respect of the Class B Notes and the Class A Notes and (ii) the rights to receive payments of principal in respect of the Class B Notes are junior and subordinate to the rights to receive payments of principal in respect of the Class A Notes and the rights to receive payments of interest in respect of the Class B Notes are junior and subordinate to the rights to receive payments of interest in respect of the Class A Notes. Following the delivery of an Issuer Enforcement Notice, (i) the rights to receive payments of principal and interest in respect of the Class C Notes are junior and subordinate to the rights to receive payments of principal and interest in respect of the Class B Notes and the Class A Notes and (ii) the rights to receive payments of principal and interest in respect of the Class B Notes are junior and subordinate to the rights to receive payments of principal and interest in respect of the Class A Notes.

As a result, to the extent that any losses are suffered by any of the holders of any Notes, such losses will be borne in the first instance by holders of the Class C Notes and then (to the extent that the Class B Notes have not been redeemed) by the holders of the Class B Notes and then (to the extent that the Class A Notes have not been redeemed) by the holders of the Class A Notes.

In addition, if an Event of Default (as defined in Condition 9 of the Conditions of each Class of Notes) occurs, (a) as long as any Class A Notes are outstanding, unless notice has been given to the Issuer declaring the Class A Notes due and payable, the Class B Notes and the Class C Notes shall not be capable of being declared due and payable and the holders of the Class A Notes will be entitled as amongst the Noteholders to determine the remedies to be exercised under the Deed of Charge and Assignment and the Euroclear Pledge Agreement and (b) as long as any Class B Notes are outstanding, unless notice has been given to the Issuer declaring the Class B Notes due and payable, the Class C Notes shall not be capable of being declared due and payable and (unless any Class A Notes are outstanding) the holders of the Class B Notes will be entitled as amongst the Noteholders to determine the remedies to be exercised under the Deed of Charge and Assignment and the Euroclear Pledge Agreement. Remedies pursued by the holders of the Class A Notes could be adverse to the interests of the holders of the Class B Notes and the Class C Notes and remedies pursued by the holders of the Class B Notes could be adverse to the interests of the holders of the Class C Notes.

Noteholders should, therefore, have regard to the special factors identified herein, the structural elements described in this Offering Circular and such other considerations as they consider relevant, in determining the likelihood or extent of any such shortfall event.

Nature of the Securities

The Securities are debt securities denominated in US Dollars, Sterling or Euro or in component national currency units thereof issued by banks, financial institutions, or other corporate entities. The market value of the Securities will generally fluctuate with, among other things, general economic conditions, the condition of certain financial markets, international political events, the performance of the issuers and the guarantors (if any) of the Securities, developments and trends in particular industries and events in the issuers' (and the guarantors', if any) home countries.

In the event that the Issuer, the Trustee or any receiver appointed pursuant to any Security Document is required to liquidate or to take steps to arrange for the liquidation of the Securities, a decrease in the market value of the Securities could ultimately affect the ability of the Issuer, the Servicer, the Sales Agent, the Trustee or such receiver, as the case may be, to sell or use its reasonable endeavours to arrange for a sale of a Security, and consequently, of the Issuer to pay interest or repay principal on the Notes. Upon the appointment by the Servicer of a Sales Agent pursuant to the Servicing and Treasury Management Agreement to effect the sale of the Securities Portfolio for the purposes of redeeming the Notes in accordance with Condition 5(c) or 5(d) of the Conditions of each Class of Notes, the market value of the Securities and accordingly the net proceeds of any such sale, may be insufficient to redeem each Class of Notes in full and/or to pay all amounts of interest accrued thereon and to pay all Swap Unwind Costs and

all amounts expressed to be payable or required to be provided for under the Deed of Charge and Assignment in priority to each Class of Notes, in accordance with Condition 5(c) and 5(d) of the Conditions of each Class of Notes. In such event the Sales Agent shall not carry out the sale of such Securities and each Class of Notes shall remain due in accordance with their respective terms. The market for securities such as the Securities has in the past suffered from periods of volatility and periods of reduced liquidity. Prospective purchasers of the Notes should consider and determine for themselves the likely volatility and liquidity of the Securities and the likely level of defaults and the level of recoveries on the Securities during the term of the Notes.

Since the Securities consist of obligations of obligors organised under the laws of a number of different jurisdictions, in the event of an insolvency of an issuer or guarantor in respect of a Security, the rights of the Issuer will be subject to various laws for the protection of creditors. The rights of the Issuer under the applicable insolvency law will differ depending on the country in which the relevant obligor is located or domiciled. However, this risk should be partially mitigated by the procedure provided for in the Servicing and Treasury Management Agreement which authorises the Sales Agent to dispose of the Defaulted Security, in respect of which the issuer or guarantor has become insolvent, on the open market.

The Securities are unsecured obligations of the respective issuers (and guarantors, if any). Accordingly, in such cases in the event of an insolvency of an issuer or guarantor, any claim of the Issuer as holder of the relevant securities would be an unsecured claim subject to any claims ranking in priority under the relevant insolvency law. In any case where a Security is a secured obligation of the issuer or guarantor thereof, such security will be subject to any claims ranking in priority under the relevant insolvency law. Furthermore, certain Securities are subordinated to more senior classes of debt security issued by the same issuer and as a result of which will be subject to such classes of debt security at all times.

The terms and conditions of the Perpetual Securities state that the payment of interest thereon on any payment date is not assured and that non-payment thereof does not constitute an event of default thereunder.

The Issuer has not carried out any investigation of or due diligence exercise in respect of the Securities or the issuers or guarantors thereof and has relied on the representations and warranties in respect of the Securities Portfolio from Banca Lombarda contained in the Warranty and Indemnity Deed.

Exposure to Credit Risks of the Reference Entities

As described in the Credit Default Swap Agreements, the obligation of the Issuer to make payments to the Credit Default Swap Counterparty under the Credit Default Swap Agreements following the notification of the occurrence of Credit Events creates exposure to the credit risk of the Reference Entities. The amount available for the repayment of principal on the Notes is dependent (after exhaustion of the Deposit Account) upon whether, and to what extent, one or more Credit Events has occurred prior to the date on which payments of principal under the Notes are to be made. Upon the delivery by the Credit Default Swap Counterparty of a Credit Event Notice in respect of a Reference Entity, the Issuer will be obliged under the relevant Credit Default Swap Transaction to make the Credit Protection Payment due with respect to such Reference Entity to the Credit Default Swap Counterparty, initially from amounts standing to the credit of the Deposit Account. After exhaustion of the Deposit Account if the Issuer is obliged to make any Credit Protection Payments to the Credit Default Swap Counterparty, the funds available to the Issuer to repay interest and principal to Noteholders will be reduced by the amount of such Credit Protection Payment. Accordingly after exhaustion of the Deposit Account, Noteholders may suffer a loss of amounts invested in the Notes as a result of Credit Events occurring with respect to a Reference Entity. The likelihood of a Credit Event occurring with respect to a Reference Entity, and the amount of a Credit Protection Payment in respect thereof, will generally fluctuate with, *inter alia*, the financial condition of the Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates.

The Swap Counterparty

The Swap Counterparty is required, on the Issue Date, to have a rating assigned to its unguaranteed, unsecured and unsubordinated short term debt obligations by S&P of A-1+ and a rating assigned to its unguaranteed, unsecured and unsubordinated long term debt obligations by Moody's of Aa3 or better.

If the Swap Counterparty's rating by S&P and Moody's falls to A-1 or A1, respectively and, as a result of such downgrade, the then current rating of the Class A Notes would be adversely affected, then within 30 days of such downgrade the Swap Counterparty will provide appropriate collateral such that the then current rating of the Notes would not be adversely affected.

If the Swap Counterparty's rating by S&P and Moody's falls below A-1 or A1, respectively and, as a result of such downgrade, the then current rating of the Class A Notes would be adversely affected, then within 30 days of such downgrade the Swap Counterparty will either:

- (a) obtain a guarantee of its obligations under the I/R/Fx Swap Agreements from a third party which has both a rating assigned to its unguaranteed, unsecured and unsubordinated short term debt obligations by S&P of A-1+ and which has a rating assigned to its unguaranteed, unsecured and unsubordinated long term debt obligations by Moody's of Aa3 or better, or
- (b) transfer all of its rights and obligations under the I/R/Fx Swap Agreements to a replacement third party which has both a rating assigned to its unguaranteed, unsecured and unsubordinated short term debt obligations by S&P of A-1+ or better or which has a rating assigned to its unguaranteed, unsecured and unsubordinated long term debt obligations by Moody's of Aa3 or better.

If the Swap Counterparty does not take any of the measures described above, such failure will constitute a termination event pursuant to the terms of the I/R/Fx Swap Agreements with respect to the Swap Counterparty and the Issuer will be entitled to terminate the I/R/Fx Swap Agreements. The I/R/Fx Swap Agreements may also be terminated in certain other limited circumstances. If not otherwise terminated, the I/R/Fx Swap Agreements will terminate on the 15 June, 2011.

I/R/Fx Swap Agreement Termination

In the event of a Security Default in respect of any Security with an associated I/R Swap Confirmation, such associated I/R Swap Confirmation shall not be terminated. In the event of a Security Default in respect of any Security with an associated Fx Swap Confirmation, such Fx Swap Confirmation shall be terminated, but at no cost to either party.

Assumptions

The weighted average lives of the Notes have been calculated on the basis of assumptions as to certain facts and events which may not necessarily materialise or which may vary significantly from actual results. Accordingly, the weighted average lives of the Notes could be materially different from those contained in this document.

Certain Tax Matters

Save as described below, payments under the Securities and Credit Default Swap Agreements are not, or will not, be subject to withholding tax. It is however possible that, as a result of a change in any applicable law, treaty, rule or regulation or interpretation thereof, payments on the Securities might in the future become subject to withholding tax. In the event that any withholding tax should become applicable to payments on the Securities, and if the terms and conditions of the affected Securities do not require the relevant issuer (or guarantor, if any) to "gross-up" payments to the holders of the Securities, as is the case with certain of the Securities, such tax would reduce the amounts available to the Issuer to make payments on the Notes. In such circumstances the remaining payments on the Securities might not be sufficient to enable the Issuer to meet its obligations under the Notes.

Although it is not completely clear as a matter of United Kingdom tax law whether payments by BNP Paribas London branch under the Credit Default Swap Agreements would be subject to withholding on account of United Kingdom income tax as "annual payments" regarded as having a United Kingdom source, having regard to the Issuer's obligations under the Credit Default Swap Agreements and also its participation in other aspects of the transactions related to the issue of the Notes, such payments should not rank as "annual payments" and accordingly should not attract any United Kingdom withholding obligation.

It is possible that any payments made by the guarantors under the Royal & Sun Alliance Insurance Group plc issue, the Marconi Corporation plc issue, the Imperial Tobacco Finance plc issue and the B.A.T. International Finance plc issue could be subject to withholding on account of United Kingdom tax notwithstanding that such payments are made in lieu of interest or, in certain circumstances, that the guarantors are not incorporated in nor operate from the United Kingdom. This would be subject to (i) any claim which could be made under any applicable double tax treaty and (ii) the possible application of the exemption from United Kingdom withholding tax for interest on "quoted Eurobonds". In any event, with regard to the Royal & Sun Alliance Insurance Group plc issue, the Marconi Corporation plc issue, the Imperial Tobacco Finance plc issue and the B.A.T. International Finance plc issue, if such withholding obligation was to apply, the guarantors under those issues would be required to gross-up payments to the holders of the notes, subject to specified exemptions.

The Inland Revenue in the United Kingdom have indicated that they will not process any claim under a double tax treaty for a direction for a payment to be made without withholding for United Kingdom tax by a guarantor until a first guarantee payment has been made by the guarantor. Initial payments made by such guarantors may be subject to withholding on account of United Kingdom tax for a period during which the Issuer completes certain certification requirements. The Issuer intends to provide such certification to the Inland Revenue in the United Kingdom promptly, following any such guarantee payment by a guarantor. Any taxes withheld during the initial period would be refundable where the claim under a double tax treaty providing for exemption from United Kingdom tax in the circumstances is successful.

Payments on certain of the Securities issued by issuers incorporated in the Republic of Italy may be subject to Italian withholding tax for an initial period during which the Issuer completes certain certification requirements. The Issuer has provided such certification to Euroclear on the Transfer Date and consequently the Issuer should not suffer any such withholding. If any taxes were to be withheld during that initial period, such taxes would be refundable to the Issuer once the certification requirements have been met.

Although in Ireland no withholding tax is currently imposed on payments of interest or principal on notes, there can be no assurance that the law will not change. **In the event that any withholding tax is imposed on payments on the Notes, the Issuer will not “gross-up” payments to the holders of the Notes.**

Conflict between Classes of Noteholders

The Trust Deed and the Deed of Charge and Assignment contain provisions requiring the Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case to have regard only to the interests of the Class A Noteholders if, in the Trustee’s opinion, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the Class C Noteholders and/or other persons entitled to the benefit of the Security and subject thereto to have regard only to the interests of the Class B Noteholders if, in the Trustee’s opinion, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class C Noteholders and/or the other persons entitled to the benefit of the Security.

Absence of Secondary Market; Limited Liquidity

There can be no assurance that a secondary market in the Notes of any Class will develop or, if it does develop, that it will provide holders of the Notes of any Class with liquidity of investment, or that it will continue for the life of the Notes of each Class. However, application has been made to list the Notes on the Luxembourg Stock Exchange.

In addition, the market value of certain of the Notes of each Class may fluctuate with changes in prevailing rates of interest. Consequently, any sale of Notes of any Class by the relevant Noteholders in the secondary market which may develop may be at a discount to the original purchase price of such Notes.

Ratings of Notes

The ratings to be assigned to the Class A Notes, the Class B and the Class C Notes by the Rating Agencies are based on the Securities and other relevant structural features of the transaction, and reflect only the views of the Rating Agencies.

On issue, the Class A Notes are expected to be rated AAA by S&P and Aaa by Moody’s. On issue the Class B Notes are expected to be rated A- by S&P and A2 by Moody’s. On issue, the Class C Notes are expected to be rated BBB- by S&P and Baa3 by Moody’s. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the Rating Agencies’ judgment, circumstances so warrant. Rating agencies other than the Rating Agencies could seek to rate the Class A Notes and/or the Class B Notes and/or the Class C Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Class A Notes and/or the Class B Notes and/or the Class C Notes by the Rating Agencies, such unsolicited ratings could have an adverse effect on the value of the Class A Notes and/or the Class B Notes and/or the Class C Notes. For the avoidance of doubt and unless the context otherwise requires, any references to “ratings” or “rating” in this Offering Circular are to ratings assigned by the Rating Agencies only. Future events also, including events affecting Swap Counterparty and/or circumstances relating to the Securities could have an adverse impact on the rating of

the Class A Notes and/or the Class B Notes and/or the Class C Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency.

The inability of the Issuer to pay interest or repay principal on the Class A Notes, the Class B Notes and the Class C Notes may occur for reasons not related to the issues identified above and the Issuer does not represent that the risks and other considerations relating to holding the Class A Notes, the Class B Notes and/or the Class C Notes described above are exhaustive. While the various structural elements described in this Offering Circular are intended to lessen some of the risks for holders of the Class A Notes, the Class B Notes and the Class C Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Notes of such classes of interest or principal on such Notes on a timely basis or at all.

ASSETS OF THE ISSUER

The assets of the Issuer will consist principally of the Credit Default Swap Portfolio to be purchased by the Issuer on the Issue Date and the Securities Portfolio purchased by the Issuer on the Transfer Date, as set out below.

Credit Default Swap Portfolio

Reference Entity	Notional Amount	Termination Date	Public Rating of the Issuer, Guarantor or the Security	
			S&P	Moody's
Accor S.A.	5,000,000	05-Nov-04	BBB	Unrated
Agrium Inc	5,000,000	05-Nov-04	BBB	Baa2
Carnival Corporation	5,000,000	05-Nov-06	A	A2
Computer Associates International Inc	6,000,000	05-Nov-06	BBB+	Baa1
CSX Corporation	5,000,000	05-Nov-06	BBB	Baa2
Humana Inc	5,000,000	05-Nov-06	BBB	Baa3
Deutsche Lufthansa AG	5,000,000	05-Nov-06	Unrated	A2
Rock Tenn Company	5,000,000	05-Nov-06	BBB-	Baa3
WPD Holdings UK	5,000,000	05-Nov-06	A-	Baa2

Securities Portfolio

ISIN	Issuer	Currency	Principal Amount Outstanding in Euro (or Euro equivalent)	Maturity	Public Rating of the Issuer, Guarantor or the Security	
					S&P	Moody's
XS0128761490	Alcan Inc.	EUR	3,000,000	31-May-06	A-	A2
XS0123998394	Banca Popolare di Bergamo Capital Trust	EUR	3,800,000	Perpetual	BBB+	Baa1
XS0109134113	BPB plc	EUR	5,000,000	17-Mar-10	BBB+	A3
XS0089137573	B.A.T. International Finance p.l.c.	DEM	3,067,751	28-Jul-06	A	A2
FR0000495343	Casino, Guichard-Perrachon	EUR	2,000,000	06-Jul-06	BBB	Unrated
FR0000495715	Cegetel	EUR	5,000,000	21-Jul-04	Unrated	Unrated
XS0130717134	Compagnia Assicuratrice Unipol S.p.A.	EUR	4,000,000	15-Jun-21	BBB+	Unrated
XS0108061861	Corning Incorporated	EUR	2,000,000	18-Feb-05	A-	A3
US233835AK38	DaimlerChrysler North America Holding Corporation	USD	3,243,243	15-Jun-10	A-	A3
XS0121093859	DSM N.V.	EUR	3,000,000	07-Dec-07	A-	A2
XS0126990935	EURO LIBERTÉ p.l.c. (Class C)	EUR	7,000,000	1-Feb-09	Unrated	Baa3
IT0003051502	Findomestic Securitisation Vehicle S.r.l. (Class C)	EUR	5,000,000	20-Dec-08	BBB	Unrated
XS0132292524	Hewlett-Packard Company/Hewlett-Packard Finance Company	EUR	3,000,000	05-Jul-06	AA-	Aa3
XS0127133048	H.J. Heinz B.V.	EUR	2,000,000	10-Apr-06	A	A2
XS0102154399	Imperial Tobacco Finance PLC	EUR	3,000,000	27-Sep-06	BBB	Baa2
XS0109640671	Invensys plc	EUR	5,000,000	01-Apr-05	BBB	Baa2
IT0003086532	Italease Finance S.p.A. Series 2001-1 B	EUR	3,000,000	10-Mar-11	A	A2

ISIN	Issuer	Currency	Principal Amount		Public Rating of the Issuer, Guarantor or the Security	
			Outstanding in Euro (or Euro equivalent)	Maturity	S&P	Moody's
FR0000486516	Klépierre	EUR	5,000,000	10-Jul-08	BBB+	Unrated
XS0129451166	Koninklijke Philips Electronics N.V.	EUR	3,000,000	16-May-08	A-	A3
XS0133699412	Liz Claiborne, Inc.	EUR	5,000,000	07-Aug-06	BBB	Baa2
XS0109451194	Marconi Corporation plc	EUR	10,000,000	30-Mar-05	BB	Ba3
XS0068080851	National Power PLC	GBP	2,934,508	02-Aug-06	BBB+	Baa1
XS0113029630	Olan Enterprises II p.l.c. (Class C)	EUR	4,000,000	23-Jun-05	Unrated	A3
XS0106750655	Pearson plc	EUR	3,000,000	01-Feb-07	BBB+	Baa1
XS0091429919	Pirelli S.p.A.	EUR	4,000,000	21-Oct-08	Unrated	Unrated
XS0124721027	Portugal Telecom International Finance B.V.	EUR	1,000,000	21-Feb-06	A	A3
XS0121016272	ProsiebenSat. 1 Media AG	EUR	2,000,000	28-Mar-06	Unrated	Baa2
US76027MAA80	Repsol International Finance B.V.	USD	2,162,162	01-Aug-05	A-	A3
XS0126682953	Rhodia	EUR	5,000,000	26-Mar-06	BBB-	Baa3
XS0134194421	Riviera Finance 2 S.A. (Class C)	EUR	10,000,000	28-Aug-06	BBB+	Baa1
DE0002692506	Rolls-Royce plc	EUR	2,800,000	22-Dec-05	A-	A3
XS0102735528	Royal & Sun Alliance Insurance Group plc	EUR	5,000,000	15-Oct-19	A	A2
XS0120282610	Sanpaolo Imi Capital Trust I	EUR	7,000,000	Perpetual	A-	A2
XS0128140380	Sogerim Société Anonyme	EUR	5,000,000	20-Apr-06	BBB+	Baa1
BE0357905729	Solvay S.A.	EUR	5,000,000	04-Jul-06	A	A2
XS0104313795	Stagecoach Holdings plc	EUR	8,000,000	24-Nov-04	BBB	Baa3
XS0113081474	Stora Enso OYJ	EUR	2,000,000	29-Jun-07	BBB+	Baa1
XS0128135547	Tele Danmark A/S	EUR	4,000,000	24-Apr-06	A	A2
XS0130182784	Telefonaktiebolaget LM Ericsson (publ)	EUR	5,000,000	31-May-06	A-	A3
US073902BW72	The Bear Sterns Companies Inc.	USD	5,112,923	27-Sep-07	A	A2
XS0124663237	Toys "R" Us, Inc.	EUR	5,000,000	13-Feb-04	BBB+	Baa2
XS0130116568	Trevi Finance N. 3 S.r.l. (Class A)	EUR	5,000,000	16-Aug-11	AA	Aa1
US872649BL11	TRW Inc	USD	2,162,162	15-Mar-06	BBB	Baa2
IT0003154090	Ulisse 2 S.p.A. (Class A)	EUR	8,000,000	05-Nov-15	Unrated	A1
FR0000485278	Usinor	EUR	5,000,000	10-Apr-08	BBB	Baa2
FR0000486573	Valeo	EUR	3,000,000	13-Jul-06	Unrated	A2
FR0000481095	Vivendi	EUR	3,000,000	05-Jul-03	BBB	Baa2
XS0131030032	WPP Group plc	EUR	5,000,000	18-Jun-08	A-	Baa1

The Portfolios

The following tables include information about the Securities that were purchased by the Issuer on the Transfer Date and the Credit Default Swap Agreements to be entered into on the Issue Date.

The following table sets out the final maturity profile of the Portfolios:

Year of Maturity	Number	Principal Amount Outstanding / Reference Entity Notional Amount in Euro (or Euro equivalent)	% of Financial Instruments	% of Initial Aggregate Notional Amount
2003	1	3,000,000	1.8%	1.2%
2004	5	28,000,000	8.8%	11.2%
2005	6	25,962,162	10.5%	10.4%
2006	25	102,166,421	43.9%	40.9%
2007	4	12,864,865	7.0%	5.1%
2008	6	27,000,000	10.5%	10.8%
2009	1	7,000,000	1.8%	2.8%
2010	2	8,243,243	3.5%	3.3%
2011	2	8,000,000	3.5%	3.2%
2015	1	8,000,000	1.8%	3.2%
2019	1	5,000,000	1.8%	2.0%
2021	1	4,000,000	1.8%	1.6%
Perpetual	2	10,800,000	3.5%	4.3%
Total	57	250,036,691	100.0%	100.0%

The following table sets out the expected maturity of the Securities and Credit Default Swap Transactions:

Expected Maturity	Number	Principal Amount Outstanding / Reference Entity Notional Amount in Euro (or Euro equivalent)	% of Financial Instruments	% of Initial Aggregate Notional Amount
2003	1	3,000,000	1.8%	1.2%
2004	5	28,000,000	8.8%	11.2%
2005	9	41,962,162	15.8%	16.8%
2006	25	102,166,421	43.9%	40.9%
2007	5	17,864,865	8.8%	7.1%
2008	6	29,000,000	10.5%	11.6%
2009	1	5,000,000	1.8%	2.0%
2010	3	15,243,243	5.3%	6.1%
2011	2	7,800,000	3.5%	3.1%
Total	57	250,036,691	100.0%	100.0%

“Expected Maturity” means (i) in respect of any Security, the earlier of the date on which any Security is repaid in accordance with the expected reimbursement profiles set out in the most recent publicly available investor’s report and any early redemption date associated with a step up in the interest rate payable on any Security and (ii) in respect of the Credit Default Swap Transactions, the Scheduled Termination Date.

The following table shows the industry concentrations of the issuers of the Securities and the Reference Entities in the Credit Default Swap Agreements, according to S&P criteria:

S&P Industry

Industry Classification	Number	Principal Amount Outstanding / Reference Entity Notional Amount in Euro (or Euro equivalent)	% of Financial Instruments	% of Initial Aggregate Notional Amount
Aerospace & Defence	2	4,962,162	3.5%	2.0%
Air Transport	1	5,000,000	1.8%	2.0%
Automotive	3	10,243,243	5.3%	4.1%
Beverage & Tobacco	2	6,067,751	3.5%	2.4%
Brokers, Dealers & Investment Houses	1	4,864,865	1.8%	2.0%
Building & Development	2	10,000,000	3.5%	4.0%
Business Equipment & Services	2	11,000,000	3.5%	4.4%
Cable & Satellite Television	1	5,000,000	1.8%	2.0%
Chemicals & Plastics	2	8,000,000	3.5%	3.2%
Clothing/Textiles	1	5,000,000	1.8%	2.0%
Conglomerates	1	3,000,000	1.8%	1.2%
Electronics/Electrical	3	11,000,000	5.3%	4.4%
Farming/Agriculture	1	5,000,000	1.8%	2.0%
Financial Intermediaries	2	10,800,000	3.5%	4.3%
Food/Drug Retailers	1	2,000,000	1.8%	0.9%
Forest Products	1	5,000,000	1.8%	2.0%
Health Care	2	10,000,000	3.5%	4.0%
Insurance	2	9,000,000	3.5%	3.6%
Leisure Goods/Activities/ Movies	1	5,000,000	1.8%	2.0%
Lodging & Casinos	1	5,000,000	1.8%	2.0%
Nonferrous Metals/ Minerals	1	3,000,000	1.8%	1.2%
Oil & Gas	1	2,162,162	1.8%	0.8%
Publishing	1	3,000,000	1.8%	1.2%
Radio & Television	1	2,000,000	1.8%	0.8%
Steel	1	3,000,000	1.8%	1.2%
Surface Transport	1	8,000,000	1.8%	3.2%
Utilities	2	7,936,508	3.5%	3.2%
Rail Industries	1	5,000,000	1.8%	2.0%
Telecommunications (combination)	4	20,000,000	7.0%	8.0%
Telecommunications (wireline)	1	5,000,000	1.8%	2.0%
Telecommunications (wireless)	1	2,000,000	1.8%	0.8%
CBO/CLO	3	21,000,000	5.3%	8.4%
Consumer ABS	1	5,000,000	1.8%	2.0%
Food Products	1	2,000,000	1.8%	0.8%
Containers & Glass Products	1	2,000,000	1.8%	0.8%
Retailers (except food & drug)	1	5,000,000	1.8%	2.0%
Commercial MBS	1	5,000,000	1.8%	2.0%
Commercial ABS	2	11,000,000	3.5%	4.4%
Total	57	250,036,691	100.0%	100.0%

The following table shows the industry concentrations of the issuers of the Securities and the Reference Entities of the Credit Default Swap Agreements, according to Moody's criteria:

Moody's Industry

Industry Classification	Number	Principal Amount Outstanding / Reference Entity Notional Amount in Euro (or Euro equivalent)	% of Financial Instruments	% of Initial Aggregate Notional Amount
ABS Italy Leases	1	3,000,000	1.8%	1.2%
ABS Italy Non Performing Loans	2	13,000,000	3.5%	5.2%
Aerospace & Defense	1	2,800,000	1.8%	1.1%
Aerospace and Defense BIG	1	10,000,000	1.8%	4.0%
Automobile	3	10,243,243	5.3%	4.1%
Banking	2	10,800,000	3.5%	4.3%
Beverage, Food & Tobacco	3	8,067,751	5.3%	3.2%
Broadcasting & Entertainment	3	8,000,000	5.3%	3.2%
Buildings & Real Estate	2	10,000,000	3.5%	4.0%
CDO Loans to SMEs	1	7,000,000	1.8%	2.8%
Chemicals, Plastics & Rubber	3	13,000,000	5.3%	5.2%
Credit Cards/Consumer Loans ABS	1	5,000,000	1.8%	2.0%
Diversified/Conglomerate Manufacturing	2	4,162,162	3.5%	1.7%
Electronics	4	17,000,000	7.0%	6.8%
Farming & Agriculture	1	5,000,000	1.8%	2.0%
Finance	1	4,864,865	1.8%	1.9%
CDO Global Investment Grade Assets	2	14,000,000	3.5%	5.6%
Grocery	1	2,000,000	1.8%	0.8%
Healthcare, Education & Childcare	1	5,000,000	1.8%	2.0%
Hotels, Motels, Inns and Gaming	1	5,000,000	1.8%	2.0%
Insurance	2	9,000,000	3.5%	3.6%
Mining, Steel, Iron & Nonprecious Metals	2	8,000,000	3.5%	3.2%
Oil & Gas	1	2,162,162	1.8%	0.9%
Personal Transportation	4	23,000,000	7.0%	9.2%
Printing & Publishing	3	12,000,000	5.3%	4.8%
Retail Stores	2	10,000,000	3.5%	4.0%
Telecommunications	5	20,000,000	8.8%	8.0%
Utilities	2	7,936,508	3.5%	3.2%
Total	57	250,036,691	100.0%	100.0%

The following table shows the type of debt securities comprising the Securities Portfolio and the Credit Default Swap Transactions:

Security Type	Number	Principal Amount Outstanding / Reference Entity Notional Amount in Euro (or Euro equivalent)	% of Financial Instruments	% of Initial Aggregate Notional Amount
Senior Unsecured Securities	37	142,236,691	64.9%	56.9%
Subordinated Securities issued by financial institutions	4	19,800,000	7.0%	7.9%
Asset Backed Securities	7	42,000,000	12.3%	16.8%
Credit Default Swaps Transactions	9	46,000,000	15.8%	18.4%
Total	57	250,036,691	100.0%	100.0%

The following table shows the types of rating attributed by Moody's to issuers comprising the Securities Portfolio and to Reference Entities in the Credit Default Swap Transactions:

Rating Moody's	Number	Principal Amount Outstanding / Reference Entity Notional Amount in Euro (or Euro equivalent)	% of Financial Instruments	% of Initial Aggregate Notional Amount
Aa1	1	5,000,000	1.8%	2.0%
Aa3	1	3,000,000	1.8%	1.2%
A1	1	8,000,000	1.8%	3.2%
A2	13	52,932,616	22.8%	21.2%
A3	9	28,205,405	15.8%	11.3%
Baa1	8	37,736,508	14.0%	15.1%
Baa2	11	45,162,162	19.5%	18.1%
Baa3	5	30,000,000	8.8%	12.0%
Ba3	1	10,000,000	1.8%	4.0%
Unrated	7	30,000,000	12.3%	12.0%
Total	57	250,036,691	100.0%	100.0%

The following table shows the types of rating attributed by S&P to issuers comprising the Securities Portfolio and to Reference Entities in the Credit Default Swap Transactions:

Rating S&P	Number	Principal Amount Outstanding / Reference Entity Notional Amount in Euro (or Euro equivalent)	% of Financial Instruments	% of Initial Aggregate Notional Amount
AA	1	5,000,000	1.8%	2.0%
AA-	1	3,000,000	1.8%	1.2%
A	9	32,932,616	15.8%	13.2%
A-	11	41,205,405	19.3%	16.5%
BBB+	11	51,736,508	19.3%	20.7%
BBB	13	53,162,162	22.8%	23.3%
BBB-	2	10,000,000	3.5%	4.0%
BB	1	10,000,000	1.8%	4.0%
Unrated	8	38,000,000	14.0%	15.2%
Total	57	250,036,691	100.0%	100.0%

The following table sets out the type of interest payable in respect of the debt securities comprising the Securities Portfolio and the Credit Default Swap Transactions:

Interest Type	Currency	Number	Principal Amount Outstanding / Reference Entity Notional Amount in Euro (or Euro equivalent)	% of Financial Instruments	% of Initial Aggregate Notional Amount
Fixed	DEM	1	3,067,751	1.8%	1.2%
	EUR	34	138,600,000	59.6%	55.3%
	GBP	1	2,936,508	1.8%	1.2%
	USD	3	7,567,567	5.3%	3.1%
Fixed Total		39	151,171,826	68.4%	60.9%
Floating	EUR	8	47,000,000	14.0%	18.8%
	USD	1	4,864,865	1.8%	1.9%
Floating Total		9	51,864,865	15.8%	20.7%
Credit Default Swap Transactions	EUR	9	46,000,000	15.8%	18.4%
Total		57	250,036,691	100.0%	100.0%

Amount in Euro refers to the principal amount of a Security as of the Issue Date. Securities denominated in currencies other than Euro (namely USD, DEM and GBP) have been converted into the Euro equivalent for the purposes of consistent valuation using the following exchange rates: USD/EUR: 0.925, GBP/EUR: 0.63 and DEM/EUR: 1.95583.

Due to rounding, percentages may not add up to 100 per cent. and amounts may not add up to the indicated total in the tables set out above.

CREDIT STRUCTURE

The Notes will be obligations solely of the Issuer and will not be guaranteed by or the responsibility of any other entity. In particular the Notes will not be obligations of or responsibilities of and will not be guaranteed by any of Banca Lombarda e Piemontese S.p.A. (in any capacity), the Lead Manager, the Arrangers, the Computation Agent, the Servicer, the Account Bank, the Swap Counterparty, the Credit Default Swap Counterparty, the Custodian, the Corporate Services Provider, the Trustee, the Agents or any of their respective affiliates or any other person or entity other than the Issuer.

The characteristics of the Securities, the I/R/Fx Swap Agreements and the Credit Default Swap Agreements and the other arrangements for the protection of holders of the Notes have been reviewed by the Rating Agencies who have indicated that they intend to rate the Class A Notes AAA in the case of S&P and Aaa in the case of Moody's and to rate the Class B Notes, A- in the case of S&P and A2 in the case of Moody's and to rate the Class C Notes BBB- in the case of S&P and Baa3 in the case of Moody's, respectively. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.**

The characteristics of the Portfolios are described in the section entitled "Assets of the Issuer". The structure of the credit arrangements which supports the Notes is summarised below.

Issuer Accounts

Pursuant to the terms of the Bank Agreement, the Account Bank will open the Collection Account and the Deposit Account. The Account Bank will also establish a sub-account of the Collection Account for each currency included in the Securities Portfolio (namely, Euro, USD and GBP) to which interest and/or principal payments received in respect of the relevant Securities will be paid. The Accounts will be operated by the Computation Agent in accordance with the terms of the Servicing and Treasury Management Agreement, the Bank Agreement and the Deed of Charge and Assignment.

Application of Issuer Available Funds

The Issuer Available Funds will be applied by the Issuer pursuant to the Pre-Enforcement Priority of Payments to redeem the Notes in accordance with the mandatory redemption provisions contained in Condition 5(b) relating to each Class of Notes.

In the event that there is a Securities Default the Servicer will be obliged to use reasonable endeavours to appoint a Sales Agent to dispose of the relevant Security. The proceeds of disposal of a Defaulted Security will constitute Issuer Available Funds to be applied by the Issuer, subject to paying or providing for any amounts required to be paid or provided for in priority to each Class of Notes pursuant to the Deed of Charge and Assignment and net of all costs and expenses of disposal, in the mandatory partial redemption of the Class A Notes, the Class B Notes and the Class C Notes.

In the event of a shortfall in the receipt of principal in respect of the Securities and in the event of the Issuer making Credit Protection Payments under the Credit Default Swap Agreements (after exhaustion of the Credit Default Swap Reserve), the Issuer may in certain circumstances only be able to redeem the Notes of each Class in full on the Maturity Date if the Issuer Available Funds are sufficient so to do after the Issuer has satisfied or provided for all prior ranking claims. If such amounts are insufficient, the Issuer will be obliged to make payment on redemption first in respect of the Class A Notes (*pro rata* amongst themselves) and, subject to the redemption of the Class A Notes in full, the Class B Notes (*pro rata* amongst themselves) and, subject to the redemption of the Class B Notes in full, the Class C Notes (*pro rata* amongst themselves) in an amount equal to the funds available to it. Any amount unpaid by the Issuer in respect of the Class A Notes and/or the Class B Notes and/or the Class C Notes on their respective Maturity Dates will not become due, will be deemed to be released by the Class A Noteholders and/or the Class B Noteholders and/or the Class C Noteholders, as the case maybe, and will be cancelled in accordance with Class A Condition 15 or Class B Condition 15 or Class C Condition 15, as the case may be.

Pre-Enforcement Priority of Payments

The Computation Agent will determine the amount of Issuer Available Funds as at the close of business on the day preceding each Calculation Date. Prior to the service of an Issuer Enforcement Notice, the Issuer will apply or cause to be applied the Issuer Available Funds on each Payment Date in or towards making the following payments or provisions in the following order of priority (in each case, only if and to the extent that the payments or provisions for payments of a higher priority have been made in full):

- (a) *first*, to pay the fees, costs, expenses and all other amounts due and payable to the Trustee;

- (b) *second*, (i) to pay *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable in respect of obligations which must be paid in order to preserve the corporate existence of the Issuer and/or to comply with applicable law and (ii) to retain in the Collection Account the Tax Reserve Amount (with an equal amount to be credited to the Tax Reserve Ledger) that will be applied on each Tax Payment Date to pay all requisite Irish taxes;
- (c) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the fees, costs, expenses and all other amounts due and payable to (i) the Computation Agent, (ii) the Custodian, (iii) the Account Bank, (iv) the Agents, (v) the Corporate Services Provider, (vi) the Servicer and (vii) any Connected Third Party Creditor;
- (d) *fourth*, to pay or to provide for all amounts due and payable to the Swap Counterparty (with the exception of any Swap Unwind Costs);
- (e) *fifth*, to pay the Credit Default Swap Unwind Costs due and payable to the Credit Default Swap Counterparty (with the exception of Credit Default Swap Unwind Costs incurred as a result of a default by the Credit Default Swap Counterparty);
- (f) *sixth*, to pay any accrued and unpaid Credit Protection Interest Amounts due and payable on any Credit Protection Payments;
- (g) *seventh*, (i) to pay any accrued and unpaid interest then due and payable on the Class A Notes and (ii) to retain in the Collection Account the Retention Amount (if any) (with an equal amount to be credited to the Retention Amount Ledger);
- (h) *eighth*, if either (i) any Class A Notes remain outstanding and the Class B Note Trigger Threshold has not been exceeded or (ii) all the Class A Notes have been redeemed in full (or, on such Payment Date will be redeemed in full, together with all outstanding amounts of interest thereon), to pay any accrued and unpaid interest then due and payable on the Class B Notes;
- (i) *ninth*, if either (i) any Class A Notes or Class B Notes remain outstanding and the Class C Note Trigger Threshold has not been exceeded or (ii) the Class A Notes and the Class B Notes have been redeemed in full (or, on such Payment Date will be redeemed in full, together with all outstanding amounts of interest thereon), to pay any accrued and unpaid interest then due and payable on the Class C Notes;
- (j) *tenth*, to pay any Credit Protection Payments due and payable from the Issuer to the Credit Default Swap Counterparty under any Credit Default Swap Transaction to the extent that such amounts have not been paid in full following the application of the credit balance of the Deposit Account;
- (k) *eleventh*, on or after the Payment Date falling in May 2003 to pay to the holders of the Class A Notes the Class A Note Actual Redemption Amount, being an amount equal to the lesser of (i) the Principal Amount Outstanding of the Class A Notes and (ii) the Class A Note Principal Repayment Amount on that date;
- (l) *twelfth*, if the Class A Notes have been redeemed in full (or, on such Payment Date will be redeemed in full, together with all outstanding amounts of interest thereon), on or after the Payment Date falling in May 2003 to pay to the holders of the Class B Notes, the Class B Note Actual Redemption Amount, being an amount equal to the lesser of (i) the Principal Amount Outstanding of the Class B Notes and (ii) the Class B Note Principal Repayment Amount on that date;
- (m) *thirteenth*, if the Class A Notes and the Class B Notes have been redeemed in full (or, on such Payment Date will be redeemed in full, together with all outstanding amounts of interest thereon), on or after the Payment Date falling in May 2003 to pay to the holders of the Class C Notes, the Class C Note Actual Redemption Amount, being an amount equal to the lesser of (i) the Principal Amount Outstanding of the Class C Notes and (ii) the Class C Note Principal Repayment Amount on that date;
- (n) *fourteenth*, to pay or to provide for all Swap Unwind Costs to the Swap Counterparty incurred as a result of a default by the Swap Counterparty;
- (o) *fifteenth*, to pay the Credit Default Swap Unwind Costs due and payable to the Credit Default Swap Counterparty incurred as a result of a default by the Credit Default Swap Counterparty;
- (p) *sixteenth*, to pay the Preferred Shareholder's Dividend (if any);
- (q) *seventeenth*, to retain the balance in the Collection Account.

By way of exception to the order of priority set out above, the Issuer shall make the following payments out of the Collection Account (a) in the case of (i) and (ii) below, on the Issue Date (b) in the case of (iii) below, within 60 Business Days of the Issue Date (such amounts having initially been met by the Arranger) (c) in the case of (iv) below, on any Tax Payment Date and (d) in the case of (v) below, on any Business Day:

- (i) the aggregate of the Initial Purchase Price of the Securities;
- (ii) the Credit Default Swap Reserve to the Deposit Account;
- (iii) fees, costs and expenses in relation to the structuring of the issue of the Notes;
- (iv) Irish taxes which must be paid to the Irish tax authorities prior to the next Payment Date; and
- (v) any amounts due and payable to the Swap Counterparty (with the exception of any Swap Unwind Costs).

Prior to the service of an Issuer Enforcement Notice, amounts standing to the credit of the Deposit Account shall be applied as follows:

- (i) on any Credit Protection Payment Date, to pay to the Credit Default Swap Counterparty the amount of any Credit Protection Payment due and payable by the Issuer under a Credit Default Swap Agreement on that date; and
- (ii) on the first Calculation Date falling after the Scheduled Termination Date, in paying the credit balance (if any) to the Collection Account (unless one or more Credit Event Notices shall have been received by or on behalf of the Issuer prior to that date, in which event a provision shall be made with respect to each Credit Protection Payment due in relation thereto in an amount equal to the lesser of (a) the relevant Reference Entity Notional Amount(s) and (b) the balance of the Deposit Account at the relevant date).

Upon service of an Issuer Enforcement Notice (and notice by the Credit Default Swap Counterparty to the Issuer that this constitutes an Early Termination Event under the Credit Default Swap Agreements) amounts standing to the credit of the Deposit Account shall be applied in the following order of priority (in each case, only if and to the extent that the payments or provisions for payments of the higher priority have been made in full):

- (i) *first*, to pay any Credit Protection Payments and any Credit Default Swap Unwind Costs (with the exception of Credit Default Swap Unwind Costs incurred as a result of a default by the Credit Default Swap Counterparty) due and payable from the Issuer to the Credit Default Swap Counterparty; and
- (ii) *second*, to pay the credit balance (if any) to the Collection Account.

Post-Enforcement Priority of Payments

Following service of an Issuer Enforcement Notice, all amounts received or recovered by the Issuer and/or the Trustee and/or any Receiver appointed by the Trustee in respect of the security constituted by the Deed of Charge and Assignment and/or the Euroclear Pledge Agreement and/or in respect of the Securities Portfolio and/or the Credit Default Swap Portfolio and/or the I/R/Fx Swap Agreements and any other amount or asset of the Issuer derived therefrom not secured pursuant to the security constituted by the Deed of Charge and Assignment and/or the Euroclear Pledge Agreement will be applied in the following order of priority (in each case, only if and to the extent that the payments or provisions for payments of a higher priority have been made in full and subject always to the payment of amounts which are required to be paid by applicable law or which would be required to be paid by applicable law upon an insolvency, winding up or administration of the Issuer, to any creditor or the Issuer which has not acceded to the subordination arrangements contained in the Deed of Charge and Assignment in priority to or *pari passu* with any of the amounts specified in the Post-Enforcement Priority of Payments):

- (a) *first*, to pay the fees, costs, expenses and all other amounts due and payable to the Trustee;
- (b) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof (i) the fees, costs, expenses and all other amounts due and payable to any Receiver appointed by the Trustee pursuant to the Deed of Charge and Assignment and (ii) any Irish taxes due and payable;
- (c) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the fees, costs, expenses and all other amounts due and payable to (i) the Computation Agent, (ii) the Custodian, (iii) the Account Bank, (iv) the Agents, (v) the Corporate Services Provider, (vi) the Servicer and (vii) any Connected Third Party Creditor;

- (d) *fourth*, to pay all amounts due and payable (if any) to the Swap Counterparty including any Swap Unwind Costs (with the exception of any Swap Unwind Costs incurred as a result of a default by the Swap Counterparty);
- (e) *fifth*, to pay any Credit Default Swap Unwind Costs due and payable to the Credit Default Swap Counterparty (with the exception of any Credit Default Swap Unwind Costs incurred as a result of a default by the Credit Default Swap Counterparty);
- (f) *sixth*, to pay any accrued and unpaid Credit Protection Interest Amounts due and payable on any Credit Protection Payments;
- (g) *seventh*, to pay any Credit Protection Payments due and payable from the Issuer to the Credit Default Swap Counterparty under any Credit Default Swap Transaction to the extent that such amounts have not been paid in full following the application of the credit balance of the Deposit Account;
- (h) *eighth*, to pay all amounts of accrued and unpaid interest and principal due and payable on the Class A Notes;
- (i) *ninth*, to pay all amounts of accrued and unpaid interest and principal due and payable on the Class B Notes;
- (j) *tenth*, to pay all amounts of accrued and unpaid interest and principal due and payable on the Class C Notes;
- (k) *eleventh*, to pay any Swap Unwind Costs due and payable to the Swap Counterparty incurred as a result of a default by the Swap Counterparty;
- (l) *twelfth*, to pay any Credit Default Swap Unwind Costs due and payable to the Credit Default Swap Counterparty incurred as a result of a default by the Credit Default Swap Counterparty;
- (m) *thirteenth*, any amount due and unpaid to the Preferred Shareholder.

The Collection Account and the Deposit Account

In order to preserve the quality of the Issuer's assets following the receipt of payments in respect of the Securities, the Credit Default Swap Agreements, the I/R/Fx Swap Agreements and the other Transaction Documents, the Collection Account and the Deposit Account are required to be maintained with an Account Bank which meets the Minimum Ratings. In order to reduce the reinvestment risk of the Issuer in respect of the cash funds of the Issuer, the Account Bank will agree pursuant to the Bank Agreement to pay to the Issuer interest on (a) any credit balance of the Collection Account from time to time at a rate equal to Euribor for three month Euro deposits minus 0.10 per cent. per annum, and (b) any credit balance of the Deposit Account from time to time at a rate equal to Euribor for three month Euro deposits minus 0.07 per cent. per annum.

WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES, THE CLASS B NOTES AND THE CLASS C NOTES

The weighted average life (as defined below) and the expected maturity of the Notes of any Class cannot be predicted, as the actual amounts which will be received by the Issuer from or in respect of the Securities Portfolio and a number of other relevant factors are unknown.

Based on the assumptions set out below:

- (a) the weighted average life of the Class A Notes has been calculated as 4.40 years and the expected maturity date of the Class A Notes is the Payment Date falling in November, 2009;
- (b) the weighted average life of the Class B Notes has been calculated as 8.29 years and the expected maturity date of the Class B Notes is the Payment Date falling in May, 2010; and
- (c) the weighted average life of the Class C Notes has been calculated as 8.94 years and the expected maturity date of the Class C Notes is the Payment Date falling in February, 2011.

Assumptions

- 1. All the Securities having an early redemption option at the option of the issuer with a step-up provision associated are called by the issuers thereof immediately prior to the interest step-up provisions being triggered.
- 2. All Securities that are asset backed Securities are repaid in accordance with the expected reimbursement profiles set out in the most recent publicly available investors' report in relation to such Security.
- 3. No issuer of any Security defaults in its obligation to pay interest and repay principal on the relevant Security.
- 4. No Credit Event occurs under the Credit Default Swap Agreements.
- 5. Euribor for three month Euro deposits remains at 3.563 per cent. for the life of the Notes.
- 6. Euribor for six month Euro deposits remains at 3.425 per cent. for the life of the Notes.
- 7. Each scheduled Payment Date under the Notes falls on a Business Day and each day on which amounts fall due for payment under any of the Securities is a Business Day.
- 8. Notes are not redeemed prior to their scheduled maturity date for tax reasons.

The "weighted average life" of a Note at any time means the quotient obtained by dividing (i) the sum of the products of (a) the number of years (and fraction thereof) from such date of determination to the respective dates of each expected payment of principal of such Class of Note and (b) the respective amounts of principal of such expected payments by (ii) the initial principal balance of such class of Note.

The above assumptions do not necessarily reflect the historical performance of the Securities and do not constitute a representation that such events will or will not occur or that the assumed data will remain the same during the life of the Notes of any Class.

The weighted average life and the expected maturity of the Notes of each Class are each subject to factors largely or in some cases (for example general economic conditions and prevailing market interest rates) entirely outside the control of the Issuer and consequently no assurance can be given that any of the purely illustrative calculations set out above will prove in any way to be realistic, and they must therefore be viewed with considerable caution.

THE ISSUER

General

The Issuer was incorporated as a public limited company under the laws of the Irish Companies Acts 1963 to 2001 on 15 August, 2001 with registered number 346673 and was established to issue debt securities in order to fund the purchase by it of, *inter alia*, the Securities Portfolio. The registered office of the Issuer is located at 8 Pembroke Road, Dublin 4, Ireland.

The issued ordinary share capital of the Issuer is Euro 38,100 divided into 38,100 shares of Euro 1 and is fully paid up. The Ordinary Shareholders are as follows:

Eurydice Charitable Trust	12,698
Medb Charitable Trust	12,699
Badb Charitable Trust	12,699
John Walley	1
Adrian J. Masterson	1
Structured Finance Management (Ireland) Limited	1
SFM Corporate Services Limited	1

The issued preferred share capital of the Issuer is Euro 12,900,000 divided into 12,900,000 preference shares of Euro 1 and is, or on the Issue Date will be, fully paid up. The Preferred Shareholder is Banca Lombarda e Piemontese S.p.A. The profits of the Issuer may only be distributed to the holders of the Preference Shares where, at the time of such distribution, the amount of the net assets of the Issuer is equal to or greater than the aggregate of the Issuer's called-up share capital and its undistributable reserves (and any such distribution must not reduce the amount of those assets to less than the that aggregate).

The Directors of the Issuer may at any time in their absolute discretion declare and/or approve the payment of any dividend or distribution and it shall not be necessary for any dividend or distribution to be approved by the holders of shares in the Issuer (or any of them). Furthermore, following the end of each financial year of the Issuer, the Directors of the Issuer shall, once the financial statements in respect of such financial year have been prepared and laid before the annual general meeting of the Issuer, declare and approve the payment of a dividend to the holder of the Preference Shares (assuming that such dividend may be declared having regard to the provisions of the memorandum and articles of association of the Issuer and Irish company law) and any such dividend shall be payable on the Payment Date following such declaration (to the extent that the payment of such dividend would not breach any agreement or instrument to which the Issuer is a party and to the extent that the Issuer has funds available to pay such dividend after it has satisfied all its other obligations and liabilities due for payment or discharge on such date).

To the extent that any such dividend is not paid on a Payment Date, the same or any unpaid part thereof shall be payable on the next following (and any subsequent) Payment Date (again to the extent that the payment of such dividend would not breach any agreement or instrument to which the Issuer is a party and to the extent that the Issuer has funds available to pay such dividend or part thereof after it has satisfied all its other obligations and liabilities due for payment or discharge on such date).

In the case of the final distribution or dividend of profits by the Issuer, the Ordinary Shareholders shall be entitled to receive a dividend (to be divided between the Ordinary Shareholders *pro rata* to their shareholdings) equal to the lesser of (i) Euro 1,000 and (ii) the profits available for distribution at such time, and the Ordinary Shareholders shall not otherwise be entitled to receive any dividends or distributions under any circumstances. Furthermore, the Preference Shareholders shall have the right on the winding up of the Issuer to repayment of the capital paid up thereon in priority to the repayment of capital to the Ordinary Shareholders or any other shares in the Company. In addition, the Company shall be entitled at any time (but after having obtained the prior written consent of the Preference Shareholders) out of the profits or monies which may lawfully be applied for that purpose, to redeem all of the Preference Shares. Such redemption can occur at any time and no premium will be payable in connection with any such redemption.

Since the date of its incorporation under the Irish Companies Acts 1963 to 2001, the Issuer has not engaged in any business, no financial statements have been prepared, no dividends have been declared or paid and no indebtedness, other than the Issuer's costs and expenses of incorporation, has been incurred by the Issuer. The Issuer has no employees.

Save as disclosed in this document, as at the date of this Offering Circular, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in Condition 3 of each Class of Notes.

Capitalisation of the Issuer

The capitalisation of the Issuer as at the date of this document after giving effect to the issuance of the Notes and the issued Preference Shares (before deducting expenses of the offering of the Notes) is as set forth below.

	<u>Euro</u>
Share Capital	
Subscribed and paid up	
38,100 Ordinary Shares of Euro 1 each	38,100
12,900,000 Preference Shares of Euro 1 each	12,900,000
Loan Capital	
Euro 195,800,000 Class A Secured Floating Rate Notes due 2021	195,800,000
Euro 8,700,000 Class B Secured Floating Rate Notes due 2021	8,700,000
Euro 5,800,000 Class C Secured Floating Rate Notes due 2021	5,800,000
Total capitalisation and indebtedness	<u>223,238,100</u>

Administration

Pursuant to the terms of the Corporate Services Agreement, Structured Finance Management (Ireland) Limited will act as the Corporate Services Provider and will perform various management functions on behalf of the Issuer. The office of the Corporate Services Provider will serve as the general business office of the Issuer. The Corporate Services Provider will receive various fees and other charges payable by the Issuer at rates provided for in the Corporate Services Agreement plus expenses in consideration for the provision of such services.

Issuer Management

The management of the Issuer is entrusted to the Board of Directors of the Issuer. The names of the directors of the Issuer, together with their principal activities other than as directors of the Issuer are as follows:

<u>Name</u>	<u>Address</u>	<u>Principal Activities</u>
Adrian J. Masterson	68 Merrion Square, Dublin 2, Ireland	Financial Advisor
John Walley	Block 3, Harcourt Centre, Harcourt Street Dublin 2, Ireland	Financial Services Consultant

Material Contracts

Apart from the Transaction Documents, the Issuer has not entered into any material contracts other than in the ordinary course of its business.

No Material Adverse Change

Since the date of the Issuer's incorporation, there has been no material adverse change, or any development reasonably likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer.

Commission and Expenses

The amount payable as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for the Notes will amount to Euro 542,050.

It is estimated that the expenses (including legal expenses, listing expenses and initial expenses of service providers) will not exceed 0.1 per cent. of the aggregate nominal value of the Notes.

Accountant's Report

The following is the text of a report received by the Board of Directors of the Issuer from KPMG Dublin, the statutory auditors to the Issuer, prepared solely for the purposes of the issue of the Notes. The balance sheet contained therein does not comprise the Issuer's statutory accounts. No statutory accounts of the Issuer have been prepared since incorporation. The Issuer's accounting reference date will be 31 December, with the first statutory accounts being drawn up to 31 December, 2001.

30 October, 2001

The Directors
Cidneo Finance Plc (the "Issuer")
8 Pembroke Road
Dublin 4
Ireland

BNP Paribas
10 Harewood Avenue
London NW1 6AA

Securitisation Services S.p.A.
via Vittorio Alfieri 15
31015 Conegliano
Italy

Dear Sirs,

We report on the financial information set out in paragraphs 1 to 2.4 below. This financial information has been prepared for inclusion in the offering circular dated 30 October, 2001 of Cidneo Finance Plc ("Offering Circular").

Basis of preparation

The financial information set out in paragraphs 1 to 2.4 below, is based on the audited non-statutory financial statements of Cidneo Finance Plc for the period from incorporation on 15 August, 2001 to 19 October, 2001 (the "Financial Statements"), to which no adjustments were considered necessary.

Responsibility

The Financial Statements are the responsibility of the directors of the Issuer who approved their issue.

The Issuer is responsible for the contents of the Offering Circular in which this report is included.

It is our responsibility to compile the financial information set out in our report from the Financial Statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statement of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Offering Circular, a true and fair view of the state of affairs of Cidneo Finance Plc as at 19 October, 2001.

1. Financial information

Balance sheet

	<u>19 October, 2001</u>
	Euro
Current Assets	
Cash	38,100
	<u>38,100</u>
Capital	
Called up share capital (Note 2.3)	<u>38,100</u>

2. Notes to the Financial Information

2.1 The Issuer was incorporated on 15 August, 2001. It has not traded and no dividends have been declared or paid. Accordingly no profit and loss account is presented.

2.2 Basis of accounting

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

The financial statements are prepared in Euro.

The directors have prepared the non-statutory financial statements for the purpose of supporting the financial information included in the Offering Circular.

2.3 Share Capital

	<u>19 October, 2001</u>
	Euro
Authorised and issued share capital	
38,100 ordinary shares of Euro 1 each	<u>38,100</u>

The entire shareholders' funds consists of equity interests.

2.4 Commitments

The Issuer has committed itself to enter into a number of contracts referred to in paragraph 9(e) of the section headed "General Information" of the Offering Circular.

Yours faithfully,

KPMG Dublin
Chartered Accountants

DESCRIPTION OF CREDIT DEFAULT SWAP AGREEMENTS

On or about the Issue Date, the Issuer will enter into nine credit default swaps (the “Credit Default Swap Transactions”) with BNP Paribas London branch as credit protection buyer (in such capacity, the “Credit Default Swap Counterparty”) pursuant to a 1992 ISDA Master Agreement (Multicurrency-Cross Border), Schedule and Confirmation (together, the “Credit Default Swap Agreements”), to be dated as of the Issue Date, between the Issuer and the Credit Default Swap Counterparty.

The Credit Default Swap Agreements shall incorporate the 1999 ISDA Credit Derivative Definitions (the “1999 Definitions”) and six of the Credit Default Swap Agreements (being Agrium Inc., Carnival Corp., Computer Associates International Inc., CSX Corp., Humana Inc. and Rock-Tenn Company) shall incorporate the 1999 Definitions as supplemented by the Restructuring Supplement. Each Credit Default Swap Transaction shall make reference to an entity (each a “Reference Entity”) in relation to which the Credit Default Swap Counterparty may or may not have incurred a credit exposure. The Reference Entities will not be subject to substitution. Each Credit Default Swap Transaction shall specify a notional amount (a “Reference Entity Notional Amount”) by reference to which any Credit Protection Payment with respect to the relevant Reference Entity will be calculated.

On the Issue Date, the Reference Entity Notional Amount under each Credit Default Swap Transaction will be less than or equal to Euro 6 million and greater than or equal to Euro 5 million. The aggregate liability of the Issuer under the Credit Default Swap Agreement will not at any time exceed Euro 46 million (the “Aggregate Reference Entity Notional Amount”).

Unless terminated earlier, as described below, the Credit Default Swap Agreements will not terminate beyond 5 November, 2006 (the “Scheduled Termination Date”).

Settlement of Credit Default Swap Transactions

Under each Credit Default Swap Transaction, Credit Protection Payments to be paid in respect of the relevant Reference Entity shall be calculated by reference to the value of a portfolio (the “Reference Portfolio”) of any combination of Valuation Obligations of the Reference Entity having an aggregate principal amount equal to the Reference Entity Notional Amount (or the relevant portion thereof if the Restructuring Supplement applies) of the relevant Credit Default Swap Transaction. Each Valuation Obligation shall be selected by the Credit Default Swap Counterparty at its sole discretion, provided that each such Valuation Obligation shall be:

- (a) an obligation of the relevant Reference Entity that is a Bond or a Loan;
- (b) an obligation having a Pari Passu Ranking;
- (c) denominated in any of the Standard Specified Currencies (including component currencies of the Euro) and Swiss Francs;
- (d) an obligation that is Not Contingent;
- (e) an Assignable Loan (in the event that the Valuation Obligation is a Loan);
- (f) a Consent Required Loan (in the event that the Valuation Obligation is a Loan); or
- (g) Transferable (in the event that the Valuation Obligation is a Bond);
- (h) an obligation having a Maximum Maturity of 30 years; and
- (i) Not Bearer (in the event that the Valuation Obligation is a Bond).

The terms “Bond”, “Loan”, “Standard Specified Currencies”, “Not Contingent”, “Assignable Loan”, “Consent Required Loan”, “Transferable”, “Maximum Maturity”, “Valuation Obligation” and “Not Bearer” each have the meanings ascribed thereto in the 1999 Definitions. The terms “Restructuring Maturity Limitation Date”, “Restructuring Date”, “Restructured Bond or Loan”, “Eligible Transferee”, “Fully Transferable Obligation”, “Multiple Holder Obligation”, “Pari Passu Ranking” and “Credit Event Notice After Restructuring” each have the meanings ascribed thereto in the 1999 Definitions, as supplemented by the Restructuring Supplement.

Credit Protection Payments

Under each Credit Default Swap Transaction, the Issuer shall only be required to pay a Credit Protection Payment to the Credit Default Swap Counterparty if the Credit Default Swap Counterparty has delivered a Credit Event Notice to the Issuer (with a copy to the Trustee, the Calculation Agent, the Servicer, the

Rating Agencies and the Computation Agent) on or prior to the earlier of the Scheduled Termination Date and an Early Termination Date confirming that Publicly Available Information exists regarding the occurrence of a Credit Event in relation to a Reference Entity.

If these conditions to payment are satisfied, the Issuer shall pay to the Credit Default Swap Counterparty a Credit Protection Payment, the amount of which shall be equal to $(1 - \text{ARPP})$ times the Reference Entity Notional Amount (or the relevant portion thereof if the Restructuring Supplement applies) applicable to such Reference Entity where ARPP is equal to the Average Reference Portfolio Price (expressed as a decimal equivalent of a percentage) for the Reference Portfolio designated by the Credit Default Swap Counterparty on or prior to the third Business Day prior to the first Valuation Date, determined as set out below.

At or around 11.00 a.m. (London time) or 3.00 p.m. (London time) if the Reference Entity is incorporated in the United States (the "Valuation Time") on each of the fifty-fifth, sixtieth and sixty-fifth calendar days (or, in each case, if any such day is not a Business Day, the next following Business Day, each such date, a "Valuation Date") following the delivery to the Issuer of a Credit Event Notice, the Calculation Agent shall consult with five Reference Dealers to obtain firm bid quotations (expressed as the decimal equivalent of a percentage) for the purchase of an amount of the Reference Portfolio with an aggregate principal amount outstanding, or due and payable amount, as the case may be, equal to the relevant Reference Entity Notional Amount (each such quotation being a "Full Quotation").

The Reference Portfolio for such Valuation Date (the "Valuation Date Reference Price") shall be equal to the unweighted arithmetic mean of the two highest Full Quotations so obtained. If less than two Full Quotations are obtained on a Valuation Date, the Calculation Agent shall consult with five Reference Dealers to obtain at least two Full Quotations, or, if less than two Full Quotations are available, a Weighted Average Quotation on the next following Business Day and on each subsequent Business Day up to (but excluding) the next Valuation Date (or, in the case of the last Valuation Date, prior to the seventieth calendar day following the delivery to the Issuer of a Credit Event Notice), until the first such Business Day on which either (i) at least two Full Quotations are obtained at the Valuation Time on such Business Day or (ii) if less than two Full Quotations are available at the Valuation Time on such Business Day, a Weighted Average Quotation is obtained at or about the Valuation Time on such Business Day. The Valuation Date Reference Price for such Valuation Date shall be equal to either (i) the unweighted arithmetic mean of the two highest Full Quotations so obtained, or, failing which, (ii) the Weighted Average Quotation so obtained. Provided that the Valuation Date Reference Price determined in relation to each Valuation Date is greater than zero, the ARPP for the relevant Reference Portfolio designated by the Credit Default Swap Counterparty shall be equal to the arithmetic mean of the Valuation Date Reference Prices determined for each Valuation Date. If, in relation to a Valuation Date, at least two Full Quotations (or a Weighted Average Quotation) are not available on the same Business Day prior to the next Valuation Date (or, in the case of the last Valuation Date, prior to the seventieth calendar day following the delivery to the Issuer of a Credit Event Notice), such Valuation Date shall be disregarded for the purposes of determining the ARPP. If at least two Full Quotations (or a Weighted Average Quotation) have not been obtained in relation to any of the Valuation Dates, the Credit Default Swap Counterparty shall, one Business Day prior to the seventieth calendar day following the delivery to the Issuer of a Credit Event Notice designate an independent third party that qualifies as a Reference Dealer (the "Alternative Calculation Agent") to seek at least two Full Quotations (or a Weighted Average Quotation) on such day, and, if at least two Full Quotations (or a Weighted Average Quotation) are not obtained on such day, on each subsequent Business Day prior to the seventy-fifth calendar day following the delivery to the Issuer of a Credit Event Notice until at least two Full Quotations (or a Weighted Average Quotation) are available on the same Business Day, and either (i) the average of the two highest Full Quotations so obtained or, failing which, (ii) the Weighted Average Quotation, shall be the ARPP. If at least two Full Quotations (or a Weighted Average Quotation) are not available on the same Business Day prior to the seventy-fifth calendar day following the receipt by the Issuer of a Credit Event Notice, the ARPP shall be zero.

The Issuer shall be required to make a Credit Protection Payment on the tenth Business Day following the last relevant valuation date as set out immediately above (each a "Credit Protection Payment Date") and, pursuant to the Servicing and Treasury Management Agreement, the Computation Agent shall communicate the amount of any Credit Protection Payment to the Rating Agencies forthwith upon being notified. In the event that amounts standing to the credit of the Deposit Account are insufficient to pay Credit Protection Payments in full, the Credit Default Swap Counterparty has recourse to the Issuer Available Funds on each Payment Date, as described in "Credit Structure – Application of Issuer Available Funds".

Weighted Average Quotation means the weighted average of firm bid quotations obtained by the Calculation Agent (or the Alternative Calculation Agent), each for an amount (each such amount, a “Relevant Amount”) of the Reference Portfolio with an outstanding principal balance (or due and payable amount, as the case may be) of as large a size as available but less than the relevant Reference Entity Notional Amount, that in aggregate are equal to or greater than the relevant Reference Entity Notional Amount, provided however, that if the Relevant Amounts of the sum of such quotations exceeds the relevant Reference Entity Notional Amount, then the lowest firm bid quotation will be weighted as if its Relevant Amount were equal to the amount by which (i) the relevant Reference Entity Notional Amount exceeds (i) the aggregate of the Relevant Amounts of the other firm bid quotations obtained by the Calculation Agent (or the Alternative Calculation Agent).

In connection with any requests for quotations in respect of the Reference Portfolio, the Calculation Agent may, but shall not be required to, inform the relevant Reference Dealers of the occurrence and nature of the relevant Credit Event and the circumstances under which such Credit Event occurred. All calculations and other determinations made in respect of a Credit Protection Payment will be made in the sole judgment of the Computation Agent and will be final and binding (absent manifest error) on the Issuer, the Credit Default Swap Counterparty, the Trustee and each Noteholder.

Credit Event Notices

If a Credit Event occurs, then a notice (a “Credit Event Notice”) can be served at the sole discretion of the Credit Default Swap Counterparty. A Credit Event Notice is an irrevocable notice in writing delivered by the Credit Default Swap Counterparty to the Issuer (with a copy to each of the Calculation Agent, the Computation Agent, the Servicer, the Rating Agencies and the Trustee) which notifies the existence of Publicly Available Information regarding the occurrence or existence of a Credit Event of the relevant Reference Entity, and confirms that such Credit Event occurred on or after the Issue Date and on or prior to the Scheduled Termination Date. No Credit Event Notice may be delivered at any time after an Early Termination Date.

Any Credit Event Notice may be delivered between 9.00 a.m. and 4.00 p.m. (Irish time) on a Business Day. Any Credit Event Notice which is delivered after 4.00 p.m. (Irish time) shall be deemed to be delivered and to take effect the next following Business Day.

When determining the existence or occurrence of a Credit Event with respect to any Obligation, the determination shall be made without regard to whether or not such Credit Event was caused in whole or in part by (i) any lack or alleged lack of authority or capacity of the relevant Reference Entity to enter into or to perform such Obligation, (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation, (iii) the failure of a Reference Entity to make any payment as a result of compliance with any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described or (iv) the imposition of or any change in any exchange controls, capital restrictions, or any other similar restrictions imposed by any monetary or other authority.

Although the Calculation Agent will generally make its determination as to whether a Credit Event has occurred on the basis of all information available to it in its capacity as Calculation Agent and declare a Credit Event as soon as reasonably practicable after receiving information that would support a determination that a Credit Event has occurred, there may be circumstances in which, due to uncertainties regarding such information, questions of interpretation, the exercise of judgment by the Calculation Agent or other reasons, a determination regarding the occurrence of a Credit Event is delayed. None of the Calculation Agent, the Issuer, the Trustee or the Credit Default Swap Counterparty shall have any liability to any Noteholder or any other person as a result of any such delay.

Termination of Credit Default Swap Transactions on a Credit Protection Payment Date

A Credit Default Swap Transaction under which the Issuer is obliged to pay a Credit Protection Payment will terminate on the relevant Credit Protection Payment Date. No further payments shall be payable by either party under the relevant Credit Default Swap Transaction, other than amounts previously due and remaining unpaid, provided, however, that more than one Credit Protection Payment will be payable by the Issuer under each Credit Default Swap Transaction as described below in “Credit Event Notice After Restructuring”.

Credit Events

The following Credit Events apply in relation to the Reference Entities for the purpose of each Credit Default Swap Transaction. Each Credit Event incorporates the definition given to it by the 1999 Definitions, as amended by the Confirmation for each Credit Default Swap Transaction:

- (i) **Failure to pay:** after the expiration of any applicable (or deemed) Grace Period (as defined below) after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than USD 1,000,000 (or, in respect of Obligations denominated in Euro or other Specified Currencies, its equivalent in the relevant currency at the relevant time, based on then current exchange rates) (for such purposes, the “Payment Requirement”) under one or more Obligations;
- (ii) **Restructuring:** with respect to one or more Obligations, and in relation to an aggregate amount of not less than USD 10,000,000 (or, in respect of Obligations denominated in Euro or other Specified Currencies, its equivalent in the relevant currency at the relevant time, based on then current exchange rates) (for such purposes, the “Default Requirement”), any one or more of the following events occurs, is agreed between the Reference Entity or a Governmental Authority and the holder or holders of such Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that is binding upon a Reference Entity, and such event is not provided for under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred:
 - (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals; or
 - (b) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates; or
 - (c) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium; or
 - (d) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation; or
 - (e) any change in the currency or composition of any payment of interest or principal;

Notwithstanding the provisions of (a) to (e) above, none of the following shall constitute a Restructuring with respect to Credit Default Swap Agreements incorporating the 1999 Definitions, as supplemented by the Restructuring Supplement:

- (i) the payment in Euro of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (ii) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business;
- (iii) the occurrence of, agreement to or announcement of any of the events described in (d) to (e) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

If an Obligation Exchange has occurred, the determination as to whether one of the events described under (a) to (e) above has occurred will be based on a comparison of the terms of the Obligation immediately before such Obligation Exchange and the terms of the resulting Obligation immediately following such Obligation Exchange.

- (iii) **Obligation Acceleration:** one or more Obligations have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations in an aggregate amount of not less than the Default Requirement;
- (iv) **Repudiation/Moratorium:** means a Reference Entity (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (b) declares or imposes a moratorium, standstill or deferral,

whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement. This definition shall only apply to Reference Entities Accor S.A., Deutsche Lufthansa AG and WPD Holdings UK.

- (iv) **Bankruptcy:** the Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief applicable to it under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation or (2) is not dismissed, discharged, stayed or restrained within 30 days of the institution or presentation thereof, (e) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter, (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive) or (i) takes any formal action or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Restructuring Maturity Limitation Date means the date that is the earlier of (x) 30 months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Termination Date or later than 30 months following the Scheduled Termination Date.

Restructuring Date means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

Restructured Bond or Loan means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred.

Eligible Transferee means each of the following:

- (a) (i) any bank or other financial institution;
- (ii) an insurance or reinsurance company;
- (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in clause (c)(i) below); and
- (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship);
- provided, however, in each case that such entity has total assets of at least US\$500 million;
- (b) an Affiliate of an entity specified in the preceding clause (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity
- (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least US\$100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least US\$100 million; or
- (ii) that has total assets of at least US\$500 million; or
- (iii) the obligations of which under an agreement, contract, or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in paragraphs (a), (b), (c)(ii) or (d); and
- (d) a Sovereign, Sovereign Agency or Supranational Organisation (each as defined in the 1999 ISDA Credit Derivatives Definitions);

All references in this definition to US\$ include equivalent amounts in other currencies.

Fully Transferable Obligation means a Bond that is Transferable or a Loan which is capable of being assigned or novated to all Eligible Transferees without the consent of any person being required. For purposes of determining whether a Bond or a Loan is Transferable or is capable of being assigned or novated to Eligible Transferees, such determination shall be made as of the date on which the Reference Obligation Notice specifying such Bond or Loan as a Reference Obligation is delivered by the Counterparty taking into account only the terms of the Bond or Loan and any related transfer or consent documents which are known to be available in respect of such Bond or Loan.

Any requirement that notification of transfer of a Bond or Loan be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Bond or Loan shall not be considered to be a requirement for consent for purposes of this section.

The occurrence of, agreement to, or announcement of, any of the events described in (a) to (e) of the definition of Restructuring above shall not be a Restructuring where the Obligation in respect of any such events is not a Multiple Holder Obligation.

Multiple Holder Obligation means an Obligation that:

- (i) at the time the Credit Event Notice is delivered, is held by more than three holders that are not Affiliates of each other; and
- (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation) at least equal to sixty-six-and-two-thirds is required to consent to the event which would otherwise constitute a Restructuring Credit Event.

For purposes of paragraph (d) of the definition of “Restructuring” above, a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation means only the following: an amendment to the terms of such Obligation or other contractual arrangement pursuant to which the requisite percentage of holders of such Obligations (“Subordinated Holders”) agree that, upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of holders of any other Obligations will be satisfied prior to the claims of Subordinated Holders. For the avoidance of doubt, the provision of collateral, credit support or credit enhancement with respect to any obligation will not, of itself, constitute a change in the ranking in priority of payment of any Obligation causing the subordination of such Obligation.

Credit Event Notice After Restructuring

Upon the occurrence of a Credit Event that is a Restructuring:

- (a) the Credit Default Swap Counterparty may deliver at its sole discretion multiple or successive Credit Event Notices with respect to that Credit Default Swap Transaction, each such Credit Event Notice setting forth the specific amount of the Reference Entity Notional Amount for the applicable Reference Entity to which such Credit Event Notice applies (the “Exercise Amount”);
- (b) if the Credit Default Swap Counterparty has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the then outstanding Reference Entity Notional Amount, the rights and obligations of the parties shall, with effect from the date such Credit Event Notice is effective, be construed as if there were two different Reference Entities, one with a Reference Entity Notional Amount equal to the Exercise Amount and the other with an Reference Entity Notional Amount equal to the Reference Entity Notional Amount outstanding prior to such Credit Event Notice minus the Exercise Amount, which will continue in effect notwithstanding the Credit Event Notice delivered;

provided however that:

- (i) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event in respect of a Reference Entity other than a Restructuring must be equal to the then outstanding Reference Entity Notional Amount (and not a portion thereof); and
- (ii) any Exercise Amount must be in a minimum amount of U.S.\$1,000,000 or an integral multiple thereof.

Governmental Authority means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

Grace Period means the applicable grace period with respect to payment under the relevant Obligation under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred, provided that, if at the later of the Trade Date and the date as of which a Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation, provided further that such deemed Grace Period shall expire no later than the Scheduled Termination Date; where **Grace Period Business Day** means a day on which commercial banks and foreign exchange markets are generally open for business to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the currency of denomination of the relevant Obligation;

Obligation means any Valuation Obligation of a Reference Entity and any obligation (whether present or future, contingent or otherwise) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

Obligation Exchange means the mandatory transfer (other than in accordance with the terms in effect as of the later of the Trade Date or date of issuance of the relevant Obligations) of any securities, obligations or assets to holders of Obligations in exchange for such Obligations. When so transferred, such securities, obligations or assets will be deemed to be Obligations.

Publicly Available Information means any information that reasonably confirms any of the facts relevant to the determination that the Credit Event described in a Credit Event Notice has occurred and which (i) has been published in not less than two internationally recognised published or electronically displayed news sources (it being understood that each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun and Financial Times (and successor publications) shall be deemed to be an internationally recognised published or electronically displayed news source), regardless of whether the reader or user thereof pays a fee to obtain such information; provided that if either of the parties or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless such party or its Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; (ii) is information received from (A) a Reference Entity or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; (iii) is information contained in any petition or filing instituting a proceeding described in paragraph (iv) under *Bankruptcy*, above; or (iv) is information contained in any order, decree or notice, however described, of a court, tribunal, regulatory authority or similar administrative or judicial body, where Affiliate has the meaning ascribed thereto in the standard form 1992 ISDA Master Agreement (Multi-Currency-Cross Border).

In relation to any information of the type described in (ii), (iii) or (iv) of this definition, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate thereof that would be breached by, or would prevent, the disclosure of such information to third parties. Publicly Available Information need not state that such occurrence has met the Payment Requirement or Default Requirement, is the result of exceeding any applicable Grace Period or has met the subjective criteria specified in certain Credit Events.

Credit Default Swap Counterparty Payments

On each 5 November, 5 February, 5 May and 5 August in each year or, if any such day is not a Business Day, the next succeeding Business Day (each such date, a “Credit Default Swap Counterparty Payment Date”), the Credit Default Swap Counterparty shall pay to the Issuer a Credit Default Swap Counterparty Payment under each Credit Default Swap Transaction in an amount equal to a fixed rate determined in relation to the Reference Entity the subject of that Credit Default Swap Transaction, applied to the Reference Entity Notional Amount of such Credit Default Swap Transaction. No further Credit Default Swap Counterparty Payments shall be payable in relation to a Credit Default Swap Transaction under which a Credit Event Notice has been delivered and each Credit Default Swap Counterparty Payment which is due on the Credit Default Swap Counterparty Payment Date next following the date on which a Credit Event Notice was delivered shall be reduced to an amount equal to that part of that payment which

has accrued during the period from (and including) the previous Credit Default Swap Counterparty Payment Date to (but excluding) the date on which such Credit Event Notice was delivered, calculated on a *per diem* basis. Each Credit Default Swap Counterparty Payment shall be paid into the Collection Account.

Consent Required Loan

Where any Valuation Obligation of the Reference Portfolio is a Consent Required Loan, the Calculation Agent shall, in connection with any requests for quotations in respect of such Valuation Obligation, inform the Reference Dealers of the identity of the debtor, the governing law and jurisdiction of the relevant loan documentation, details of any guarantee and/or security, the main covenants contained within the relevant loan documentation, the maturity of the loan and any amortisation, the interest rate of the loan, whether the loan is a revolving loan or a term loan, the amounts if any drawn down under the loan, any conditions to transfer and the date of the relevant loan agreement. Any firm bid quotations received from Reference Dealers in respect of such a Valuation Obligation shall be treated as firm bid quotations, notwithstanding that the Reference Dealers express such firm bid quotations as being subject to the loan documentation.

Reference Dealers

Each Reference Dealer shall be selected from among ten leading banking institutions according to a market source league table for the continent in which is located the country of incorporation of the Reference Entity in respect of which the relevant Credit Event has occurred, which is not affiliated to the Credit Default Swap Counterparty and which is selected by the Calculation Agent, in good faith.

Early Termination

The Credit Default Swap is subject to early termination only in limited circumstances (each an “Early Termination Event”), including payment defaults by the Issuer or the Credit Default Swap Counterparty, bankruptcy related events applicable to the Issuer or the Credit Default Swap Counterparty, tax related events applicable to the Issuer or the Credit Default Swap Counterparty, or early redemption of the Notes. Save as otherwise described herein, the Credit Default Swap Transactions will not be subject to early termination in circumstances relating to defaults under other transactions applicable to the Issuer or the Credit Default Swap Counterparty (other than the Deed of Charge and Assignment) or any mergers, consolidations or similar transactions applicable to the Issuer or the Credit Default Swap Counterparty. Following the occurrence of the Scheduled Termination Date, no amount shall be payable by either party to the other party, other than current amounts owing and unpaid from each party to the other (together with interest thereon) and Credit Protection Payments payable by the Issuer to the Credit Default Swap Counterparty in respect of Credit Event Notices duly served on the Issuer prior to the Scheduled Termination Date.

On an Early Termination Date, unwind costs (“Credit Default Swap Unwind Costs”) will be payable by the Issuer or the Credit Default Swap Counterparty, as the case may be, in accordance with section 6(e) (*Payments on Early Termination*) of the 1992 ISDA Master Agreement, and Second Method and Loss (as those terms are defined in the 1992 ISDA Master Agreement) will apply, provided that, in the event of early termination for tax reasons, amounts withheld or deducted from amounts owing by one party to the other on account of tax, that would have otherwise been payable net of withholding but for the relevant tax event, will be taken into account in determining Loss. Credit Default Swap Unwind Costs payable by the Issuer to the Credit Default Swap Counterparty will be subject to the cash allocation provisions set out in the Deed of Charge and Assignment, and will be senior to any payments in respect of the Notes if the Early Termination Event occurs as a result of any event other than an event of default under the Credit Default Swap Agreement where the Credit Default Swap Counterparty is the defaulting party. If an Early Termination Event occurs as a result of an event of default under the Credit Default Swap Agreement where the Credit Default Swap Counterparty is the defaulting party, any Credit Default Swap Unwind Costs payable by the Issuer will be subordinated to payments to the holders of the Notes (see the section entitled “Credit Structure”).

Rating Event

If the long-term senior debt obligations of the Credit Default Swap Counterparty cease to be rated at least AA- by S&P or Aa3 by Moody’s (or such other ratings as may be agreed from time to time with the Rating Agencies) then, the Credit Default Swap Counterparty will within 10 Business Days enter into a credit support annex (the “Credit Support Annex”) with the Issuer (which will form part of the Credit Default

Swap Agreement) and the Issuer will, as soon as possible, enter into a guaranteed investment contract (the “GIC”) with a suitably rated bank under which an investment account (the “GIC Account”) will be established.

Under the Credit Support Annex, the Credit Default Swap Counterparty will deliver cash collateral to the Issuer, which the Issuer will credit to the GIC Account, in an amount equal to the premium payable on the next Credit Default Swap Counterparty Payment Date from time to time under the Credit Default Swap Agreement.

Until the GIC Account is operational, on each Credit Default Swap Counterparty Payment Date, the Credit Default Swap Counterparty will pay to the Collection Account the premium due under the Credit Default Swap Agreement on the next Credit Default Swap Counterparty Payment Date in advance.

Security

Any Credit Protection Payments to be made under the Credit Default Swap Transactions are secured by the same Security as that which secures payments by the Issuer to Issuer Secured Parties, although payments by the Issuer to the Credit Default Swap Counterparty are subordinated to the Issuer’s obligation to pay the Senior Parties Remuneration.

If the Issuer is required to make a Credit Protection Payment, the Issuer will fund the required payment by debiting the Deposit Account and, to the extent the Credit Protection Payment exceeds such funds, the Issuer will fund the required payments using, at any Payment Date, the Issuer Available Funds in accordance with the priority of payments (see “Credit Structure – Pre-Enforcement Priority of Payments”). The Issuer will be required to pay, in accordance with the Pre-Enforcement Priority of Payments, on any Payment Date, the Credit Protection Interest Amount accrued on the Credit Protection Payment exceeding the balance standing to the credit of the Deposit Account.

Credit Protection Payments are paid in priority to all other amounts standing to the credit of Deposit Account but are subordinated to items (a) to (i) inclusive of the Pre-Enforcement Priority of Payments.

Provision of Certain Information

Pursuant to the Credit Default Swap Transactions, the Calculation Agent will provide written notice to, *inter alia*, the Issuer, the Trustee, the Credit Default Swap Counterparty, the Computation Agent and the Servicer of the determination of a Credit Event. The Calculation Agent shall notify the Issuer, the Trustee, the Credit Default Swap Counterparty, the Computation Agent and the Servicer of the amount of the related Credit Protection Payment. Such information and notices will be made available by the Trustee to any Noteholder upon request and, so long as any Notes are listed on the Luxembourg Stock Exchange, will also be available free of charge at the office of the Paying Agent in Luxembourg.

Governing Law

The Credit Default Swap Agreements are governed by, and shall be construed in accordance with, the laws of England. Each of the Issuer and the Credit Default Swap Counterparty will submit to the jurisdiction of the English courts in connection with the Credit Default Swap Agreement. The Issuer will appoint Structured Finance Management Limited to accept service of process on its behalf.

USE OF PROCEEDS

The net proceeds of the issue of the Notes and Preference Shares are Euro 222,266,350 and will be applied by the Issuer on the Issue Date in paying for the Securities Portfolio, entering into the Credit Default Swap Agreements and in crediting the Deposit Account with the Credit Default Swap Reserve.

DESCRIPTION OF BANCA LOMBARDA E PIEMONTESE S.p.A.

Banca Lombarda e Piemontese S.p.A. is the parent company of the banking group created by the merger (the “Merger”) of CAB S.p.A. (“CAB”) and Banca San Paolo di Brescia S.p.A. (“Banca San Paolo”). CAB was founded on 23 May 1887 with the aim of supporting agriculture in the province of Brescia and developed, through a combination of organic growth and acquisitions, into a commercial bank engaged in lending, deposit-taking, asset management, custody services and securities trading as well as a number of other traditional banking and financial services. As at 31 December 1997, CAB (together with its banking subsidiaries) had a total of 241 branches. Banca San Paolo was incorporated in 1888 as a limited liability co-operative company (*Società Anonima Cooperativa*) under the name Società Anonima Cooperativa Cassa di Risparmio S. Paolo by members of leading Catholic families in Brescia to serve the economic, civic and moral development of the community. Banca San Paolo continued as a community bank until its conversion into a joint-stock company (*Società per Azioni*) in 1928, which marked the beginning of the first phase of significant expansion of the Bank’s network of branches, through the acquisition of a number of small banks in the Brescia province. As at 31 December 1997, Banca San Paolo (together with its subsidiaries) had a total of 188 branches.

On 13 and 14 November 1998, the respective shareholders’ meetings of Banca San Paolo and CAB approved the Merger, to be carried out via the incorporation of Banca San Paolo into CAB. On 31 December 1998, the Merger was completed with CAB changing its name to Banca Lombarda S.p.A. In December 1998, Banca Lombarda S.p.A. incorporated a new operating subsidiary, Banco di Brescia San Paolo CAB S.p.A. (“Banco di Brescia”) with an initial capital of ITL 12.5 billion into which its commercial banking activities were spun off on 1 January 1999. Banco di Brescia is a wholly owned subsidiary of Banca Lombarda S.p.A.. As part of the same process of rationalisation, in January 1999 Banca Lombarda S.p.A. transferred 11 branches of CAB from the Genoa region to its subsidiary Banca di Genova e San Giorgio S.p.A. in return for shares. As a result, Banca Lombarda’s percentage shareholding in Banca di Genova e San Giorgio S.p.A. increased from 71.4 per cent. to 80.3 per cent.

In December 1999 Banca Lombarda agreed, subject to obtaining approval from the Bank of Italy and the Treasury Minister, to buy a controlling interest in Banca Regionale Europea S.p.A (“BRE”) a bank based in the northwest of Italy. In March, Banca Lombarda acquired, partly directly and partly through Banco di Brescia, a controlling interest in BRE from the Fondazione Cassa di Risparmio di Cuneo and Fondazione Banca del Monte di Lombardia. This took its total voting interest in the capital stock to 52.35% and its total share of capital stock to 49.50%. The overall cost was ITL 2,410 billion. Pursuant to a resolution passed by the stockholders of Banca Lombarda on April 28, 2000, Fondazioni Cassa di Risparmio di Cuneo transferred further shares in BRE to Banca Lombarda in exchange for Banca Lombarda shares and Banca Lombarda S.p.A. resolved to change its name to Banca Lombarda e Piemontese S.p.A..

As part of a strategic plan to reinforce links with Società Cattolica di Assicurazione (“Cattolica”), Banca Lombarda’s insurance partner, Banco di Brescia sold Cattolica its interest in BRE. Following this sale, Banca Lombarda held 53% of the voting capital and 50.11% of overall capital in BRE. Pursuant to agreements between Banca Lombarda and the Fondazione Cassa di Risparmio di Cuneo and Fondazione del Monte di Lombardia Banca Lombarda made a bid for all 46,310,550 savings shares of BRE in early 2001, offering three ordinary Banca Lombarda shares plus ITL 30,000 for every 25 savings shares of BRE. When the offer period ended on February 23, 2001, stockholders owning 45,601,700 saving shares of BRE had taken up the offer, an acceptance rate of 98.47%.

Moody’s, S&P and Fitch IBCA Limited each rate the Banca Lombarda’s long-term and short-term certificates of deposit. Moody’s currently rates Banca Lombarda’s long-term certificates of deposit as “A2” and short-term certificates of deposit as “P-1”, outlook “Positive”. S&P rates Banca Lombarda’s long-term certificates of deposit as “A-” and its short-term certificates of deposit as “A-2”, outlook “Stable”. Fitch IBCA Limited rates Banca Lombarda’s long-term certificates of deposit as “A” and its short-term certificates of deposit as “F1”, outlook “Stable”. No assurances can be given that the current ratings of Banca Lombarda’s will be maintained.

DESCRIPTION OF BNP PARIBAS AS SWAP COUNTERPARTY AND CREDIT DEFAULT SWAP COUNTERPARTY

BNP PARIBAS Group (the “Group”) is France’s largest listed banking group in terms of market capitalisation. As a result of the combination of BNP and PARIBAS and the Group’s restructuring efforts, the Group has become one of the top global players in financial services, conducting retail, corporate and investment banking, private banking, asset management, insurance and specialised and other financial activities throughout the world. According to the rankings published in July 2000 by The Banker (based on 1999 figures):

- based on total assets, BNP PARIBAS was the largest banking group in France, the second largest in Europe, and the third largest in the world, and
- based on Tier 1 capital, BNP PARIBAS was the second, third and fourteenth largest banking group in France, Europe and the world, respectively.

The merger of BNP and PARIBAS created a leading European provider of corporate and investment banking and asset management products and services, and a leading provider of private banking products and services throughout the world. In the French retail banking segment, the Group has significant market shares in consumer lending and in corporate lending and savings management. It is a leading provider of retail banking and financial services in Europe, with over 13 million individual customers in the Euro zone. Management believes that the Group ranks first in France in consumer loans, lease financing and fleet management, and among the top three in Europe as a provider of consumer loans and fleet management. BNP PARIBAS has offices in 87 countries.

At 31 December 2000, the Group had consolidated assets in excess of EUR 694 billion, consolidated gross total customer items in excess of EUR 240 billion, consolidated customer deposits (including retail and negotiable certificates of deposit) of EUR 233 billion and stockholders’ equity (BNP PARIBAS Group share after appropriation of income) of EUR 20.6 billion. Net income (before taxes, non-recurring items and amortisation of goodwill) for the year ended 31 December 2000 was over EUR 6.7 billion, which represents an increase of 20.9 per cent. (from EUR 5.5 billion) from the pro forma combined BNP and PARIBAS net income for the corresponding period in 1999.

BNP PARIBAS has long-term senior debt ratings of “Aa3” with positive outlook from Moody’s, “AA-” with stable outlook from S&P’s and “AA-” with positive outlook from Fitch IBCA Limited. Moody’s has also assigned BNP PARIBAS a Bank Financial Strength rating of “B” and Fitch IBCA Limited has assigned BNP PARIBAS an individual rating of “B/C”.

DESCRIPTION OF THE NOTES IN GLOBAL FORM

The Class A Notes, the Class B Notes and the Class C Notes (which shall be in the denominations of Euro 100,000 each) will be initially represented by a temporary global note (respectively the “Class A Temporary Global Note”, the Class B Temporary Global Note” and the “Class C Temporary Global Note” and, together, the “Temporary Global Notes”) in bearer form, without coupons or talons attached, in the principal amounts of Euro 195,800,000, Euro 8,700,000 and Euro 5,800,000. The Temporary Global Notes will be deposited on behalf of the subscribers of the relevant Class of Notes with the Common Depositary for the Euroclear Operator and Clearstream, Luxembourg on the Issue Date. Upon deposit of the Temporary Global Notes, the Euroclear Operator or Clearstream, Luxembourg will credit each subscriber of the Class A Notes, the Class B Notes and the Class C Notes (as the case may be) with the principal amount thereof equal to the principal amount thereof for which it has subscribed and paid.

Interests in the Temporary Global Notes will be exchangeable 40 days after the Issue Date (provided that certification of non-U.S. beneficial ownership by the relevant Noteholders has been received) for interests in the corresponding permanent global note (respectively the “Class A Permanent Global Note”, the “Class B Permanent Global Note” and the “Class C Permanent Global Note” and, together, the “Permanent Global Notes”), in bearer form, without coupons or talons attached, in an equivalent principal amount to the relevant Temporary Global Note (the expression “Global Notes” meaning the Temporary Global Notes, and the Permanent Global Notes or any of them, as the context may require). The Permanent Global Notes will also be deposited with the Common Depositary. The Global Notes will be transferable by delivery.

The Permanent Global Notes will be exchangeable for definitive Notes, with coupons and talons attached, in bearer form only in the certain circumstances described below.

Interest and principal on each Global Note will be payable against presentation of that Global Note by the Common Depositary to the Principal Paying Agent provided that certification of non-U.S. beneficial ownership by the relevant Noteholder has been received by the Euroclear Operator or Clearstream, Luxembourg as described above. Each of the persons appearing from time to time in the records of the Euroclear Operator or of Clearstream, Luxembourg as the holder of a Class A Note, a Class B Note or a Class C Note (as the case may be) will be entitled to receive any payment so made in respect of that Note in accordance with the respective rules and procedures of the Euroclear Operator or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer or the Trustee in respect of payments due on the Notes, which must be made by the holder of the relevant Global Note, for so long as such Global Note is outstanding. Each such person must give a certificate as to non-U.S. beneficial ownership as of the earlier of (i) the date on which the Issuer is obliged to exchange the relevant Temporary Global Note for the relevant Permanent Global Note, which date shall be no earlier than the Exchange Date (as defined in the relevant Temporary Global Note) and (ii) the first Payment Date, in order to obtain any payment due on the Notes.

For so long as the Class A Notes and/or the Class B Notes and/or the Class C Notes are represented by the relevant Global Notes, the Notes so represented by such Global Note will be transferable in accordance with the rules and procedures for the time being of the Euroclear Operator or, as the case may be, Clearstream, Luxembourg and the Issuer, the Principal Paying Agent and the Trustee may treat each person who is for the time being shown in the records of the Euroclear Operator or of Clearstream, Luxembourg as the holder of a particular principal amount of Class A Notes, Class B Notes or Class C Notes (as the case may be) (in which regard any certificate or other document issued by the Euroclear Operator or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) as the holder of such principal amount of such Notes for all purposes and the expressions “Class A Noteholder”, “Class B Noteholder” and “Class C Noteholder” shall be construed accordingly, other than with respect to the payment of interest and repayment of principal on such Notes, the right to which shall be vested solely in the bearer of the relevant Global Note and in accordance with its terms.

A record of each payment made on a Global Note, distinguishing between any payment of interest and principal, as the case may be, will be endorsed on such Global Note by the Principal Paying Agent to which such Global Note was presented for the purpose of making such payment, and such record shall be prima facie evidence that the payment in question has been made.

If (i) the Principal Amount Outstanding of the Class A Notes, the Class B Notes or the Class C Notes (as the case may be) becomes immediately due and payable by reason of accelerated maturity following the occurrence of an Event of Default or (ii) either the Euroclear Operator or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative

clearing systems satisfactory to the Trustee is available or (iii) as a result of any amendment to, or change in, the laws or regulations of the Republic of Ireland (or any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation by a revenue authority or a court of, or in the administration of, such laws or regulations which becomes effective on or after the Issue Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding from any payment in respect of any Class A Notes or Class B Notes or Class C Notes (as the case may be) which would not be required were the Class A Notes or the Class B Notes or the Class C Notes (as the case may be) in definitive form, then the Issuer will issue definitive Class A Notes in exchange for the whole outstanding interest in the Class A Permanent Global Note and definitive Class B Notes in exchange for the whole outstanding interest in the Class B Permanent Global Note and definitive Class C Notes in exchange for the whole outstanding interest in the Class C Permanent Global Note (as the case may be) within thirty days of the occurrence of the relevant event but, in no event, prior to the expiry of forty days after the Issue Date and subject to certification of non-U.S. beneficial ownership.

For so long as the Class A Notes and/or the Class B Notes and/or the Class C Notes are represented by the relevant Global Note and such Global Note is held on behalf of a clearing system, notices to Noteholders of the relevant Class may be given by sending the relevant notice to that clearing system, for communication by it to entitled accountholders in substitution for publication as required by the Conditions except that so long as the Class A Notes, the Class B Notes and/or the Class C Notes are listed on the Stock Exchange and the rules of that Stock Exchange so require, notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

Claims against the Issuer in respect of interest and principal on the Class A Notes, the Class B Notes and the Class C Notes, while such Notes are represented by the relevant Permanent Global Notes, will become void unless the relevant Permanent Global Note is presented for payment within a period of five years (in the case of interest) and ten years (in the case of principal from the appropriate Relevant Date (as defined in Condition 8 of the Notes of the relevant Class) for the relevant Notes.

The holder of each Permanent Global Note will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of holders of the Class A Notes or the Class B Notes or the Class C Notes, as the case may be, and, at any such meeting, as having one vote in respect of each Euro 1,000 principal amount of Notes of the Class for which the Permanent Global Note may be exchanged.

Cancellation of any Class A Note, Class B Note or Class C Note required by the relevant Conditions to be cancelled will be effected by reduction in the principal amount of the corresponding Permanent Global Note.

TERMS AND CONDITIONS OF THE CLASS A NOTES

If Class A Notes in definitive form were to be issued, the terms and conditions (subject to amendment and completion) set out on each Class A Note in definitive form would be as set out below. While the Class A Notes remain in global form the same terms and conditions govern the Class A Notes, except to the extent that they are appropriate only to Class A Notes in definitive form.

General

The Euro 195,800,000 Class A Secured Floating Rate Notes due 2021 (the “Class A Notes”), the Euro 8,700,000 Class B Secured Floating Rate Notes due 2021 (the “Class B Notes”) and the Euro 5,800,000 Class C Secured Floating Rate Notes due 2021 (the “Class C Notes” and, together with the Class A Notes and the Class B Notes, the “Notes”) issued by Cidneo Finance Plc (the “Issuer”) are constituted by a trust deed to be entered into on 6 November, 2001 (the “Issue Date”) (the “Trust Deed”) and made between the Issuer and BNP PARIBAS Trust Corporation UK Limited (the “Trustee”) as trustee for the holders for the time being of the Class A Notes (the “Class A Noteholders”), the Class B Notes (the “Class B Noteholders”) and the Class C Notes (the “Class C Noteholders” and, together with the Class A Noteholders and the Class B Noteholders, the “Noteholders”), the holders for the time being of the interest coupons relating to the Class A Notes (the “Class A Interest Couponholders”) and the holders of the principal coupons relating to the Class A Notes (the “Class A Principal Couponholders” and, together with the Class A Interest Couponholders, the “Class A Couponholders”), the holders for the time being of the interest coupons relating to the Class B Notes (the “Class B Interest Couponholders”) and the holders of the principal coupons relating to the Class B Notes (the “Class B Principal Couponholders” and, together with the Class B Interest Couponholders, the “Class B Couponholders”), the holders for the time being of the interest coupons relating to the Class C Notes (the “Class C Interest Couponholders”) and the holders of the principal coupons relating to the Class C Notes (the “Class C Principal Couponholders” and, together with the Class C Interest Couponholders, the “Class C Couponholders” and, together with the Class A Couponholders and the Class B Couponholders, the “Couponholders”) or the talons appertaining to the Notes (“Talons”).

The statements in these terms and conditions of the Class A Notes (the “Class A Conditions”) include summaries of, and are subject to, the detailed provisions of the Transaction Documents which comprise the Trust Deed, the Agency Agreement, the Deed of Charge and Assignment, the Euroclear Pledge Agreement, the Securities Purchase Agreement, the Securities Purchase Agreement Amendment Agreement, the Warranty and Indemnity Deed, the I/R/Fx Swap Agreements, the Credit Default Swap Agreements, the Swap Novation Agreement, the Bank Agreement, the Servicing and Treasury Management Agreement, the Custody Agreement, the Corporate Services Agreement, the Note Subscription Agreement and a master definitions agreement (the “Master Definitions Agreement”) (together the “Transaction Documents”) and are available for inspection at the specified office of the Principal Paying Agent. Each of the Transaction Documents is dated on or about the Issue Date, other than the Note Subscription Agreement which is dated on or about the date hereof and the Warranty and Indemnity Deed and the Securities Purchase Agreement which are each dated the Transfer Date.

The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of all the Transaction Documents. These Class A Conditions are subject to the detailed provisions of the Transaction Documents.

Any reference in these Class A Conditions to a Transaction Document shall be deemed to be a reference to such Transaction Document as the same may be amended, varied, novated, modified, supplemented or replaced in accordance with its terms and shall include any notices or other documents issued in connection with or supplemental thereto and any reference to a party thereto or to any person shall include its successors, transferees and permitted assigns and persons deriving title under or through it.

Capitalised terms not otherwise defined in these Class A Conditions shall bear the same meaning given to them in the Master Definitions Agreement.

1. Form, Denomination and Title

(a) Form and Denomination

The Class A Notes are serially numbered and are issued in bearer form each with interest coupons (“Class A Interest Coupons”) and principal coupons (“Class A Principal Coupons”) (together or severally, the “Class A Coupons”) and talons (“Class A Talons”) attached. The Class A Notes are in the denomination of Euro 100,000. Title to the Class A Notes and Class A Coupons shall pass by physical delivery.

(b) Title

The holder of any Class A Note and the holder of any Class A Coupon may (to the fullest extent permitted by applicable laws and except as otherwise ordered by a court decision or competent authority) be deemed to be and treated at all times by all persons and for all purposes (including for the purpose of making of any payments) as the absolute owner of such Class A Note or Class A Coupon, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon.

(c) Class A Coupons

The holder of each Class A Coupon (whether or not the Class A Coupon is attached to the relevant Class A Note) shall, in his capacity as such, be subject to and bound by all the provisions contained in the relevant Class A Note.

2. Status, Security and Priority

(a) Status

The Class A Notes and the Class A Coupons constitute direct, secured, limited recourse obligations of the Issuer and are secured over certain assets of the Issuer pursuant to and as more fully described in the Deed of Charge and Assignment and the Euroclear Pledge Agreement. The Class A Notes are subject to the Trust Deed and are secured by the same security that secures the Class B Notes and the Class C Notes and the claims of the other Issuer Secured Parties.

(b) Priority

The Class A Notes will rank *pari passu* without preference or priority amongst themselves. The Class A Notes are subordinated to certain prior ranking amounts due from the Issuer to the Trustee, the Custodian, the Account Bank, the Computation Agent, the Servicer, the Agents, the Corporate Services Provider, the Swap Counterparty (with the exception of any Swap Unwind Costs), the Credit Default Swap Unwind Costs to the Credit Default Swap Counterparty (with the exception of Credit Default Swap Unwind Costs incurred as a result of a default by the Credit Default Swap Counterparty), Credit Protection Interest Amounts to the Credit Default Swap Counterparty, the Irish tax authority under applicable Irish law, any Connected Third Party Creditors and all amounts due and payable in respect of obligations which must be paid in order to preserve the corporate existence of the Issuer and/or comply with applicable law in each case under the Transaction Documents as more particularly set out in the Deed of Charge and Assignment (such amounts being together referred to as the “Senior Parties’ Remuneration”). On each Payment Date prior to the Issuer Security becoming enforceable, no payment of any amount will be made on the Class A Notes until the Senior Parties’ Remuneration has been paid in full or is paid simultaneously with such payment. Following the Issuer Security becoming enforceable, no payment of any amount will be made on the Class A Notes until all the Senior Parties’ Remuneration, any outstanding Credit Protection Payments and amounts owed to any Receiver have been paid in full or such amounts are paid simultaneously with such payments. The rights attaching to the Class A Notes in respect of priority of payment of interest and repayment of principal are set out in the Deed of Charge and Assignment.

(c) Trust Deed

The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the holders of the Class A Notes, the Class B Notes and the Class C Notes as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case to have regard only (except where expressly provided otherwise) to (i) (for so long as there are any amounts on the Class A Notes outstanding) the interests of the holders of Class A Notes if, in the Trustee’s opinion, there is a conflict between the interests of the holders of Class A Notes and the interests of the holders of the Class B Notes/or and the holders of the Class C Notes and (ii) (for so long as there are any Class B Notes outstanding and no Class A Notes outstanding) the interests of the holders of Class B Notes if, in the Trustee’s opinion, there is a conflict between the interests of the holders of Class B Notes and the interests of the holders of the Class C Notes.

(d) Deed of Charge and Assignment

The Deed of Charge and Assignment contains provisions requiring the Trustee to have regard to the interests of the Issuer Secured Parties as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case, to have regard only (except where expressly provided otherwise) to (for so long as there are any amounts on the Class A Notes and/or the Class B Notes and/or Class C Notes outstanding) the interests of the Class A Noteholders and, if the Class A Notes shall have been redeemed in full, the interests of the Class B

Noteholders and, if the Class B Notes shall have been redeemed in full, the interests of the Class C Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class A Noteholders or the interests of the Class B Noteholders or the interests of the Class C Noteholders, (or any combination of them) and the interest of any other Issuer Secured Party (or any combination of them).

(e) Security

As security for the payment of all monies payable in respect of the Notes and otherwise under the Trust Deed and in respect of amounts payable to the other Issuer Secured Parties under any of the Transaction Documents (including the Senior Parties' Remuneration), pursuant to the Deed of Charge and Assignment the Issuer has created the following security (the "Issuer Security") in favour of the Trustee for itself and as trustee for the other Issuer Secured Parties thereunder:

- (i) a first fixed charge over the Issuer's right, title and interest (other than such right, title and interest as is pledged under the Euroclear Pledge Agreement) in and to the Securities;
- (ii) an assignment by way of security over the Issuer's rights under (aa) the Bank Agreement, (bb) the Securities Purchase Agreement, (cc) the Securities Purchase Agreement Amendment Agreement, (dd) the I/R/Fx Swap Agreements, (ee) the Servicing and Treasury Management Agreement, (ff) the Custody Agreement, (gg) the Agency Agreement, (hh) the Note Subscription Agreement, (ii) the Credit Default Swap Agreements, (jj) the Warranty and Indemnity Deed, (kk) the Swap Novation Agreement and (ll) the Corporate Services Agreement;
- (iii) a first fixed charge over the Issuer's right, title and interest in the Collection Account and the Deposit Account maintained with the Account Bank;
- (iv) a first fixed charge over the Issuer's right, title and interest in the Euroclear Cash Account and the Euroclear Securities Account maintained with the Custodian pursuant to the Custody Agreement.

The Issuer has also pursuant to the Euroclear Pledge Agreement created a Belgian law pledge over the Issuer's Euroclear Entitlements from time to time held in Euroclear.

On enforcement of the Issuer Security, the Trustee is required to apply monies available for distribution in accordance with the Post-Enforcement Priority of Payments set out in the Deed of Charge and Assignment.

The Issuer Security will become enforceable upon the Class A Notes being declared due and repayable in accordance with Class A Condition 9.

3. Covenants

Subject to the proviso below, save as provided in or contemplated by the Transaction Documents or with the prior written consent of the Trustee, the Issuer shall not, so long as any Note remains outstanding (as defined in the Trust Deed):

- (a) engage in any activity or business except:
 - (i) as provided in or contemplated by the Notes and/or the Transaction Documents in relation to the Issuer; and
 - (ii) to perform any act incidental to or necessary in connection with (i) above or any act required by any law, regulation or order of any court to be performed;
- (b) use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with any of its property or assets or any interest therein or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;
- (c) lend money or incur any obligation to pay money, whether present or future or actual or contingent ("indebtedness") whatsoever or give any guarantee or indemnity in respect of any indebtedness;
- (d) (i) create or permit to exist upon or effect any mortgage, charge, pledge, lien or other encumbrance whether fixed, floating or otherwise, upon the whole or any part of its property or assets, present and future other than in any case as may arise by operation of law; or (ii) sign, file or register under applicable law any mortgage, debenture or the like which names the Issuer as debtor, or sign or enter into any security agreement authorising any secured party thereunder to file or register such mortgage, debenture or the like, except in each case any such instrument securing the rights and preserving the security of the Trustee and the other Issuer Secured Parties;
- (e) consolidate with or merge with or into any other person or convey or transfer its properties or assets substantially in their entirety to any person;
- (f) have, form or cause to be formed, any subsidiary or have any employees or premises;

- (g) issue any further shares, or issue any warrants or options in respect of shares, or securities convertible into or exchangeable for shares;
- (h) declare or pay any dividend or make any other distribution to its Ordinary Shareholders in excess of Euro 1,000 in total;
- (i) operate or have an interest in any bank account relating to the Notes other than the Accounts unless such further account or the Issuer's interest therein shall be charged or otherwise secured in favour of the Trustee on terms acceptable to the Trustee;
- (j) permit any Transaction Document or the validity or effectiveness thereof, or the priority of the security interests created thereby, to be amended, terminated or discharged, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of any Transaction Document, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Security to be released from such obligations;
- (k) amend, supplement or otherwise modify its Memorandum or Articles of Association other than when and as required by law.

4. Interest

(a) Accrual of Interest

Each Class A Note bears interest on its Principal Amount Outstanding (as defined in Class A Condition 5(b)) from (and including) the Issue Date. Prior to the service of an Issuer Enforcement Notice each Class A Note shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon in accordance with this Condition (after as well as before any judgment) up to (but excluding) the date on which all sums due and payable in respect of such Class A Note up to that day are received by or on behalf of the relevant Class A Noteholder, or (if earlier) the seventh day after notice is duly given by the Principal Paying Agent to the holder thereof (in accordance with Condition 14) that the Principal Paying Agent has received all sums due and payable in respect of such Class A Note (except to the extent that there is any subsequent default in payment). Upon the service of an Issuer Enforcement Notice, each Class A Note shall cease to bear interest from the date thereof.

Whenever it is necessary to compute an amount of interest in respect of any Class A Note for any period (including any Interest Period (as defined below)), such interest shall be calculated on the basis of actual days elapsed and a 360 day year.

(b) Payment Dates and Interest Periods

Interest on the Class A Notes is payable quarterly in arrear in Euro on 16 February, 16 May, 16 August and 16 November in each year (or, if such day is not a Business Day, the immediately succeeding Business Day unless such Business Day falls in the next succeeding calendar month in which event on the immediately preceding Business Day) (each, a "Payment Date") but in any case without further payments of additional amounts by way of interest or otherwise. The period commencing on (and including) a Payment Date (or in the case of the first Interest Period, the Issue Date) and ending on (but excluding) the next succeeding Payment Date (or in the case of the first Interest Period, the Payment Date falling in February, 2002) is called an "Interest Period" in these Class A Conditions, and "Business Day" shall in these Conditions, other than in Class A Condition 6, mean a day (other than a Saturday or Sunday) on which banks are open for business in London, Milan and Luxembourg and on which the Trans-European Automated Real-Time Gross-Settlement ("Target") System (or any successor thereto) is open.

(c) Rate of Interest

The rate of interest payable from time to time in respect of each Class A Note (the "Rate of Interest") and the relevant Interest Amount (as defined in paragraph (e) below) will be determined on the basis of the provisions set out below:

- (i) on the second Target Settlement Day (as defined below) prior to each Payment Date or, in the case of the first Interest Period, on the first Target Settlement Day prior to the Issue Date (each an "Interest Determination Date") the Agent Bank will determine the offered quotations to leading banks (rounded to four decimal places with the mid-point rounded up) for three month Euro deposits, in the Euro-Zone interbank market, which appears on Bridge/Telerate Screen Page No. 248 (or (aa) such other page as may replace Bridge/Telerate Screen Page No. 248 on that service for the purpose of displaying such information or (bb) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one previously

approved in writing by the Trustee) as may replace the Bridge/Telerate Monitor) as at or about 11.00 a.m. (Luxembourg time) on that date (the “Screen Rate”). The Rate of Interest for the relevant Interest Period shall, subject as provided below, be the Margin (as defined below) above the Screen Rate;

- (ii) if, on any Interest Determination Date, the Screen Rate is unavailable at such time for three month Euro deposits then on such date, the Agent Bank will request the principal London office of each of Deutsche Bank A.G., Barclays Bank, Citibank N.A. and Société Générale, or any duly appointed substitute reference bank(s) as may be approved by the Trustee (the “Reference Banks”), to provide the Agent Bank with its offered quotation to leading banks for three month Euro deposits, in the Euro-Zone interbank market for same day value as at 11.00 a.m. (Luxembourg time) on the Interest Determination Date in question. The Rate of Interest for the relevant Interest Period shall be determined, on the basis of the offered quotations of those Reference Banks, as the arithmetic mean (rounded upwards to four decimal places) of the rates so quoted plus the Margin. If, on any such Interest Determination Date, two or three only of the Reference Banks provide such offered quotations to the Agent Bank, the Rate of Interest for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations plus the Margin. If, on any such Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such an offered quotation, the Agent Bank shall forthwith consult with the Trustee and the Issuer for the purposes of agreeing two banks (or, where one only of the Reference Banks provides such a quotation, one additional bank) to provide such a quotation or quotations to the Agent Bank (which bank or banks is or are in the opinion of the Trustee suitable for such purpose) and the Rate of Interest for the Interest Period in question shall be determined, as aforesaid, on the basis of the offered quotations of such banks as so agreed (or, as the case may be, the offered quotations of such banks as so agreed and the relevant Reference Bank). If no such bank or banks is or are so agreed or such bank or banks as so agreed does or do not provide such a quotation or quotations, then the Rate of Interest for the relevant Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (i) or the foregoing provisions of this paragraph (ii) shall have applied;
- (iii) to the extent permitted by law there shall be no maximum or minimum Rate of Interest.

For the purposes of these Conditions, “Euro-Zone” means the region comprised of member States of the European Union that adopted the single currency in advance with the Treaty establishing the European Community (signed in Rome 25 March, 1957 as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992) and “Target Settlement Day” means a day on which Target is open.

(d) Margin

For the purposes of these Class A Conditions the “Margin” shall be 0.55 per cent. per annum.

(e) Determination of Rates of Interest and Calculation of Interest Amounts

The Agent Bank shall, on each Interest Determination Date, determine and notify the Issuer, the Computation Agent, the Trustee and the Principal Paying Agent of (i) the Rate of Interest applicable to the Interest Period beginning on (and including) the Payment Date next succeeding such Interest Determination Date (or, in the case of the first Interest Period, beginning on (and including) the Issue Date) in respect of the Class A Notes and (ii) the Euro amount (the “Interest Amount”) payable in respect of such Interest Period in respect of each Class A Note. The Interest Amount for a Class A Note shall be calculated by applying the Rate of Interest applicable to that Class A Note to the Principal Amount Outstanding (as defined in Class A Condition 5(b)) of the Class A Note (after deducting therefrom any payment of principal due on the Payment Date next succeeding such Interest Determination Date), multiplying the product of such calculation by the actual number of days in the relevant Interest Period and dividing by 360, and rounding the resultant figure to the nearest Euro cent (half a Euro cent being rounded down).

(f) Publication of Rate of Interest, Interest Amount and other Notices

As soon as practicable after receiving notification thereof, the Issuer will cause the Rate of Interest and the Interest Amount applicable to the Class A Notes for each Interest Period and the Payment Date in respect of such Interest Period to be notified to the Luxembourg Stock Exchange (the “Luxembourg Stock Exchange”) (for so long as the Class A Notes are listed on the Luxembourg Stock Exchange) and will cause notice thereof to be given to the Class A Noteholders in accordance with Class A Condition 14. The Interest Amounts and Payment Dates so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period.

(g) Determination or Calculation by Trustee

If the Agent Bank does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Amount for the Class A Notes in accordance with the foregoing provisions of this Class A Condition 4, it shall forthwith give notice of such inability to the Issuer, the Trustee and the Principal Paying Agent and the Trustee shall (i) determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and/or (as the case may be) (ii) calculate the Interest Amount for the Class A Notes in the manner specified in paragraph (e) above, and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.

(h) Notifications to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Class A Condition 4, whether by the Reference Banks (or any of them) or the Agent Bank or the Trustee, shall (in the absence of gross negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Computation Agent, the Reference Banks, the Agent Bank, the Principal Paying Agent, the Trustee and all Class A Noteholders and Class A Couponholders and no liability to the Class A Noteholders or Class A Couponholders shall attach to the Issuer, the Principal Paying Agent, and (in such absence as aforesaid) the Reference Banks, the Agent Bank or the Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

(i) Reference Banks and Agent Bank

The Issuer shall ensure that, so long as any of the Class A Notes remains outstanding, there shall at all times be four Reference Banks and an Agent Bank. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank or Agent Bank, as the case may be, the Issuer shall appoint such other bank as may be previously approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign until a successor approved by the Trustee has been appointed.

5. Redemption, Purchase and Cancellation

(a) Final Redemption

Unless previously redeemed and cancelled as provided in this Class A Condition 5, the Issuer shall, subject to Class A Condition 15, redeem the Class A Notes at their Principal Amount Outstanding (as defined below) on the Payment Date falling in November, 2021 (the "Class A Maturity Date").

The Issuer may not redeem any Class A Note in whole or in part prior to that date except as provided below in Class A Condition 5(b), (c) or (d) but without prejudice to Class A Condition 9.

(b) Mandatory Redemption in Part

On each Payment Date falling on or after May, 2003, other than the Payment Date on which the Class A Notes are to be redeemed under Class A Condition 5(a), (c) or (d), the Issuer shall, subject to the Pre-Enforcement Priority of Payments, apply the Class A Note Actual Redemption Amount (if any) in redeeming the Class A Notes, such redemption to be made *pro rata* among the Class A Notes.

The principal amount redeemable in respect of each Class A Note (a "Class A Note Principal Payment") on any Payment Date shall be a *pro rata* share of the Class A Note Actual Redemption Amount, calculated by multiplying the Class A Note Actual Redemption Amount by a fraction, the numerator of which is the then Principal Amount Outstanding of such Class A Note and the denominator of which is the then Principal Amount Outstanding of all Class A Notes (rounding down the resulting figure to the nearest cent), provided always that no such Principal Payment may exceed the Principal Amount Outstanding of the relevant Class A Note.

The "Principal Amount Outstanding" of a Class A Note on any date shall be the principal amount of that Class A Note upon issue less the aggregate amount of all Class A Note Principal Payments that have been paid prior to such date in respect of that Class A Note.

For the purposes of these Class A Conditions:

Calculation Date means the 6 February, 6 May, 6 August and 6 November in each year or if it is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next succeeding calendar month, in which event it will be the immediately preceding Business Day, with the first Calculation Date falling on 6 February, 2002;

Class A Note Actual Redemption Amount means, on any Payment Date an amount equal to the lesser of (i) the Principal Amount Outstanding of the relevant Class A Notes and (ii) the Class A Note Principal Repayment Amount on that date.

(c) Optional Redemption

On any Payment Date falling on or after November, 2006 upon giving not less than 30 days' notice to the Trustee, the Computation Agent, the Servicer, the Principal Paying Agent and the Class A Noteholders the Issuer may redeem all (but not some only) of the Class A Notes at their Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption PROVIDED THAT (i) on or prior to the relevant Payment Date, all Securities have been redeemed by the issuers thereof or have been disposed of in accordance with the provisions of the Servicing and Treasury Management Agreement, the Deed of Charge and Assignment and the Euroclear Pledge Agreement and all Credit Default Swap Agreements been terminated by the Credit Default Swap Counterparty and the redemption amount or proceeds of disposal thereof deposited in the Collection Account and (ii) prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds available, not subject to any interest of any other person, required to redeem all (but not some only) of the Class A Notes, the Class B Notes and the Class C Notes together with all accrued but unpaid interest thereon to the date of redemption and to pay all Swap Unwind Costs and all amounts expressed to be payable or required to be provided for under the Deed of Charge and Assignment in priority to the Class A Notes, the Class B Notes and the Class C Notes.

(d) Optional Redemption for taxation

Prior to the service of an Issuer Enforcement Notice, if the Issuer at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that either (i) the Issuer is, or on the next scheduled Payment Date under any Note, the Issuer will be, required to deduct or withhold from any payment under any Class A Note, Class B Note and/or Class C Note to the holder thereof for or on account of any tax (so long as such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect), whether or not as a result of any change in law or interpretation thereof; or (ii) any amount is, or on the next scheduled payment date under any Security any amount will be, required to be deducted or withheld from any payment under any Security to the Issuer or the Custodian or their respective nominees or agents for or on account of any tax (so long as such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect), whether or not a result of any change in law or interpretation; or (iii) the Issuer is, or on the next scheduled Payment Date, the Issuer will be, subject to a corporate tax rate of greater than 25%, then the Issuer may redeem all (but not some only) of the Class A Notes on any Payment Date following the occurrence of such event at their then respective Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption upon giving not less than 30 days' notice to the Trustee, the Principal Paying Agent and the holders of the Class A Notes PROVIDED THAT (aa) on or prior to the relevant Payment Date, all Securities have been redeemed by the issuers thereof or have been disposed of in accordance with the provisions of the Servicing and Treasury Management Agreement, the Deed of Charge and Assignment and the Euroclear Pledge Agreement and all Credit Default Swap Agreements been terminated by the Credit Default Swap Counterparty and the redemption amount or proceeds of disposal thereof deposited in the Collection Account and (bb) prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds available, not subject to any interest of any other person, required to make the payments and to redeem all (but not some only) of the Class A Notes as aforesaid and to pay all Swap Unwind Costs and all amounts expressed to be payable or required to be provided for under the Deed of Charge and Assignment in priority to the Class A Notes. Any certificate given by or on behalf of the Issuer may be relied upon by the Trustee and shall be conclusive and binding on all Noteholders and Couponholders.

(e) Class A Note Actual Redemption Amount, Class A Note Principal Payments and Principal Amount Outstanding

On (or as soon as practicable after) each Calculation Date, the Issuer shall determine (or cause the Computation Agent to determine) (i) the Class A Note Actual Redemption Amount, (ii) the aggregate of any Class A Note Principal Payments due in respect of the Class A Notes on the Payment Date next following such Calculation Date and (iii) the Principal Amount Outstanding of the Class A Notes on the Payment Date next following such Calculation Date (after deducting the aggregate of any Class A Note Principal Payments due to be made on that Payment Date). Each determination by or on behalf of the

Issuer of the Class A Note Actual Redemption Amount, the aggregate of any Class A Note Principal Payments and the Principal Amount Outstanding of the Class A Notes shall in each case (in the absence of gross negligence, wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Class A Note Actual Redemption Amount, the aggregate of any Class A Note Principal Payments and the Principal Amount Outstanding in respect of the Class A Notes to be notified forthwith to the Trustee, the Principal Paying Agent, the Agent Bank, the Computation Agent and (for so long as the Class A Notes are listed on the Luxembourg Stock Exchange) the Luxembourg Stock Exchange and will immediately cause notice of each determination of the Class A Note Actual Redemption Amount, a Class A Note Principal Payment and Principal Amount Outstanding in respect of the Class A Notes to be given in accordance with Class A Condition 14 by not later than two Business Days prior to the relevant Payment Date. If no Class A Note Principal Payment is due to be made on the Class A Notes on any Payment Date a notice to this effect will be given by or on behalf of the Issuer to the Noteholders in accordance with Class A Condition 14.

If the Issuer does not at any time for any reason determine (or cause the Computation Agent to determine) the Class A Note Actual Redemption Amount, the aggregate of any Class A Note Principal Payments or the Principal Amount Outstanding in accordance with the preceding provisions of this Class A Condition 5(e), such Class A Note Actual Redemption Amount, Class A Note Principal Payment or Principal Amount Outstanding in respect of the Class A Notes may be determined by the Trustee in accordance with this paragraph and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall be binding on the Issuer, the Computation Agent, the Principal Paying Agent, the Class A Noteholders and the Class A Couponholders and no liability to the Class A Noteholders or Class A Couponholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions in this Class A Condition 5(e).

(f) Notice of Redemption

Any such notice as is referred to in Class A Condition 5(c) or (d) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Class A Notes at their Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption.

(g) Cancellation

All Class A Notes redeemed pursuant to Class A Condition 5(a) to (d) will be cancelled upon redemption, together with any unmatured Class A Coupons appertaining thereto and attached thereto or surrendered therewith, and may not be resold or re-issued.

(h) No purchase by Issuer

The Issuer shall not purchase any of the Class A Notes.

6. Payments

- (a) Class A Note Principal Payments will be made against presentation and surrender of Principal Coupons and if after such payment the Principal Amount Outstanding of a Class A Note would be zero (including as a result of any other payment due in respect of such Class A Note), surrender of the relevant Class A Note at the specified office of the Principal Paying Agent. Payments of interest in respect of the Class A Notes will (subject as provided in paragraphs (c) and (d) below) be made against presentation and surrender of Class A Interest Coupons at the specified office of the Principal Paying Agent. Payments will be made in Euro at the specified office of the Principal Paying Agent by Euro cheque drawn on or, at the option of the holder, by transfer to any account on which Euro may be credited or transferred and maintained by the payee with, a branch of a bank in any principal financial centre of any member of the European Union.
- (b) Payments of principal and interest in respect of the Class A Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.
- (c) Upon the date upon which any Class A Note becomes due and payable in full, unmatured Class A Coupons appertaining thereto (whether or not attached to such Class A Note) shall become void and no payment or, as the case may be, exchange shall be made in respect thereof. If the due date for redemption of any Class A Note is not a Payment Date in the place of presentation, accrued interest will be paid only against presentation and surrender of such Class A Note. As used herein, unmatured Class A Coupons include any Class A Talon insofar as it relates entirely to unmatured Class A Coupons.

- (d) If payment of principal is improperly withheld or refused on or in respect of any Class A Note or part thereof, the interest which continues to accrue in respect of such Class A Note in accordance with Class A Condition 4(a) will be paid against presentation of such Class A Note at the specified office of the Principal Paying Agent.
- (e) The Issuer reserves the right subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint additional or other paying agents. The Issuer will at all times maintain a Principal Paying Agent with a specified office in Luxembourg. The Issuer will cause at least 15 days' prior notice of any change in or appointment of further paying agents or their specified offices to be given in accordance with Class A Condition 14.
- (f) On or after the Payment Date for the final Class A Coupon forming part of any Class A Coupon sheet, the Class A Talon forming part of such Class A Coupon sheet may be surrendered at any specified office of the Principal Paying Agent in exchange for a further Class A Coupon sheet (including a further Class A Talon but excluding any Class A Coupons which shall have become void).
- (g) If the due date for payment of any amount of interest or principal in respect of any Class A Note is not a business day, then the Class A Noteholder or Class A Couponholder will not be entitled to payment until the next succeeding business day unless such business day falls in the next succeeding calendar month, in which event, the immediately preceding business day and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Class A Coupon or, as the case may be, such Class A Note. In this Class A Condition 6, the expression "business day" means a business day (other than a Saturday or Sunday) (i) on which banks are open for business in the place where the specified office of the Principal Paying Agent at which the Class A Note or Class A Coupon is presented for payment is located and (ii) which is a TARGET Settlement Day.

7. Taxation

All payments in respect of the Class A Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Principal Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Class A Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer or the Principal Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. **Neither the Principal Paying Agent nor the Issuer will be obliged to make any additional payments to holders of Class A Notes or Class A Coupons in respect of such withholding or deduction.**

8. Prescription

Claims against the Issuer for payments in respect of the Class A Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

For the purpose of this Class A Condition 8, the "Relevant Date", in respect of a Class A Note or Class A Coupon, is the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the moneys due and payable in respect of all the Class A Notes or the Class A Coupons, as the case may be, on or before that date has not been duly received by the Principal Paying Agent or the Trustee on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Class A Noteholders in accordance with Class A Condition 14.

9. Events of Default

- (a) The Trustee in its absolute discretion may and if so requested in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes then outstanding or if so directed by or pursuant to an Extraordinary Resolution (as defined in the Trust Deed) of the holders of any of the Class A Notes (subject, in each case, to being indemnified and/or secured to its satisfaction) shall give notice to the Issuer declaring the Class A Notes to be due and repayable at any time after the happening of any of the following events (each an "Event of Default"):
 - (i) default being made for a period of fourteen days in the payment of the principal or any interest on any Class A Note when and as the same ought to be paid in accordance with these Class A Conditions; or

- (ii) the Issuer failing duly to perform or observe any obligation binding upon it under the Class A Notes, the Trust Deed, the Servicing and Treasury Management Agreement, the Deed of Charge and Assignment, the Euroclear Pledge Agreement or any of the other Transaction Documents to which it is a party (other than any obligation for the payment of any principal or interest on the Class A Notes, failure to make such payments being dealt with at sub-paragraph (i) above and other than the I/R/Fx Swap Agreements and the Credit Default Swap Agreements, failure to perform under such agreements being dealt with at sub-paragraph (vii) below) and, in any such case (except where the Trustee certifies that, in its opinion such failure is incapable of remedy when no notice will be required), such failure continues for a period of 30 days following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (iv) below, ceasing or, through an official action of the Board of Directors of the Issuer, threatening to cease to carry on business or being unable to pay its debts as and when they fall due; or
- (iv) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Trustee in writing or by an Extraordinary Resolution of the Class A Noteholders; or
- (v) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order) and such proceedings not, in the opinion of the Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress or execution or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to judicial proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally; or
- (vi) it becomes unlawful for the Issuer to perform any of its obligations under any of the Transaction Documents; or
- (vii) an Early Termination Event occurs in relation to (aa) any Credit Default Swap Agreement as a result of the occurrence of an event described in Part 5(g) of the Schedule to the Credit Default Swap Agreements where the Issuer is the defaulting party or (bb) any I/R/Fx Swap Agreement as a result of the occurrence of an event described in Part 5(g) of the Schedule to the I/R/Fx Swap Agreements where the Issuer is the defaulting party.

Provided that, in the case of each of the events described in sub-paragraph (ii) of this Class A Condition 9(a), the Trustee shall have certified (after taking such expert advice as it in its sole discretion considers appropriate) to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Class A Noteholders.

- (b) Upon any declaration being made by the Trustee in accordance with paragraph (a) above that the Class A Notes are due and repayable, the Class A Notes shall immediately become due and repayable at, subject to Class A Condition 15, their Principal Amount Outstanding together with accrued interest as provided in the Trust Deed.

10. Enforcement of Class A Notes

At any time after the Class A Notes have become due and repayable the Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce the Security and to enforce repayment of the Class A Notes together with accrued interest thereon, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders or if so requested in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes and (b) it shall have been indemnified and/or secured to its satisfaction. No Class A Noteholder or Class A Couponholder shall be entitled to proceed

directly against the Issuer unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing. The Trustee cannot, while any of the Class A Notes are outstanding, be required to enforce the Issuer Security at the request of any Issuer Secured Party (other than the holders of the Class A Notes as aforesaid) under the Deed of Charge and Assignment or the Euroclear Pledge Agreement.

In the event that the Security is enforced, and after payment of all other claims ranking in priority to the Class A Notes and the Class A Coupons under the Deed of Charge and Assignment, the remaining proceeds of such enforcement are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Class A Notes, then the Class A Noteholders' and Class A Couponholders' claims against the Issuer in respect of the Class A Notes and the Class A Coupons (as appropriate) shall be limited to their respective shares of such remaining proceeds (as determined in accordance with Class A Condition 15) and, after payment to each Class A Noteholder or Class A Couponholder (as the case may be) of its respective share of such remaining proceeds, the obligations of the Issuer to such Class A Noteholder or Class A Couponholder (as the case may be) under the relevant Class A Note or Class A Coupon shall be deemed to be discharged in full, shall cease to be due and shall be cancelled.

11. Meetings of Noteholders, Modification, Waiver and Substitution of Principal Debtor

- (a) The Trust Deed contains provisions for convening meetings of the Class A Noteholders to consider any matter affecting the interests of Class A Noteholders, including *inter alia* the sanctioning by Extraordinary Resolution of any proposed modification of the Notes (including these Class A Conditions) or the provisions of any of the Transaction Documents.
- (b) An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all Class A Noteholders, all Class B Noteholders and all Class C Noteholders, irrespective of the effect upon them, except an Extraordinary Resolution to sanction any modification which would have the effect of altering the amount or timing of payments of principal on the Notes of any Class or the rate of interest payable in respect of the Notes or the Coupons of any Class or the currency of payment of the Notes or the Coupons of any Class or any alteration of this paragraph or of the quorum or majority required to pass an Extraordinary Resolution (a "Basic Terms Modification"), which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class C Noteholders.

An Extraordinary Resolution passed at any meeting of Class B Noteholders or a request in writing by the holders of Class B Notes shall not be effective for any purpose while any Class A Notes remain outstanding unless either (i) the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders, or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders.

An Extraordinary Resolution passed at any meeting of Class C Noteholders or a request in writing by the holders of Class C Notes shall not be effective for any purpose while any Class A Notes or Class B Notes remain outstanding unless either (i) the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders and the interests of the Class B Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and the Class B Noteholders.

Subject as provided below, the quorum at any meeting of Class A Noteholders for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority of the aggregate Principal Amount Outstanding of the Class A Notes then outstanding or, at any adjourned meeting one or more persons being or representing Class A Noteholders, whatever the aggregate Principal Amount Outstanding of the Class A Notes then outstanding so held or represented except that the quorum at any meeting of Class A Noteholders or for passing an Extraordinary Resolution in respect of a Basic Terms Modification shall be one or more persons holding or representing not less than three quarters of the aggregate Principal Amount Outstanding of the Class A Notes then outstanding or, at any adjourned meeting, one or more persons representing not less than one quarter of the aggregate Principal Amount Outstanding of the Class A Notes then outstanding. The majority required for an Extraordinary Resolution shall be 75 per cent. of the votes cast on that Resolution, whether on a show of hands or a poll.

- (c) The Trustee may agree, without the consent of the Class A Noteholders or the Class A Couponholders, to any modification (except a Basic Terms Modification) or to any waiver or authorisation of any breach or proposed breach of the Notes of any Class or any of the Transaction

Documents which, in the opinion of the Trustee is not materially prejudicial to the interests of the Class A Noteholders, or to any modification which, in the opinion of the Trustee, is to correct a manifest error or is of a formal, minor or technical nature. The Trustee may also, without the consent of the Class A Noteholders or the Class A Couponholders, determine that an Event of Default shall not, or shall not subject to specified conditions, be treated as such. Any such modification, waiver, authorisation or determination shall be binding on the Class A Noteholders and the Class A Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Class A Noteholders as soon as practicable thereafter in accordance with Class A Condition 14.

- (d) A resolution in writing executed by or on behalf of the holders of a clear majority or, in the case of a Basic Terms Modification not less than three quarters of, the aggregate Principal Amount Outstanding of the Class A Notes outstanding shall be effective as an Extraordinary Resolution passed at a meeting of Class A Noteholders duly convened and held and may consist of several instruments in like form each executed by or on behalf of one or more of such holders.
- (e) The Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Class A Noteholders if each of the Rating Agencies have confirmed that the then current rating of the Class A Notes would not be adversely affected by such exercise.

12. Indemnification of the Trustee

The Trust Deed and the Deed of Charge and Assignment contain provisions governing the responsibility (and relief from responsibility) of the Trustee and providing for its indemnification in certain circumstances, including *inter alia* provisions relieving it from taking enforcement proceedings or enforcing the Security unless indemnified and/or secured to its satisfaction. The Trustee and its related companies and any director or officer of a corporation acting as trustee are entitled to enter into business transactions with the Issuer, the Agents, the Custodian, the Account Bank, the Computation Agent, the Swap Counterparty, the Credit Default Swap Counterparty, the Corporate Services Provider and/or the related companies of any of them without accounting for any profit made or other benefit received by it resulting therefrom (as are, for the avoidance of doubt, the Agents, the Custodian, the Account Bank, the Computation Agent, the Swap Counterparty, the Credit Default Swap Counterparty and the Corporate Services Provider). The Trustee will not be responsible for any loss, expense or liability which may be suffered *inter alia* as a result of any assets comprised in the Security, or any deeds or documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Computation Agent or the Custodian or any agent or related company of the Computation Agent or the Custodian or by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Trustee.

13. Replacement of Class A Notes

If any Class A Note or Class A Coupon is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Principal Paying Agent. Replacement of any mutilated, defaced, lost, stolen or destroyed Class A Note or Class A Coupon 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 and in accordance with applicable laws. Mutilated or defaced Class A Notes or Class A Coupons must be surrendered before new ones will be issued.

14. Notices to Class A Noteholders

All notices to Class A Noteholders shall be deemed to have been duly given if published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if this is not practicable, in another leading English language newspaper having general circulation in Europe previously approved by the Trustee. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in the newspaper referred to above.

The Trustee shall be at liberty to sanction some other method of giving notice to the Class A Noteholders or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Class A Notes are then listed and provided that notice of such other method is given to the Class A Noteholders in such manner as the Trustee shall require.

The Class A Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Class A Noteholders in accordance with this Class A Condition 14.

15. Limited Recourse

If, following the service of an Issuer Enforcement Notice and following the enforcement of the Security and the exercise by the Trustee of its right to direct the Issuer to take any action in respect of the Securities Portfolio and any asset or amount derived therefrom, or, if no Issuer Enforcement Notice has been served, on the Payment Date falling in November, 2021, the aggregate funds available to the Issuer in accordance with the provisions of the relevant Priority of Payment for application in or towards any payment obligation (for the purposes of this Class A Condition 15, the “Relevant Obligation”) on the Class A Notes which, but for the operation of this Class A Condition 15 would be due and payable in respect of the Class A Notes on the relevant date, are not sufficient to pay in full the aggregate amount which, but for the operation of this Class A Condition 15, would be due and payable on the Class A Notes in respect of the Relevant Obligation on the relevant date, then notwithstanding any other provision of these Class A Conditions, only a *pro rata* share of the funds which are available to make payments in respect of the Relevant Obligation on the Class A Notes shall be due and payable on any Class A Note on the relevant date and the balance of the amount outstanding in respect of the Relevant Obligation on the Class A Notes which, but for the operation of this Class A Condition 15, would be due and payable shall not be due and payable, shall be deemed to be released by the relevant Class A Noteholders and shall be cancelled. The *pro rata* amount due and payable in respect of any Class A Note shall be calculated by multiplying the amount of the funds available to make payments in respect of the Relevant Obligation on the Class A Notes by a fraction, the numerator of which is the Principal Amount Outstanding of such Class A Note and the denominator of which is the aggregate Principal Amount Outstanding of all the Class A Notes (rounding down the resultant figure to the nearest Euro 0.01).

16. Governing Law

The Transaction Documents, the Class A Notes and the Class A Coupons, the Class B Notes and the Class B Coupons, the Class C Notes and the Class C Coupons are governed by, and shall be construed in accordance with, English law and the English courts shall have jurisdiction to settle any dispute in relation thereto, except for the Euroclear Pledge Agreement which is governed by, and shall be construed in accordance with, Belgian law and the Belgian courts have jurisdiction to settle any dispute in relation thereto, and the Securities Purchase Agreement and the Securities Purchase Agreement Amendment Agreement, which are governed by, and to be construed in accordance with, Italian law and the arbitral tribunal of Milan has jurisdiction to settle any dispute in relation thereto.

17. Third Party Rights

No person shall have any right to enforce any term or condition of this Class A Note under the Contracts (Rights of Third Parties) Act 1999.

TERMS AND CONDITIONS OF THE CLASS B NOTES

If Class B Notes in definitive form were to be issued, the terms and conditions (subject to amendment and completion) set out on each Class B Note in definitive form would be as set out below. While the Class B Notes remain in global form the same terms and conditions govern the Class B Notes, except to the extent that they are appropriate only to Class B Notes in definitive form.

General

The Euro 195,800,000 Class A Secured Floating Rate Notes due 2021 (the “Class A Notes”), the Euro 8,700,000 Class B Secured Floating Rate Notes due 2021 (the “Class B Notes”) and the Euro 5,800,000 Class C Secured Floating Rate Notes due 2021 (the “Class C Notes” and, together with the Class A Notes and the Class B Notes, the “Notes”) issued by Cidneo Finance Plc (the “Issuer”) are constituted by a trust deed to be entered into on 6 November, 2001 (the “Issue Date”) (the “Trust Deed”) and made between the Issuer and BNP PARIBAS Trust Corporation UK Limited (the “Trustee”) as trustee for the holders for the time being of the Class A Notes (the “Class A Noteholders”), the Class B Notes (the “Class B Noteholders”) and the Class C Notes (the “Class C Noteholders” and, together with the Class A Noteholders and the Class B Noteholders, the “Noteholders”), the holders for the time being of the interest coupons relating to the Class A Notes (the “Class A Interest Couponholders”) and the holders of the principal coupons relating to the Class A Notes (the “Class A Principal Couponholders” and, together with the Class A Interest Couponholders, the “Class A Couponholders”), the holders for the time being of the interest coupons relating to the Class B Notes (the “Class B Interest Couponholders”) and the holders of the principal coupons relating to the Class B Notes (the “Class B Principal Couponholders” and, together with the Class B Interest Couponholders, the “Class B Couponholders”), the holders for the time being of the interest coupons relating to the Class C Notes (the “Class C Interest Couponholders”) and the holders of the principal coupons relating to the Class C Notes (the “Class C Principal Couponholders” and, together with the Class C Interest Couponholders, the “Class C Couponholders” and, together with the Class A Couponholders and the Class B Couponholders, the “Couponholders”) or the talons appertaining to the Notes (“Talons”).

The statements in these terms and conditions of the Class B Notes (the “Class B Conditions”) include summaries of, and are subject to, the detailed provisions of the Transaction Documents which comprise the Trust Deed, the Agency Agreement, the Deed of Charge and Assignment, the Euroclear Pledge Agreement, the Securities Purchase Agreement, the Securities Purchase Agreement Amendment Agreement, the Warranty and Indemnity Deed, the I/R/Fx Swap Agreements, the Credit Default Swap Agreements, the Swap Novation Agreement, the Bank Agreement, the Servicing and Treasury Management Agreement, the Custody Agreement, the Corporate Services Agreement, the Note Subscription Agreement and a master definitions agreement (the “Master Definitions Agreement”) (together the “Transaction Documents”) and are available for inspection at the specified office of the Principal Paying Agent. Each of the Transaction Documents is dated on or about the Issue Date, other than the Note Subscription Agreement which is dated on or about the date hereof and the Warranty and Indemnity Deed and the Securities Purchase Agreement which are each dated the Transfer Date.

The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of all the Transaction Documents. These Class B Conditions are subject to the detailed provisions of the Transaction Documents.

Any reference in these Class B Conditions to a Transaction Document shall be deemed to be a reference to such Transaction Document as the same may be amended, varied, novated, modified, supplemented or replaced in accordance with its terms and shall include any notices or other documents issued in connection with or supplemental thereto and any reference to a party thereto or to any person shall include its successors, transferees and permitted assigns and persons deriving title under or through it.

Capitalised terms not otherwise defined in these Class B Conditions shall bear the same meaning given to them in the Master Definitions Agreement.

1. Form, Denomination and Title

(a) Form and Denomination

The Class B Notes are serially numbered and are issued in bearer form each with interest coupons (“Class B Interest Coupons”) and principal coupons (“Class B Principal Coupons”) (together or severally, the “Class B Coupons”) and talons (“Class B Talons”) attached. The Class B Notes are in the denomination of Euro 100,000. Title to the Class B Notes and Class B Coupons shall pass by physical delivery.

(b) Title

The holder of any Class B Note and the holder of any Class B Coupon may (to the fullest extent permitted by applicable laws and except as otherwise ordered by a court decision or competent authority) be deemed to be and treated at all times by all persons and for all purposes (including for the purpose of making of any payments) as the absolute owner of such Class B Note or Class B Coupon, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon.

(c) Class B Coupons

The holder of each Class B Coupon (whether or not the Class B Coupon is attached to the relevant Class B Note) shall, in his capacity as such, be subject to and bound by all the provisions contained in the relevant Class B Note.

2. Status, Security and Priority

(a) Status

The Class B Notes and the Class B Coupons constitute direct, secured, limited recourse obligations of the Issuer and are secured over certain assets of the Issuer pursuant to and as more fully described in the Deed of Charge and Assignment and the Euroclear Pledge Agreement. The Class B Notes are subject to the Trust Deed and are secured by the same security that secures the Class A Notes and the Class C Notes and the claims of the other Issuer Secured Parties.

(b) Priority

The Class B Notes will rank *pari passu* without preference or priority amongst themselves. The Class B Notes are subordinated to certain prior ranking amounts due from the Issuer to the Trustee, the Custodian, the Account Bank, the Computation Agent, the Servicer, the Agents, the Corporate Services Provider, the Swap Counterparty (with the exception of any Swap Unwind Costs), the Credit Default Swap Unwind Costs to the Credit Default Swap Counterparty (with the exception of Credit Default Swap Unwind Costs incurred as a result of a default by the Credit Default Swap Counterparty), Credit Protection Interest Amounts to the Credit Default Swap Counterparty, the Irish tax authority under applicable Irish law, any Connected Third Party Creditors, all amounts due and payable in respect of obligations which must be paid in order to preserve the corporate existence of the Issuer and/or comply with applicable law (such amounts being together referred to as the "Senior Parties' Remuneration") and to the Class A Noteholders in each case under the Transaction Documents as more particularly set out in the Deed of Charge and Assignment. On each Payment Date prior to the Issuer Security becoming enforceable, no payment of any amount will be made on the Class B Notes until the Senior Parties' Remuneration and amounts owed to Class A Noteholders have been paid in full or is paid simultaneously with such payment. Following the Issuer Security becoming enforceable, no payment of any amount will be made on the Class B Notes until all the Senior Parties' Remuneration, amounts owed to the Class A Noteholders, any outstanding Credit Protection Payments and amounts owed to any Receiver have been paid in full or such amounts are paid simultaneously with such payments. The rights attaching to the Class B Notes in respect of priority of payment of interest and repayment of principal are set out in the Deed of Charge and Assignment.

(c) Trust Deed

The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the holders of the Class A Notes, the Class B Notes and the Class C Notes as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case to have regard only (except where expressly provided otherwise) to (i) (for so long as there are any amounts on the Class A Notes outstanding) the interests of the holders of Class A Notes if, in the Trustee's opinion, there is a conflict between the interests of the holders of Class A Notes and the interests of the holders of the Class B Notes/or and the holders of the Class C Notes and (ii) (for so long as there are any Class B Notes outstanding and no Class A Notes outstanding) the interests of the holders of Class B Notes if, in the Trustee's opinion, there is a conflict between the interests of the holders of Class B Notes and the interests of the holders of the Class C Notes.

(d) Deed of Charge and Assignment

The Deed of Charge and Assignment contains provisions requiring the Trustee to have regard to the interests of the Issuer Secured Parties as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case, to have regard only (except where expressly provided otherwise) to (for so long as there are any amounts on the Class A Notes and/or the Class B Notes and/or Class C Notes outstanding) the interests of the Class A

Noteholders and, if the Class A Notes shall have been redeemed in full, the interests of the Class B Noteholders and, if the Class B Notes shall have been redeemed in full, the interests of the Class C Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class A Noteholders or the interests of the Class B Noteholders or the interests of the Class C Noteholders, (or any combination of them) and the interest of any other Issuer Secured Party (or any combination of them).

(e) Security

As security for the payment of all monies payable in respect of the Notes and otherwise under the Trust Deed and in respect of amounts payable to the other Issuer Secured Parties under any of the Transaction Documents (including the Senior Parties' Remuneration), pursuant to the Deed of Charge and Assignment the Issuer has created the following security (the "Issuer Security") in favour of the Trustee for itself and as trustee for the other Issuer Secured Parties thereunder:

- (i) a first fixed charge over the Issuer's right, title and interest (other than such right, title and interest as is pledged under the Euroclear Pledge Agreement) in and to the Securities;
- (ii) an assignment by way of security over the Issuer's rights under (aa) the Bank Agreement, (bb) the Securities Purchase Agreement, (cc) the Securities Purchase Agreement Amendment Agreement, (dd) the I/R/Fx Swap Agreements, (ee) the Servicing and Treasury Management Agreement, (ff) the Custody Agreement, (gg) the Agency Agreement, (hh) the Note Subscription Agreement, (ii) the Credit Default Swap Agreements, (jj) the Warranty and Indemnity Deed, (kk) the Swap Novation Agreement and (ll) the Corporate Services Agreement;
- (iii) a first fixed charge over the Issuer's right, title and interest in the Collection Account and, the Deposit Account maintained with the Account Bank;
- (iv) a first fixed charge over the Issuer's right, title and interest in the Euroclear Cash Account and the Euroclear Securities Account maintained with the Custodian pursuant to the Custody Agreement.

The Issuer has also pursuant to the Euroclear Pledge Agreement created a Belgian law pledge over the Issuer's Euroclear Entitlements from time to time held in Euroclear.

On enforcement of the Issuer Security, the Trustee is required to apply monies available for distribution in accordance with the Post-Enforcement Priority of Payments set out in the Deed of Charge and Assignment.

The Issuer Security will become enforceable upon the Class B Notes being declared due and repayable in accordance with Class B Condition 9.

3. Covenants

Subject to the proviso below, save as provided in or contemplated by the Transaction Documents or with the prior written consent of the Trustee, the Issuer shall not, so long as any Note remains outstanding (as defined in the Trust Deed):

- (a) engage in any activity or business except:
 - (i) as provided in or contemplated by the Notes and/or the Transaction Documents in relation to the Issuer; and
 - (ii) to perform any act incidental to or necessary in connection with (i) above or any act required by any law, regulation or order of any court to be performed;
- (b) use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with any of its property or assets or any interest therein or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;
- (c) lend money or incur any obligation to pay money, whether present or future or actual or contingent ("indebtedness") whatsoever or give any guarantee or indemnity in respect of any indebtedness;
- (d) (i) create or permit to exist upon or effect any mortgage, charge, pledge, lien or other encumbrance whether fixed, floating or otherwise, upon the whole or any part of its property or assets, present and future other than in any case as may arise by operation of law; or (ii) sign, file or register under applicable law any mortgage, debenture or the like which names the Issuer as debtor, or sign or enter into any security agreement authorising any secured party thereunder to file or register such mortgage, debenture or the like, except in each case any such instrument securing the rights and preserving the security of the Trustee and the other Issuer Secured Parties;
- (e) consolidate with or merge with or into any other person or convey or transfer its properties or assets substantially in their entirety to any person;

- (f) have, form or cause to be formed, any subsidiary or have any employees or premises;
- (g) issue any further shares, or issue any warrants or options in respect of shares, or securities convertible into or exchangeable for shares;
- (h) declare or pay any dividend or make any other distribution to its Subsidiary Shareholders in excess of Euro 1,000 in total;
- (i) operate or have an interest in any bank account relating to the Notes other than the Accounts unless such further account or the Issuer's interest therein shall be charged or otherwise secured in favour of the Trustee on terms acceptable to the Trustee;
- (j) permit any Transaction Document or the validity or effectiveness thereof, or the priority of the security interests created thereby, to be amended, terminated or discharged, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of any Transaction Document, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Security to be released from such obligations;
- (k) amend, supplement or otherwise modify its Memorandum or Articles of Association other than when and as required by law.

4. Interest

(a) Accrual of Interest

Each Class B Note bears interest on its Principal Amount Outstanding (as defined in Class B Condition 5(b)) from (and including) the Issue Date. Prior to the service of an Issuer Enforcement Notice each Class B Note shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon in accordance with this Condition (after as well as before any judgment) up to (but excluding) the date on which all sums due and payable in respect of such Class B Note up to that day are received by or on behalf of the relevant Class B Noteholder, or (if earlier) the seventh day after notice is duly given by the Principal Paying Agent to the holder thereof (in accordance with Condition 14) that the Principal Paying Agent has received all sums due and payable in respect of such Class B Note (except to the extent that there is any subsequent default in payment). Upon the service of an Issuer Enforcement Notice, each Class B Note shall cease to bear interest from the date thereof.

Whenever it is necessary to compute an amount of interest in respect of any Class B Note for any period (including any Interest Period (as defined below)), such interest shall be calculated on the basis of actual days elapsed and a 360 day year.

(b) Payment Dates and Interest Periods

Interest on the Class B Notes is payable quarterly in arrear in Euro on 16 February, 16 May, 16 August and 16 November in each year (or, if such day is not a Business Day, the immediately succeeding Business Day unless such Business Day falls in the next succeeding calendar month in which event on the immediately preceding Business Day) (each, a "Payment Date") but in any case without further payments of additional amounts by way of interest or otherwise. The period commencing on (and including) a Payment Date (or in the case of the first Interest Period, the Issue Date) and ending on (but excluding) the next succeeding Payment Date (or in the case of the first Interest Period, the Payment Date falling in February, 2002) is called an "Interest Period" in these Class B Conditions, and "Business Day" shall in these Conditions, other than in Class B Condition 6, mean a day (other than a Saturday or Sunday) on which banks are open for business in London, Milan and Luxembourg and on which the Trans-European Automated Real-Time Gross-Settlement ("Target") System (or any successor thereto) is open.

(c) Rate of Interest

The rate of interest payable from time to time in respect of each Class B Note (the "Rate of Interest") and the relevant Interest Amount (as defined in paragraph (e) below) will be determined on the basis of the provisions set out below:

- (i) on the second Target Settlement Day (as defined below) prior to each Payment Date or, in the case of the first Interest Period, on the first Target Settlement Day prior to the Issue Date (each an "Interest Determination Date") the Agent Bank will determine the offered quotations to leading banks (rounded to four decimal places with the mid-point rounded up) for three month Euro deposits, in the Euro-Zone interbank market, which appears on Bridge/Telerate Screen Page No. 248 (or (aa) such other page as may replace Bridge/Telerate Screen Page No. 248 on that service for the purpose of displaying such information or (bb) if that service ceases to display such information, such page as

displays such information on such equivalent service (or, if more than one, that one previously approved in writing by the Trustee) as may replace the Bridge/Telerate Monitor) as at or about 11.00 a.m. (Luxembourg time) on that date (the “Screen Rate”). The Rate of Interest for the relevant Interest Period shall, subject as provided below, be the Margin (as defined below) above the Screen Rate;

- (ii) if, on any Interest Determination Date, the Screen Rate is unavailable at such time for three month Euro deposits then on such date, the Agent Bank will request the principal London office of each of Deutsche Bank A.G., Barclays Bank, Citibank N.A. and Société Générale, or any duly appointed substitute reference bank(s) as may be approved by the Trustee (the “Reference Banks”), to provide the Agent Bank with its offered quotation to leading banks for three month Euro deposits, in the Euro-Zone interbank market for same day value as at 11.00 a.m. (Luxembourg time) on the Interest Determination Date in question. The Rate of Interest for the relevant Interest Period shall be determined, on the basis of the offered quotations of those Reference Banks, as the arithmetic mean (rounded upwards to four decimal places) of the rates so quoted plus the Margin. If, on any such Interest Determination Date, two or three only of the Reference Banks provide such offered quotations to the Agent Bank, the Rate of Interest for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations plus the Margin. If, on any such Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such an offered quotation, the Agent Bank shall forthwith consult with the Trustee and the Issuer for the purposes of agreeing two banks (or, where one only of the Reference Banks provides such a quotation, one additional bank) to provide such a quotation or quotations to the Agent Bank (which bank or banks is or are in the opinion of the Trustee suitable for such purpose) and the Rate of Interest for the Interest Period in question shall be determined, as aforesaid, on the basis of the offered quotations of such banks as so agreed (or, as the case may be, the offered quotations of such banks as so agreed and the relevant Reference Bank). If no such bank or banks is or are so agreed or such bank or banks as so agreed does or do not provide such a quotation or quotations, then the Rate of Interest for the relevant Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (i) or the foregoing provisions of this paragraph (ii) shall have applied;
- (iii) to the extent permitted by law there shall be no maximum or minimum Rate of Interest.

For the purposes of these Conditions, “Euro-Zone” means the region comprised of member States of the European Union that adopted the single currency in advance with the Treaty establishing the European Community (signed in Rome 25 March, 1957 as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992) and “Target Settlement Day” means a day on which Target is open.

(d) Margin

For the purposes of these Class B Conditions the “Margin” shall be 1.00 per cent. per annum.

(e) Determination of Rates of Interest and Calculation of Interest Amounts

The Agent Bank shall, on each Interest Determination Date, determine and notify the Issuer, the Computation Agent, the Trustee and the Principal Paying Agent of (i) the Rate of Interest applicable to the Interest Period beginning on (and including) the Payment Date next succeeding such Interest Determination Date (or, in the case of the first Interest Period, beginning on (and including) the Issue Date) in respect of the Class B Notes and (ii) the Euro amount (the “Interest Amount”) payable in respect of such Interest Period in respect of each Class B Note. The Interest Amount for a Class B Note shall be calculated by applying the Rate of Interest applicable to that Class B Note to the Principal Amount Outstanding (as defined in Class B Condition 5(b)) of the Class B Note (after deducting therefrom any payment of principal due on the Payment Date next succeeding such Interest Determination Date), multiplying the product of such calculation by the actual number of days in the relevant Interest Period and dividing by 360, and rounding the resultant figure to the nearest Euro cent (half a Euro cent being rounded down).

(f) Publication of Rate of Interest, Interest Amount and other Notices

As soon as practicable after receiving notification thereof, the Issuer will cause the Rate of Interest and the Interest Amount applicable to the Class B Notes for each Interest Period and the Payment Date in respect of such Interest Period to be notified to the Luxembourg Stock Exchange (the “Luxembourg Stock Exchange”) (for so long as the Class B Notes are listed on the Luxembourg Stock Exchange) and will cause notice thereof to be given to the Class B Noteholders in accordance with Class B Condition 14. The Interest

Amounts and Payment Dates so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period.

(g) Determination or Calculation by Trustee

If the Agent Bank does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Amount for the Class B Notes in accordance with the foregoing provisions of this Class B Condition 4, it shall forthwith give notice of such inability to the Issuer, the Trustee and the Principal Paying Agent and the Trustee shall (i) determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and/or (as the case may be) (ii) calculate the Interest Amount for the Class B Notes in the manner specified in paragraph (e) above, and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.

(h) Notifications to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Class B Condition 4, whether by the Reference Banks (or any of them) or the Agent Bank or the Trustee, shall (in the absence of gross negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Computation Agent, the Reference Banks, the Agent Bank, the Principal Paying Agent, the Trustee and all Class B Noteholders and Class B Couponholders and no liability to the Class B Noteholders or Class B Couponholders shall attach to the Issuer, the Principal Paying Agent, and (in such absence as aforesaid) the Reference Banks, the Agent Bank or the Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

(i) Reference Banks and Agent Bank

The Issuer shall ensure that, so long as any of the Class B Notes remains outstanding, there shall at all times be four Reference Banks and an Agent Bank. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank or Agent Bank, as the case may be, the Issuer shall appoint such other bank as may be previously approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign until a successor approved by the Trustee has been appointed.

(j) Interest Deferral

In the event that the funds available to the Issuer on any Payment Date in accordance with the Pre-enforcement Priority of Payments (for the purpose of this Class B Condition 4(j), the “Class B Available Interest Funds”) to make payments of interest on the Class B Notes which, but for the operation of this Class B Condition 4(j), would be due and payable on such Payment Date, are not sufficient to satisfy in full such amount of interest, then there shall instead be due and payable on such Payment Date by way of interest on each Class B Note only a *pro rata* share of the Class B Available Interest Funds (if any). Such *pro rata* amount shall be calculated by multiplying the Class B Available Interest Funds by a fraction, the numerator of which is the Principal Amount Outstanding of the relevant Class B Note and the denominator of which is the Principal Amount Outstanding of all Class B Notes (rounding down the resultant figure to the nearest Euro 0.01).

In any such event, the Issuer shall create a provision in its accounts for the shortfall equal to the amount by which the aggregate amount of interest paid on the Class B Notes on any Payment Date in accordance with this Class B Condition 4(j), falls short of the aggregate amount of interest which would be due and payable on such Payment Date but for the operation of this Class B Condition 4(j). Such shortfall shall accrue interest during each Interest Period during which it remains outstanding at the Rate of Interest for the Class B Notes for such Interest Period and a *pro rata* share of such shortfall and accrued interest thereon shall, subject always to this Class B Condition 4(j), be due and payable on each Class B Note on the next succeeding Payment Date.

(k) Suspension of Interest Payments

In the event that, on any Payment Date, the Class B Note Trigger Threshold has been exceeded and any of the Class A Notes is then outstanding, then notwithstanding any other provision of these Class B Conditions (i) no amount of interest shall be payable on such Payment Date in respect of any Class B Note and (ii) the Issuer shall create a provision in its accounts for the shortfall equal to the amount of interest which would be due and payable on such Payment Date but for the operation of this Class B Condition 4(k) (the “Deferred Interest”). Such Deferred Interest shall not become due on such Payment Date and

shall accrue interest during each Interest Period thereafter during which it remains outstanding at the Rate of Interest for the Class B Notes for such Interest Period and a *pro rata* share of such shortfall calculated by the ratio borne by the then Principal Amount Outstanding of such Class B Note to the then Principal Amount Outstanding of all the Class B Notes shall be aggregated with the amount of, and treated as if it were, interest due on, each Class B Note on the next succeeding Payment Date.

5. Redemption, Purchase and Cancellation

(a) Final Redemption

Unless previously redeemed and cancelled as provided in this Class B Condition 5, the Issuer shall, subject to Class B Condition 15, redeem the Class B Notes at their Principal Amount Outstanding (as defined below) on the Payment Date falling in November, 2021 (the “Class B Maturity Date”).

The Issuer may not redeem any Class B Note in whole or in part prior to that date except as provided below in Class B Condition 5(b), (c) or (d) but without prejudice to Class B Condition 9.

(b) Mandatory Redemption in Part

On each Payment Date falling on or after May, 2003, other than the Payment Date on which the Class B Notes are to be redeemed under Class B Condition 5(a), (c) or (d), the Issuer shall, subject to the Pre-Enforcement Priority of Payments, apply the Class B Note Actual Redemption Amount (if any) in redeeming the Class B Notes, such redemption to be made *pro rata* among the Class B Notes.

The principal amount redeemable in respect of each Class B Note (a “Class B Note Principal Payment”) on any Payment Date shall be a *pro rata* share of the Class B Note Actual Redemption Amount, calculated by multiplying the Class B Note Actual Redemption Amount by a fraction, the numerator of which is the then Principal Amount Outstanding of such Class B Note and the denominator of which is the then Principal Amount Outstanding of all Class B Notes (rounding down the resulting figure to the nearest cent), provided always that no such Principal Payment may exceed the Principal Amount Outstanding of the relevant Class B Note.

The “Principal Amount Outstanding” of a Class B Note on any date shall be the principal amount of that Class B Note upon issue less the aggregate amount of all Class B Note Principal Payments that have been paid prior to such date in respect of that Class B Note.

For the purposes of these Class B Conditions:

Calculation Date means the 6 February, 6 May, 6 August and 6 November in each year or if it is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next succeeding calendar month, in which event it will be the immediately preceding Business Day, with the first Calculation Date falling on 6 February, 2002;

Class B Note Actual Redemption Amount means, on any Payment Date an amount equal to the lesser of (i) the Principal Amount Outstanding of the relevant Class B Notes and (ii) the Class B Note Principal Repayment Amount on that date.

(c) Optional Redemption

On any Payment Date falling on or after November, 2006 upon giving not less than 30 days’ notice to the Trustee, the Computation Agent, the Servicer, the Principal Paying Agent and the Class B Noteholders the Issuer may redeem all (but not some only) of the Class B Notes at their Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption PROVIDED THAT (i) on or prior to the relevant Payment Date, all Securities have been redeemed by the issuers thereof or have been disposed of in accordance with the provisions of the Servicing and Treasury Management Agreement, the Deed of Charge and Assignment and the Euroclear Pledge Agreement and all Credit Default Swap Agreements been terminated by the Credit Default Swap Counterparty and the redemption amount or proceeds of disposal thereof deposited in the Collection Account and (ii) prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds available, not subject to any interest of any other person, required to redeem all (but not some only) of the Class A Notes, the Class B Notes and the Class C Notes together with all accrued but unpaid interest thereon to the date of redemption and to pay all Swap Unwind Costs and all amounts expressed to be payable or required to be provided for under the Deed of Charge and Assignment in priority to the Class A Notes, the Class B Notes and the Class C Notes.

(d) Optional Redemption for taxation

Prior to the service of an Issuer Enforcement Notice, if the Issuer at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that either (i) the Issuer is, or on the next scheduled Payment Date under any Note, the Issuer will be, required to deduct or withhold from any payment under any Class A Note, Class B Note and/or Class C Note to the holder thereof for or on account of any tax (so long as such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect), whether or not as a result of any change in law or interpretation thereof; or (ii) any amount is, or on the next scheduled payment date under any Security any amount will be, required to be deducted or withheld from any payment under any Security to the Issuer or the Custodian or their respective nominees or agents for or on account of any tax (so long as such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect), whether or not a result of any change in law or interpretation; or (iii) the Issuer is, or on the next scheduled Payment Date, the Issuer will be, subject to a corporate tax rate of greater than 25%, then the Issuer may redeem all (but not some only) of the Class B Notes on any Payment Date following the occurrence of such event at their then respective Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption upon giving not less than 30 days' notice to the Trustee, the Principal Paying Agent and the holders of the Class B Notes PROVIDED THAT (aa) on or prior to the relevant Payment Date, all Securities have been redeemed by the issuers thereof or have been disposed of in accordance with the provisions of the Servicing and Treasury Management Agreement, the Deed of Charge and Assignment and the Euroclear Pledge Agreement and all Credit Default Swap Agreements been terminated by the Credit Default Swap Counterparty and the redemption amount or proceeds of disposal thereof deposited in the Collection Account and (bb) prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds available, not subject to any interest of any other person, required to make the payments and to redeem all (but not some only) of the Class B Notes as aforesaid and to pay all Swap Unwind Costs and all amounts expressed to be payable or required to be provided for under the Deed of Charge and Assignment in priority to the Class B Notes. Any certificate given by or on behalf of the Issuer may be relied upon by the Trustee and shall be conclusive and binding on all Noteholders and Couponholders.

(e) Class B Note Actual Redemption Amount, Class B Note Principal Payments and Principal Amount Outstanding

On (or as soon as practicable after) each Calculation Date, the Issuer shall determine (or cause the Computation Agent to determine) (i) the Class B Note Actual Redemption Amount, (ii) the aggregate of any Class B Note Principal Payments due in respect of the Class B Notes on the Payment Date next following such Calculation Date and (iii) the Principal Amount Outstanding of the Class B Notes on the Payment Date next following such Calculation Date (after deducting the aggregate of any Class B Note Principal Payments due to be made on that Payment Date). Each determination by or on behalf of the Issuer of the Class B Note Actual Redemption Amount, the aggregate of any Class B Note Principal Payments and the Principal Amount Outstanding of the Class B Notes shall in each case (in the absence of gross negligence, wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Class B Note Actual Redemption Amount, the aggregate of any Class B Note Principal Payments and the Principal Amount Outstanding in respect of the Class B Notes to be notified forthwith to the Trustee, the Principal Paying Agent, the Agent Bank, the Computation Agent and (for so long as the Class B Notes are listed on the Luxembourg Stock Exchange) the Luxembourg Stock Exchange and will immediately cause notice of each determination of the Class B Note Actual Redemption Amount, a Class B Note Principal Payment and Principal Amount Outstanding in respect of the Class B Notes to be given in accordance with Class B Condition 14 by not later than two Business Days prior to the relevant Payment Date. If no Class B Note Principal Payment is due to be made on the Class B Notes on any Payment Date a notice to this effect will be given by or on behalf of the Issuer to the Noteholders in accordance with Class B Condition 14.

If the Issuer does not at any time for any reason determine (or cause the Computation Agent to determine) the Class B Note Actual Redemption Amount, the aggregate of any Class B Note Principal Payments or the Principal Amount Outstanding in accordance with the preceding provisions of this Class B Condition 5(e), such Class B Note Actual Redemption Amount, Class B Note Principal Payment or Principal Amount Outstanding in respect of the Class B Notes may be determined by the Trustee in accordance with this paragraph and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall be binding on the Issuer, the Computation Agent, the Principal Paying

Agent, the Class B Noteholders and the Class B Couponholders and no liability to the Class B Noteholders or class B Couponholders shall attach to the Trustee in connection with the exercise by it of its powers, duties and discretions in this Class B Condition 5(e).

(f) Notice of Redemption

Any such notice as is referred to in Class B Condition 5(c) or (d) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Class B Notes at their Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption.

(g) Cancellation

All Class B Notes redeemed pursuant to Class B Condition 5(a) to (d) will be cancelled upon redemption, together with any unmatured Class B Coupons appertaining thereto and attached thereto or surrendered therewith, and may not be resold or re-issued.

(h) No purchase by Issuer

The Issuer shall not purchase any of the Class B Notes.

6. Payments

- (a) Class B Note Principal Payments will be made against presentation and surrender of Principal Coupons and if after such payment the Principal Amount Outstanding of a Class B Note would be zero (including as a result of any other payment due in respect of such Class B Note), surrender of the relevant Class B Note at the specified office of the Principal Paying Agent. Payments of interest in respect of the Class B Notes will (subject as provided in paragraphs (c) and (d) below) be made against presentation and surrender of Class B Interest Coupons at the specified office of the Principal Paying Agent. Payments will be made in Euro at the specified office of the Principal Paying Agent by Euro cheque drawn on or, at the option of the holder, by transfer to any account on which Euro may be credited or transferred and maintained by the payee with, a branch of a bank in any principal financial centre of any member of the European Union.
- (b) Payments of principal and interest in respect of the Class B Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.
- (c) Upon the date upon which any Class B Note becomes due and payable in full, unmatured Class B Coupons appertaining thereto (whether or not attached to such Class B Note) shall become void and no payment or, as the case may be, exchange shall be made in respect thereof. If the due date for redemption of any Class B Note is not a Payment Date in the place of presentation, accrued interest will be paid only against presentation and surrender of such Class B Note. As used herein, unmatured Class B Coupons include any Class B Talon insofar as it relates entirely to unmatured Class B Coupons.
- (d) If payment of principal is improperly withheld or refused on or in respect of any Class B Note or part thereof, the interest which continues to accrue in respect of such Class B Note in accordance with Class B Condition 4(a) will be paid against presentation of such Class B Note at the specified office of the Principal Paying Agent.
- (e) The Issuer reserves the right subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint additional or other paying agents. The Issuer will at all times maintain a Principal Paying Agent with a specified office in Luxembourg. The Issuer will cause at least 15 days' prior notice of any change in or appointment of further paying agents or their specified offices to be given in accordance with Class B Condition 14.
- (f) On or after the Payment Date for the final Class B Coupon forming part of any Class B Coupon sheet, the Class B Talon forming part of such Class B Coupon sheet may be surrendered at any specified office of the Principal Paying Agent in exchange for a further Class B Coupon sheet (including a further Class B Talon but excluding any Class B Coupons which shall have become void).
- (g) If the due date for payment of any amount of interest or principal in respect of any Class B Note is not a business day, then the Class B Noteholder or Class B Couponholder will not be entitled to payment until the next succeeding business day unless such business day falls in the next succeeding calendar month, in which event, the immediately preceding business day and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Class B Coupon or, as the case may be, such Class B Note. In this Class B Condition 6, the expression "business day" means a business day (other than a Saturday or Sunday) (i) on which banks are open

for business in the place where the specified office of the Principal Paying Agent at which the Class B Note or Class B Coupon is presented for payment is located and (ii) which is a TARGET Settlement Day.

7. Taxation

All payments in respect of the Class B Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Principal Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Class B Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer or the Principal Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. **Neither the Principal Paying Agent nor the Issuer will be obliged to make any additional payments to holders of Class B Notes or Class B Coupons in respect of such withholding or deduction.**

8. Prescription

Claims against the Issuer for payments in respect of the Class B Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

For the purpose of this Class B Condition 8, the “Relevant Date”, in respect of a Class B Note or Class B Coupon, is the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the moneys due and payable in respect of all the Class B Notes or the Class B Coupons, as the case may be, on or before that date has not been duly received by the Principal Paying Agent or the Trustee on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Class B Noteholders in accordance with Class B Condition 14.

9. Events of Default

- (a) The Trustee in its absolute discretion may and if so requested in writing by the holders of not less than 25 per cent. In aggregate Principal Amount Outstanding of the Class B Notes then outstanding or if so directed by or pursuant to an Extraordinary Resolution (as defined in the Trust Deed) of the holders of any of the Class B Notes (subject, in each case, to being indemnified and/or secured to its satisfaction) shall give notice to the Issuer declaring the Class B Notes to be due and repayable at any time after the happening of any of the following events (each an “Event of Default”):
- (i) default being made for a period of fourteen days in the payment of the principal or any interest on any Class B Note when and as the same ought to be paid in accordance with these Class B Conditions (excluding, for the avoidance of doubt, payments of interest which have been deferred in accordance with Class B Conditions 4(j) and (k)); or
 - (ii) the Issuer failing duly to perform or observe any obligation binding upon it under the Class B Notes, the Trust Deed, the Servicing and Treasury Management Agreement, the Deed of Charge and Assignment, the Euroclear Pledge Agreement or any of the other Transaction Documents to which it is a party (other than any obligation for the payment of any principal or interest on the Class B Notes, failure to make such payments being dealt with at sub-paragraph (i) above and other than the I/R/Fx Swap Agreements and the Credit Default Swap Agreements, failure to perform under such agreements being dealt with at sub-paragraph (vii) below) and, in any such case (except where the Trustee certifies that, in its opinion such failure is incapable of remedy when no notice will be required), such failure continues for a period of 30 days following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
 - (iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (iv) below, ceasing or, through an official action of the Board of Directors of the Issuer, threatening to cease to carry on business or being unable to pay its debts as and when they fall due; or
 - (iv) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Trustee in writing or by an Extraordinary Resolution of the Class B Noteholders; or

- (v) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order) and such proceedings not, in the opinion of the Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress or execution or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to judicial proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally; or
- (vi) it becomes unlawful for the Issuer to perform any of its obligations under any of the Transaction Documents; or
- (vii) an Early Termination Event occurs in relation to (aa) any Credit Default Swap Agreement as a result of the occurrence of an event described in Part 5(g) of the Schedule to the Credit Default Swap Agreements where the Issuer is the defaulting party or (bb) any I/R/Fx Swap Agreement as a result of the occurrence of an event described in Part 5(g) of the Schedule to the I/R/Fx Swap Agreements where the Issuer is the defaulting party

Provided that, in the case of each of the events described in sub-paragraph (ii) of this Class B Condition 9(a), the Trustee shall have certified (after taking such expert advice as it in its sole discretion considers appropriate) to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Class B Noteholders.

- (b) Upon any declaration being made by the Trustee in accordance with paragraph (a) above that the Class B Notes are due and repayable, the Class B Notes shall immediately become due and repayable at, subject to Class B Condition 15, their Principal Amount Outstanding together with accrued interest as provided in the Trust Deed.

10. Enforcement of Class B Notes

At any time after the Class B Notes have become due and repayable the Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce the Security and to enforce repayment of the Class B Notes together with accrued interest thereon, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Class B Noteholders or if so requested in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes and (b) it shall have been indemnified and/or secured to its satisfaction. No Class B Noteholder or Class B Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing. The Trustee cannot, while any of the Class B Notes are outstanding, be required to enforce the Issuer Security at the request of any Issuer Secured Party (other than the holders of the Class B Notes as aforesaid) under the Deed of Charge and Assignment or the Euroclear Pledge Agreement.

In the event that the Security is enforced, and after payment of all other claims ranking in priority to the Class B Notes and the Class B Coupons under the Deed of Charge and Assignment, the remaining proceeds of such enforcement are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Class B Notes, then the Class B Noteholders' and Class B Couponholders' claims against the Issuer in respect of the Class B Notes and the Class B Coupons (as appropriate) shall be limited to their respective shares of such remaining proceeds (as determined in accordance with Class B Condition 15) and, after payment to each Class B Noteholder or Class B Couponholder (as the case may be) of its respective share of such remaining proceeds, the obligations of the Issuer to such Class B Noteholder or Class B Couponholder (as the case may be) under the relevant Class B Note or Class B Coupon shall be deemed to be discharged in full, shall cease to be due and shall be cancelled.

11. Meetings of Noteholders, Modification, Waiver and Substitution of Principal Debtor

- (a) The Trust Deed contains provisions for convening meetings of the Class B Noteholders to consider any matter affecting the interests of Class B Noteholders, including *inter alia* the sanctioning by Extraordinary Resolution of any proposed modification of the Notes (including these Class B Conditions) or the provisions of any of the Transaction Documents.
- (b) An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all Class A Noteholders, all Class B Noteholders and all Class C Noteholders, irrespective of the effect upon them, except an Extraordinary Resolution to sanction any modification which would have the effect of altering the amount or timing of payments of principal on the Notes of any Class or the rate of interest payable in respect of the Notes or the Coupons of any Class or the currency of payment of the Notes or the Coupons of any Class or any alteration of this paragraph or of the quorum or majority required to pass an Extraordinary Resolution (a “Basic Terms Modification”), which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class C Noteholders.

An Extraordinary Resolution passed at any meeting of Class B Noteholders or a request in writing by the holders of Class B Notes shall not be effective for any purpose while any Class A Notes remain outstanding unless either (i) the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders, or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders.

An Extraordinary Resolution passed at any meeting of Class C Noteholders or a request in writing by the holders of Class C Notes shall not be effective for any purpose while any Class A Notes or Class B Notes remain outstanding unless either (i) the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders and the interests of the Class B Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and the Class B Noteholders.

Subject as provided below, the quorum at any meeting of Class B Noteholders for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority of the aggregate Principal Amount Outstanding of the Class B Notes then outstanding or, at any adjourned meeting one or more persons being or representing Class B Noteholders, whatever the aggregate Principal Amount Outstanding of the Class B Notes then outstanding so held or represented except that the quorum at any meeting of Class B Noteholders or for passing an Extraordinary Resolution in respect of a Basic Terms Modification shall be one or more persons holding or representing not less than three quarters of the aggregate Principal Amount Outstanding of the Class B Notes then outstanding or, at any adjourned meeting, one or more persons representing not less than one quarter of the aggregate Principal Amount Outstanding of the Class B Notes then outstanding. The majority required for an Extraordinary Resolution shall be 75 per cent. of the votes cast on that Resolution, whether on a show of hands or a poll.

- (c) The Trustee may agree, without the consent of the Class B Noteholders or the Class B Couponholders, to any modification (except a Basic Terms Modification) or to any waiver or authorisation of any breach or proposed breach of the Notes of any Class or any of the Transaction Documents which, in the opinion of the Trustee is not materially prejudicial to the interests of the Class B Noteholders, or to any modification which, in the opinion of the Trustee, is to correct a manifest error or is of a formal, minor or technical nature. The Trustee may also, without the consent of the Class B Noteholders or the Class B Couponholders, determine that an Event of Default shall not, or shall not subject to specified conditions, be treated as such. Any such modification, waiver, authorisation or determination shall be binding on the Class B Noteholders and the Class B Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Class B Noteholders as soon as practicable thereafter in accordance with Class B Condition 14.
- (d) A resolution in writing executed by or on behalf of the holders of a clear majority or, in the case of a Basic Terms Modification not less than three quarters of, the aggregate Principal Amount Outstanding of the Class B Notes outstanding shall be effective as an Extraordinary Resolution passed at a meeting of Class B Noteholders duly convened and held and may consist of several instruments in like form each executed by or on behalf of one or more of such holders.

- (e) The Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Class B Noteholders if each of the Rating Agencies have confirmed that the then current rating of the Class B Notes would not be adversely affected by such exercise.

12. Indemnification of the Trustee

The Trust Deed and the Deed of Charge and Assignment contain provisions governing the responsibility (and relief from responsibility) of the Trustee and providing for its indemnification in certain circumstances, including *inter alia* provisions relieving it from taking enforcement proceedings or enforcing the Security unless indemnified and/or secured to its satisfaction. The Trustee and its related companies and any director or officer of a corporation acting as trustee are entitled to enter into business transactions with the Issuer, the Agents, the Custodian, the Account Bank, the Computation Agent, the Swap Counterparty, the Credit Default Swap Counterparty, the Corporate Services Provider and/or the related companies of any of them without accounting for any profit made or other benefit received by it resulting therefrom (as are, for the avoidance of doubt, the Agents, the Custodian, the Account Bank, the Computation Agent, the Swap Counterparty, the Credit Default Swap Counterparty and the Corporate Services Provider). The Trustee will not be responsible for any loss, expense or liability which may be suffered *inter alia* as a result of any assets comprised in the Security, or any deeds or documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Computation Agent or the Custodian or any agent or related company of the Computation Agent or the Custodian or by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Trustee.

13. Replacement of Class B Notes

If any Class B Note or Class B Coupon is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Principal Paying Agent. Replacement of any mutilated, defaced, lost, stolen or destroyed Class B Note or Class B Coupon 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 and in accordance with applicable laws. Mutilated or defaced Class B Notes or Class B Coupons must be surrendered before new ones will be issued.

14. Notices to Class B Noteholders

All notices to Class B Noteholders shall be deemed to have been duly given if published in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or, if this is not practicable, in another leading English language newspaper having general circulation in Europe previously approved by the Trustee. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in the newspaper referred to above.

The Trustee shall be at liberty to sanction some other method of giving notice to the Class B Noteholders or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Class B Notes are then listed and provided that notice of such other method is given to the Class B Noteholders in such manner as the Trustee shall require.

The Class B Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Class B Noteholders in accordance with this Class B Condition 14.

15. Limited Recourse

If, following the service of an Issuer Enforcement Notice and following the enforcement of the Security and the exercise by the Trustee of its right to direct the Issuer to take any action in respect of the Securities Portfolio and any asset or amount derived therefrom, or, if no Issuer Enforcement Notice has been served, on the Payment Date falling in November 2021, the aggregate funds available to the Issuer in accordance with the provisions of the relevant Priority of Payment for application in or towards any payment obligation (for the purposes of this Class B Condition 15, the “Relevant Obligation”) on the Class B Notes which, but for the operation of this Class B Condition 15 would be due and payable in respect of the Class B Notes on the relevant date, are not sufficient to pay in full the aggregate amount which, but for the operation of this Class B Condition 15, would be due and payable on the Class B Notes in respect of the Relevant Obligation on the relevant date, then notwithstanding any other provision of these Class B

Conditions, only a *pro rata* share of the funds which are available to make payments in respect of the Relevant Obligation on the Class B Notes shall be due and payable on any Class B Note on the relevant date and the balance of the amount outstanding in respect of the Relevant Obligation on the Class B Notes which, but for the operation of this Class B Condition 15, would be due and payable shall not be due and payable, shall be deemed to be released by the relevant Class B Noteholders and shall be cancelled. The *pro rata* amount due and payable in respect of any Class B Note shall be calculated by multiplying the amount of the funds available to make payments in respect of the Relevant Obligation on the Class B Notes by a fraction, the numerator of which is the Principal Amount Outstanding of such Class B Note and the denominator of which is the aggregate Principal Amount Outstanding of all the Class B Notes (rounding down the resultant figure to the nearest Euro 0.01).

16. Governing Law

The Transaction Documents, the Class A Notes and the Class A Coupons, the Class B Notes and the Class B Coupons, the Class C Notes and the Class C Coupons are governed by, and shall be construed in accordance with, English law and the English courts shall have jurisdiction to settle any dispute in relation thereto, except for the Euroclear Pledge Agreement which is governed by, and shall be construed in accordance with, Belgian law and the Belgian Courts have jurisdiction to settle any dispute in relation thereto, and the Securities Purchase Agreement and the Securities Purchase Agreement Amendment Agreement, which are governed by, and to be construed in accordance with, Italian law and the arbitral tribunal of Milan has jurisdiction to settle any dispute in relation thereto.

17. Third Party Rights

No person shall have any right to enforce any term or condition of this Class B Note under the Contracts (Rights of Third Parties) Act 1999.

TERMS AND CONDITIONS OF THE CLASS C NOTES

If Class C Notes in definitive form were to be issued, the terms and conditions (subject to amendment and completion) set out on each Class C Note in definitive form would be as set out below. While the Class C Notes remain in global form the same terms and conditions govern the Class C Notes, except to the extent that they are appropriate only to Class C Notes in definitive form.

General

The Euro 195,800,000 Class A Secured Floating Rate Notes due 2021 (the “Class A Notes”), the Euro 8,700,000 Class B Secured Floating Rate Notes due 2021 (the “Class B Notes”) and the Euro 5,800,000 Class C Secured Floating Rate Notes due 2021 (the “Class C Notes” and, together with the Class A Notes and the Class B Notes, the “Notes”) issued by Cidneo Finance Plc (the “Issuer”) are constituted by a trust deed to be entered into on 6 November, 2001 (the “Issue Date”) (the “Trust Deed”) and made between the Issuer and BNP PARIBAS Trust Corporation UK Limited (the “Trustee”) as trustee for the holders for the time being of the Class A Notes (the “Class A Noteholders”), the Class B Notes (the “Class B Noteholders”) and the Class C Notes (the “Class C Noteholders” and, together with the Class A Noteholders and the Class B Noteholders, the “Noteholders”), the holders for the time being of the interest coupons relating to the Class A Notes (the “Class A Interest Couponholders”) and the holders of the principal coupons relating to the Class A Notes (the “Class A Principal Couponholders” and, together with the Class A Interest Couponholders, the “Class A Couponholders”), the holders for the time being of the interest coupons relating to the Class B Notes (the “Class B Interest Couponholders”) and the holders of the principal coupons relating to the Class B Notes (the “Class B Principal Couponholders” and, together with the Class B Interest Couponholders, the “Class B Couponholders”), the holders for the time being of the interest coupons relating to the Class C Notes (the “Class C Interest Couponholders”) and the holders of the principal coupons relating to the Class C Notes (the “Class C Principal Couponholders” and, together with the Class C Interest Couponholders, the “Class C Couponholders” and, together with the Class A Couponholders and the Class B Couponholders, the “Couponholders”) or the talons appertaining to the Notes (“Talons”).

The statements in these terms and conditions of the Class C Notes (the “Class C Conditions”) include summaries of, and are subject to, the detailed provisions of the Transaction Documents which comprise the Trust Deed, the Agency Agreement, the Deed of Charge and Assignment, the Euroclear Pledge Agreement, the Securities Purchase Agreement, the Securities Purchase Agreement Amendment Agreement, the Warranty and Indemnity Deed, the I/R/Fx Swap Agreements, the Credit Default Swap Agreements, the Swap Novation Agreement, the Bank Agreement, the Servicing and Treasury Management Agreement, the Custody Agreement, the Corporate Services Agreement, the Note Subscription Agreement and a master definitions agreement (the “Master Definitions Agreement”) (together the “Transaction Documents”) and are available for inspection at the specified office of the Principal Paying Agent. Each of the Transaction Documents is dated on or about the Issue Date, other than the Note Subscription Agreement which is dated on or about the date hereof and the Warranty and Indemnity Deed and the Securities Purchase Agreement which are each dated the Transfer Date.

The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of all the Transaction Documents. These Class C Conditions are subject to the detailed provisions of the Transaction Documents.

Any reference in these Class C Conditions to a Transaction Document shall be deemed to be a reference to such Transaction Document as the same may be amended, varied, novated, modified, supplemented or replaced in accordance with its terms and shall include any notices or other documents issued in connection with or supplemental thereto and any reference to a party thereto or to any person shall include its successors, transferees and permitted assigns and persons deriving title under or through it.

Capitalised terms not otherwise defined in these Class C Conditions shall bear the same meaning given to them in the Master Definitions Agreement.

1. Form, Denomination and Title

(a) Form and Denomination

The Class C Notes are serially numbered and are issued in bearer form each with interest coupons (“Class C Interest Coupons”) and principal coupons (“Class C Principal Coupons”) (together or severally, the “Class C Coupons”) and talons (“Class C Talons”) attached. The Class C Notes are in the denomination of Euro 100,000. Title to the Class C Notes and Class C Coupons shall pass by physical delivery.

(b) Title

The holder of any Class C Note and the holder of any Class C Coupon may (to the fullest extent permitted by applicable laws and except as otherwise ordered by a court decision or competent authority) be deemed to be and treated at all times by all persons and for all purposes (including for the purpose of making of any payments) as the absolute owner of such Class C Note or Class C Coupon, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon.

(c) Class C Coupons

The holder of each Class C Coupon (whether or not the Class C Coupon is attached to the relevant Class C Note) shall, in his capacity as such, be subject to and bound by all the provisions contained in the relevant Class C Note.

2. Status, Security and Priority

(a) Status

The Class C Notes and the Class C Coupons constitute direct, secured, limited recourse obligations of the Issuer and are secured over certain assets of the Issuer pursuant to and as more fully described in the Deed of Charge and Assignment and the Euroclear Pledge Agreement. The Class C Notes are subject to the Trust Deed and are secured by the same security that secures the Class A Notes and the Class B Notes and the claims of the other Issuer Secured Parties.

(b) Priority

The Class C Notes will rank *pari passu* without preference or priority amongst themselves. The Class C Notes are subordinated to certain prior ranking amounts due from the Issuer to the Trustee, the Custodian, the Account Bank, the Computation Agent, the Servicer, the Agents, the Corporate Services Provider, the Swap Counterparty (with the exception of any Swap Unwind Costs), the Credit Default Swap Unwind Costs to the Credit Default Swap Counterparty (with the exception of Credit Default Swap Unwind Costs incurred as a result of a default by the Credit Default Swap Counterparty), Credit Protection Interest Amounts to the Credit Default Swap Counterparty, the Irish tax authority under applicable Irish law, any Connected Third Party Creditors and all amounts due and payable in respect of obligations which must be paid in order to preserve the corporate existence of the Issuer and/or comply with applicable law (such amounts being together referred to as the “Senior Parties’ Remuneration”) and the Class A Noteholders and the Class B Noteholders in each case under the Transaction Documents as more particularly set out in the Deed of Charge and Assignment. On each Payment Date prior to the Issuer Security becoming enforceable, no payment of any amount will be made on the Class C Notes until the Senior Parties’ Remuneration and amounts owed to the Class A Noteholders and the Class B Noteholders have been paid in full or is paid simultaneously with such payment. Following the Issuer Security becoming enforceable, no payment of any amount will be made on the Class C Notes until all the Senior Parties’ Remuneration, amounts owed to the Class A Noteholders and the Class B Noteholders, any outstanding Credit Protection Payments and amounts owed to any Receiver have been paid in full or such amounts are paid simultaneously with such payments. The rights attaching to the Class C Notes in respect of priority of payment of interest and repayment of principal are set out in the Deed of Charge and Assignment.

(c) Trust Deed

The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the holders of the Class A Notes, the Class B Notes and the Class C Notes as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case to have regard only (except where expressly provided otherwise) to (i) (for so long as there are any amounts on the Class A Notes outstanding) the interests of the holders of Class A Notes if, in the Trustee’s opinion, there is a conflict between the interests of the holders of Class A Notes and the interests of the holders of the Class B Notes/or and the holders of the Class C Notes and (ii) (for so long as there are any Class B Notes outstanding and no Class A Notes outstanding) the interests of the holders of Class B Notes if, in the Trustee’s opinion, there is a conflict between the interests of the holders of Class B Notes and the interests of the holders of the Class C Notes.

(d) Deed of Charge and Assignment

The Deed of Charge and Assignment contains provisions requiring the Trustee to have regard to the interests of the Issuer Secured Parties as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case, to have regard only (except where expressly provided otherwise) to (for so long as there are any amounts on the

Class A Notes and/or the Class B Notes and/or Class C Notes outstanding) the interests of the Class A Noteholders and, if the Class A Notes shall have been redeemed in full, the interests of the Class B Noteholders and, if the Class B Notes shall have been redeemed in full, the interests of the Class C Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Class A Noteholders or the interests of the Class B Noteholders or the interests of the Class C Noteholders, (or any combination of them) and the interest of any other Issuer Secured Party (or any combination of them).

(e) Security

As security for the payment of all monies payable in respect of the Notes and otherwise under the Trust Deed and in respect of amounts payable to the other Issuer Secured Parties under any of the Transaction Documents (including the Senior Parties' Remuneration), pursuant to the Deed of Charge and Assignment the Issuer has created the following security (the "Issuer Security") in favour of the Trustee for itself and as trustee for the other Issuer Secured Parties thereunder:

- (i) a first fixed charge over the Issuer's right, title and interest (other than such right, title and interest as is pledged under the Euroclear Pledge Agreement) in and to the Securities;
- (ii) an assignment by way of security over the Issuer's rights under (aa) the Bank Agreement, (bb) the Securities Purchase Agreement, (cc) the Securities Purchase Agreement Amendment Agreement, (dd) the I/R/Fx Swap Agreements, (ee) the Servicing and Treasury Management Agreement, (ff) the Custody Agreement, (gg) the Agency Agreement, (hh) the Note Subscription Agreement, (ii) the Credit Default Swap Agreements, (jj) the Warranty and Indemnity Deed, (kk) the Swap Novation Agreement and (ll) the Corporate Services Agreement;
- (iii) a first fixed charge over the Issuer's right, title and interest in the Collection Account and the Deposit Account maintained with the Account Bank;
- (iv) a first fixed charge over the Issuer's right, title and interest in the Euroclear Cash Account and the Euroclear Securities Account maintained with the Custodian pursuant to the Custody Agreement.

The Issuer has also pursuant to the Euroclear Pledge Agreement created a Belgian law pledge over the Issuer's Euroclear Entitlements from time to time held in Euroclear.

On enforcement of the Issuer Security, the Trustee is required to apply monies available for distribution in accordance with the Post-Enforcement Priority of Payments set out in the Deed of Charge and Assignment.

The Issuer Security will become enforceable upon the Class C Notes being declared due and repayable in accordance with Class C Condition 9.

3. Covenants

Subject to the proviso below, save as provided in or contemplated by the Transaction Documents or with the prior written consent of the Trustee, the Issuer shall not, so long as any Note remains outstanding (as defined in the Trust Deed):

- (a) engage in any activity or business except:
 - (i) as provided in or contemplated by the Notes and/or the Transaction Documents in relation to the Issuer; and
 - (ii) to perform any act incidental to or necessary in connection with (i) above or any act required by any law, regulation or order of any court to be performed;
- (b) use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with any of its property or assets or any interest therein or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;
- (c) lend money or incur any obligation to pay money, whether present or future or actual or contingent ("indebtedness") whatsoever or give any guarantee or indemnity in respect of any indebtedness;
- (d) (i) create or permit to exist upon or effect any mortgage, charge, pledge, lien or other encumbrance whether fixed, floating or otherwise, upon the whole or any part of its property or assets, present and future other than in any case as may arise by operation of law; or (ii) sign, file or register under applicable law any mortgage, debenture or the like which names the Issuer as debtor, or sign or enter into any security agreement authorising any secured party thereunder to file or register such mortgage, debenture or the like, except in each case any such instrument securing the rights and preserving the security of the Trustee and the other Issuer Secured Parties;
- (e) consolidate with or merge with or into any other person or convey or transfer its properties or assets substantially in their entirety to any person;

- (f) have, form or cause to be formed, any subsidiary or have any employees or premises;
- (g) issue any further shares, or issue any warrants or options in respect of shares, or securities convertible into or exchangeable for shares;
- (h) declare or pay any dividend or make any other distribution to its Ordinary Shareholders in excess of Euro 1,000 in total;
- (i) operate or have an interest in any bank account relating to the Notes other than the Accounts unless such further account or the Issuer's interest therein shall be charged or otherwise secured in favour of the Trustee on terms acceptable to the Trustee;
- (j) permit any Transaction Document or the validity or effectiveness thereof, or the priority of the security interests created thereby, to be amended, terminated or discharged, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of any Transaction Document, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Security to be released from such obligations;
- (k) amend, supplement or otherwise modify its Memorandum or Articles of Association other than when and as required by law.

4. Interest

(a) Accrual of Interest

Each Class C Note bears interest on its Principal Amount Outstanding (as defined in Class C Condition 5(b)) from (and including) the Issue Date. Prior to the service of an Issuer Enforcement Notice each Class C Note shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon in accordance with this Condition (after as well as before any judgment) up to (but excluding) the date on which all sums due and payable in respect of such Class C Note up to that day are received by or on behalf of the relevant Class C Noteholder, or (if earlier) the seventh day after notice is duly given by the Principal Paying Agent to the holder thereof (in accordance with Condition 14) that the Principal Paying Agent has received all sums due and payable in respect of such Class C Note (except to the extent that there is any subsequent default in payment). Upon the service of an Issuer Enforcement Notice, each Class C Note shall cease to bear interest from the date thereof.

Whenever it is necessary to compute an amount of interest in respect of any Class C Note for any period (including any Interest Period (as defined below)), such interest shall be calculated on the basis of actual days elapsed and a 360 day year.

(b) Payment Dates and Interest Periods

Interest on the Class C Notes is payable quarterly in arrear in Euro on 16 February, 16 May, 16 August and 16 November in each year (or, if such day is not a Business Day, the immediately succeeding Business Day unless such Business Day falls in the next succeeding calendar month in which event on the immediately preceding Business Day) (each, a "Payment Date") but in any case without further payments of additional amounts by way of interest or otherwise. The period commencing on (and including) a Payment Date (or in the case of the first Interest Period, the Issue Date) and ending on (but excluding) the next succeeding Payment Date (or in the case of the first Interest Period, the Payment Date falling in February, 2002) is called an "Interest Period" in these Class C Conditions, and "Business Day" shall in these Conditions, other than in Class C Condition 6, mean a day (other than a Saturday or Sunday) on which banks are open for business in London, Milan and Luxembourg and on which the Trans-European Automated Real-Time Gross-Settlement ("Target") System (or any successor thereto) is open.

(c) Rate of Interest

The rate of interest payable from time to time in respect of each Class C Note (the "Rate of Interest") and the relevant Interest Amount (as defined in paragraph (e) below) will be determined on the basis of the provisions set out below:

- (i) on the second Target Settlement Day (as defined below) prior to each Payment Date or, in the case of the first Interest Period, on the first Target Settlement Day prior to the Issue Date (each an "Interest Determination Date") the Agent Bank will determine the offered quotations to leading banks (rounded to four decimal places with the mid-point rounded up) for three month Euro deposits, in the Euro-Zone interbank market, which appears on Bridge/Telerate Screen Page No. 248 (or (aa) such other page as may replace Bridge/Telerate Screen Page No. 248 on that service for the purpose of displaying such information or (bb) if that service ceases to display such information, such page as

displays such information on such equivalent service (or, if more than one, that one previously approved in writing by the Trustee) as may replace the Bridge/Telerate Monitor) as at or about 11.00 a.m. (Luxembourg time) on that date (the “Screen Rate”). The Rate of Interest for the relevant Interest Period shall, subject as provided below, be the Margin (as defined below) above the Screen Rate;

- (ii) if, on any Interest Determination Date, the Screen Rate is unavailable at such time for three month Euro deposits then on such date, the Agent Bank will request the principal London office of each of Deutsche Bank A.G., Barclays Bank, Citibank N.A. and Société Générale, or any duly appointed substitute reference bank(s) as may be approved by the Trustee (the “Reference Banks”), to provide the Agent Bank with its offered quotation to leading banks for three month Euro deposits, in the Euro-Zone interbank market for same day value as at 11.00 a.m. (Luxembourg time) on the Interest Determination Date in question. The Rate of Interest for the relevant Interest Period shall be determined, on the basis of the offered quotations of those Reference Banks, as the arithmetic mean (rounded upwards to four decimal places) of the rates so quoted plus the Margin. If, on any such Interest Determination Date, two or three only of the Reference Banks provide such offered quotations to the Agent Bank, the Rate of Interest for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations plus the Margin. If, on any such Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such an offered quotation, the Agent Bank shall forthwith consult with the Trustee and the Issuer for the purposes of agreeing two banks (or, where one only of the Reference Banks provides such a quotation, one additional bank) to provide such a quotation or quotations to the Agent Bank (which bank or banks is or are in the opinion of the Trustee suitable for such purpose) and the Rate of Interest for the Interest Period in question shall be determined, as aforesaid, on the basis of the offered quotations of such banks as so agreed (or, as the case may be, the offered quotations of such banks as so agreed and the relevant Reference Bank). If no such bank or banks is or are so agreed or such bank or banks as so agreed does or do not provide such a quotation or quotations, then the Rate of Interest for the relevant Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (i) or the foregoing provisions of this paragraph (ii) shall have applied;
- (iii) to the extent permitted by law there shall be no maximum or minimum Rate of Interest.

For the purposes of these Conditions, “Euro-Zone” means the region comprised of member States of the European Union that adopted the single currency in advance with the Treaty establishing the European Community (signed in Rome 25 March, 1957 as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992) and “Target Settlement Day” means a day on which Target is open.

(d) Margin

For the purposes of these Class C Conditions the “Margin” shall be 2.50 per cent. per annum.

(e) Determination of Rates of Interest and Calculation of Interest Amounts

The Agent Bank shall, on each Interest Determination Date, determine and notify the Issuer, the Computation Agent, the Trustee and the Principal Paying Agent of (i) the Rate of Interest applicable to the Interest Period beginning on (and including) the Payment Date next succeeding such Interest Determination Date (or, in the case of the first Interest Period, beginning on (and including) the Issue Date) in respect of the Class C Notes and (ii) the Euro amount (the “Interest Amount”) payable in respect of such Interest Period in respect of each Class C Note. The Interest Amount for a Class C Note shall be calculated by applying the Rate of Interest applicable to that Class C Note to the Principal Amount Outstanding (as defined in Class C Condition 5(b)) of the Class C Note (after deducting therefrom any payment of principal due on the Payment Date next succeeding such Interest Determination Date), multiplying the product of such calculation by the actual number of days in the relevant Interest Period and dividing by 360, and rounding the resultant figure to the nearest Euro cent (half a Euro cent being rounded down).

(f) Publication of Rate of Interest, Interest Amount and other Notices

As soon as practicable after receiving notification thereof, the Issuer will cause the Rate of Interest and the Interest Amount applicable to the Class C Notes for each Interest Period and the Payment Date in respect of such Interest Period to be notified to the Luxembourg Stock Exchange (the “Luxembourg Stock Exchange”) (for so long as the Class C Notes are listed on the Luxembourg Stock Exchange) and will cause notice thereof to be given to the Class C Noteholders in accordance with Class C Condition 14. The Interest Amounts and Payment Dates so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period.

(g) Determination or Calculation by Trustee

If the Agent Bank does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Amount for the Class C Notes in accordance with the foregoing provisions of this Class C Condition 4, it shall forthwith give notice of such inability to the Issuer, the Trustee and the Principal Paying Agent and the Trustee shall (i) determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and/or (as the case may be) (ii) calculate the Interest Amount for the Class C Notes in the manner specified in paragraph (e) above, and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.

(h) Notifications to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Class C Condition 4, whether by the Reference Banks (or any of them) or the Agent Bank or the Trustee, shall (in the absence of gross negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Computation Agent, the Reference Banks, the Agent Bank, the Principal Paying Agent, the Trustee and all Class C Noteholders and Class C Couponholders and no liability to the Class C Noteholders or Class C Couponholders shall attach to the Issuer, the Principal Paying Agent, and (in such absence as aforesaid) the Reference Banks, the Agent Bank or the Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

(i) Reference Banks and Agent Bank

The Issuer shall ensure that, so long as any of the Class C Notes remains outstanding, there shall at all times be four Reference Banks and an Agent Bank. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank or Agent Bank, as the case may be, the Issuer shall appoint such other bank as may be previously approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign until a successor approved by the Trustee has been appointed.

(j) Interest Deferral

In the event that the funds available to the Issuer on any Payment Date in accordance with the Pre-enforcement Priority of Payments (for the purpose of this Class C Condition 4(j), the “Class C Available Interest Funds”) to make payments of interest on the Class C Notes which, but for the operation of this Class C Condition 4(j), would be due and payable on such Payment Date, are not sufficient to satisfy in full such amount of interest, then there shall instead be due and payable on such Payment Date by way of interest on each Class C Note only a *pro rata* share of the Class C Available Interest Funds (if any). Such *pro rata* amount shall be calculated by multiplying the Class C Available Interest Funds by a fraction, the numerator of which is the Principal Amount Outstanding of the relevant Class C Note and the denominator of which is the Principal Amount Outstanding of all Class C Notes (rounding down the resultant figure to the nearest Euro 0.01).

In any such event, the Issuer shall create a provision in its account for the shortfall equal to the amount by which the aggregate amount of interest paid on the Class C Notes on any Payment Date in accordance with this Class C Condition 4(j), falls short of the aggregate amount of interest which would be due and payable on such Payment Date but for the operation of this Class C Condition 4(j). Such shortfall shall accrue interest during each Interest Period during which it remains outstanding at the Rate of Interest for the Class C Notes for such Interest Period and a *pro rata* share of such shortfall and accrued interest thereon shall, subject always to this Class C Condition 4(j), be due and payable on each Class C Note on the next succeeding Payment Date.

(k) Suspension of Interest Payments

In the event that, on any Payment Date, the Class C Note Trigger Threshold has been exceeded and any of the Class A Notes or the Class B Notes is then outstanding, then notwithstanding any other provision of these Class C Conditions (i) no amount of interest shall be payable on such Payment Date in respect of any Class C Note and (ii) the Issuer shall create a provision in its accounts for the shortfall equal to the amount of interest which would be due and payable on such Payment Date but for the operation of this Class C Condition 4(k) (the “Deferred Interest”). Such Deferred Interest shall not become due on such Payment Date and shall accrue interest during each Interest Period thereafter during which it remains outstanding at the Rate of Interest for the Class C Notes for such Interest Period and a *pro rata* share of such shortfall calculated by the ratio borne by the then Principal Amount Outstanding of such Class C Note to the then Principal Amount Outstanding of all the Class C Notes shall be aggregated with the amount of, and treated as if it were, interest due on, each Class C Note on the next succeeding Payment Date.

5. Redemption, Purchase and Cancellation

(a) Final Redemption

Unless previously redeemed and cancelled as provided in this Class C Condition 5, the Issuer shall, subject to Class C Condition 15, redeem the Class C Notes at their Principal Amount Outstanding (as defined below) on the Payment Date falling in November, 2021 (the “Class C Maturity Date”).

The Issuer may not redeem any Class C Note in whole or in part prior to that date except as provided below in Class C Condition 5(b), (c) or (d) but without prejudice to Class C Condition 9.

(b) Mandatory Redemption in Part

On each Payment Date falling on or after May, 2003, other than the Payment Date on which the Class C Notes are to be redeemed under Class C Condition 5(a), (c) or (d), the Issuer shall, subject to the Pre-Enforcement Priority of Payments, apply the Class C Note Actual Redemption Amount (if any) in redeeming the Class C Notes, such redemption to be made *pro rata* among the Class C Notes.

The principal amount redeemable in respect of each Class C Note (a “Class C Note Principal Payment”) on any Payment Date shall be a *pro rata* share of the Class C Note Actual Redemption Amount, calculated by multiplying the Class C Note Actual Redemption Amount by a fraction, the numerator of which is the then Principal Amount Outstanding of such Class C Note and the denominator of which is the then Principal Amount Outstanding of all Class C Notes (rounding down the resulting figure to the nearest cent), provided always that no such Principal Payment may exceed the Principal Amount Outstanding of the relevant Class C Note.

The “Principal Amount Outstanding” of a Class C Note on any date shall be the principal amount of that Class C Note upon issue less the aggregate amount of all Class C Note Principal Payments that have been paid prior to such date in respect of that Class C Note.

For the purposes of these Class C Conditions:

Calculation Date means the 6 February, 6 May, 6 August and 6 November in each year or if it is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next succeeding calendar month, in which event it will be the immediately preceding Business Day, with the first Calculation Date falling on 6 February, 2002;

Class C Note Actual Redemption Amount means, on any Payment Date an amount equal to the lesser of (i) the Principal Amount Outstanding of the relevant Class C Notes and (ii) the Class C Note Principal Repayment Amount on that date.

(c) Optional Redemption

On any Payment Date falling on or after November, 2006 upon giving not less than 30 days’ notice to the Trustee, the Computation Agent, the Servicer, the Principal Paying Agent and the Class C Noteholders the Issuer may redeem all (but not some only) of the Class C Notes at their Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption PROVIDED THAT (i) on or prior to the relevant Payment Date, all Securities have been redeemed by the issuers thereof or have been disposed of in accordance with the provisions of the Servicing and Treasury Management Agreement, the Deed of Charge and Assignment and the Euroclear Pledge Agreement and all Credit Default Swap Agreements been terminated by the Credit Default Swap Counterparty and the redemption amount or proceeds of disposal thereof deposited in the Collection Account and (ii) prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds available, not subject to any interest of any other person, required to redeem all (but

not some only) of the Class A Notes, the Class B Notes and the Class C Notes together with all accrued but unpaid interest thereon to the date of redemption and to pay all Swap Unwind Costs and all amounts expressed to be payable or required to be provided for under the Deed of Charge and Assignment in priority to the Class A Notes, the Class B Notes and the Class C Notes.

(d) Optional Redemption for taxation

Prior to the service of an Issuer Enforcement Notice, if the Issuer at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that either (i) the Issuer is, or on the next scheduled Payment Date under any Note, the Issuer will be, required to deduct or withhold from any payment under any Class A Note, Class B Note and/or Class C Note to the holder thereof for or on account of any tax (so long as such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect), whether or not as a result of any change in law or interpretation thereof; or (ii) any amount is, or on the next scheduled payment date under any Security any amount will be, required to be deducted or withheld from any payment under any Security to the Issuer or the Custodian or their respective nominees or agents for or on account of any tax (so long as such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect), whether or not a result of any change in law or interpretation; or (iii) the Issuer is, or on the next scheduled Payment Date, the Issuer will be, subject to a corporate tax rate of greater than 25%, then the Issuer may redeem all (but not some only) of the Class C Notes on any Payment Date following the occurrence of such event at their then respective Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption upon giving not less than 30 days' notice to the Trustee, the Principal Paying Agent and the holders of the Class C Notes PROVIDED THAT (aa) on or prior to the relevant Payment Date, all Securities have been redeemed by the issuers thereof or have been disposed of in accordance with the provisions of the Servicing and Treasury Management Agreement, the Deed of Charge and Assignment and the Euroclear Pledge Agreement and all Credit Default Swap Agreements been terminated by the Credit Default Swap Counterparty and the redemption amount or proceeds of disposal thereof deposited in the Collection Account and (bb) prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds available, not subject to any interest of any other person, required to make the payments and to redeem all (but not some only) of the Class C Notes as aforesaid and to pay all Swap Unwind Costs and all amounts expressed to be payable or required to be provided for under the Deed of Charge and Assignment in priority to the Class C Notes. Any certificate given by or on behalf of the Issuer may be relied upon by the Trustee and shall be conclusive and binding on all Noteholders and Couponholders.

(e) Class C Note Actual Redemption Amount, Class C Note Principal Payments and Principal Amount Outstanding

On (or as soon as practicable after) each Calculation Date, the Issuer shall determine (or cause the Computation Agent to determine) (i) the Class C Note Actual Redemption Amount, (ii) the aggregate of any Class C Note Principal Payments due in respect of the Class C Notes on the Payment Date next following such Calculation Date and (iii) the Principal Amount Outstanding of the Class C Notes on the Payment Date next following such Calculation Date (after deducting the aggregate of any Class C Note Principal Payments due to be made on that Payment Date). Each determination by or on behalf of the Issuer of the Class C Note Actual Redemption Amount, the aggregate of any Class C Note Principal Payments and the Principal Amount Outstanding of the Class C Notes shall in each case (in the absence of gross negligence, wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Class C Note Actual Redemption Amount, the aggregate of any Class C Note Principal Payments and the Principal Amount Outstanding in respect of the Class C Notes to be notified forthwith to the Trustee, the Principal Paying Agent, the Agent Bank, the Computation Agent and (for so long as the Class C Notes are listed on the Luxembourg Stock Exchange) the Luxembourg Stock Exchange and will immediately cause notice of each determination of the Class C Note Actual Redemption Amount, a Class C Note Principal Payment and Principal Amount Outstanding in respect of the Class C Notes to be given in accordance with Class C Condition 14 by not later than two Business Days prior to the relevant Payment Date. If no Class C Note Principal Payment is due to be made on the Class C Notes on any Payment Date a notice to this effect will be given by or on behalf of the Issuer to the Noteholders in accordance with Class C Condition 14.

If the Issuer does not at any time for any reason determine (or cause the Computation Agent to determine) the Class C Note Actual Redemption Amount, the aggregate of any Class C Note Principal Payments or the Principal Amount Outstanding in accordance with the preceding provisions of this Class C Condition

5(e), such Class C Note Actual Redemption Amount, Class C Note Principal Payment or Principal Amount Outstanding in respect of the Class C Notes may be determined by the Trustee in accordance with this paragraph and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall be binding on the Issuer, the Computation Agent, the Principal Paying Agent, the Class C Noteholders and the Class C Couponholders and no liability to the Class C Noteholders or Class C Couponholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions in this Class C Condition 5(e).

(f) Notice of Redemption

Any such notice as is referred to in Class C Condition 5(c) or (d) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Class C Notes at their Principal Amount Outstanding together with all accrued but unpaid interest thereon to the date of redemption.

(g) Cancellation

All Class C Notes redeemed pursuant to Class C Condition 5(a) to (d) will be cancelled upon redemption, together with any unmatured Class C Coupons appertaining thereto and attached thereto or surrendered therewith, and may not be resold or re-issued.

(h) No purchase by Issuer

The Issuer shall not purchase any of the Class C Notes.

6. Payments

- (a) Class C Note Principal Payments will be made against presentation and surrender of Principal Coupons and if after such payment the Principal Amount Outstanding of a Class C Note would be zero (including as a result of any other payment due in respect of such Class C Note), surrender of the relevant Class C Note at the specified office of the Principal Paying Agent. Payments of interest in respect of the Class C Notes will (subject as provided in paragraphs (c) and (d) below) be made against presentation and surrender of Class C Interest Coupons at the specified office of the Principal Paying Agent. Payments will be made in Euro at the specified office of the Principal Paying Agent by Euro cheque drawn on or, at the option of the holder, by transfer to any account on which Euro may be credited or transferred and maintained by the payee with, a branch of a bank in any principal financial centre of any member of the European Union.
- (b) Payments of principal and interest in respect of the Class C Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.
- (c) Upon the date upon which any Class C Note becomes due and payable in full, unmatured Class C Coupons appertaining thereto (whether or not attached to such Class C Note) shall become void and no payment or, as the case may be, exchange shall be made in respect thereof. If the due date for redemption of any Class C Note is not a Payment Date in the place of presentation, accrued interest will be paid only against presentation and surrender of such Class C Note. As used herein, unmatured Class C Coupons include any Class C Talon insofar as it relates entirely to unmatured Class C Coupons.
- (d) If payment of principal is improperly withheld or refused on or in respect of any Class C Note or part thereof, the interest which continues to accrue in respect of such Class C Note in accordance with Class C Condition 4(a) will be paid against presentation of such Class C Note at the specified office of the Principal Paying Agent.
- (e) The Issuer reserves the right subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint additional or other paying agents. The Issuer will at all times maintain a Principal Paying Agent with a specified office in Luxembourg. The Issuer will cause at least 15 days' prior notice of any change in or appointment of further paying agents or their specified offices to be given in accordance with Class C Condition 14.
- (f) On or after the Payment Date for the final Class C Coupon forming part of any Class C Coupon sheet, the Class C Talon forming part of such Class C Coupon sheet may be surrendered at any specified office of the Principal Paying Agent in exchange for a further Class C Coupon sheet (including a further Class C Talon but excluding any Class C Coupons which shall have become void).

- (g) If the due date for payment of any amount of interest or principal in respect of any Class C Note is not a business day, then the Class C Noteholder or Class C Couponholder will not be entitled to payment until the next succeeding business day unless such business day falls in the next succeeding calendar month, in which event, the immediately preceding business day and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Class C Coupon or, as the case may be, such Class C Note. In this Class C Condition 6, the expression “business day” means a business day (other than a Saturday or Sunday) (i) on which banks are open for business in the place where the specified office of the Principal Paying Agent at which the Class C Note or Class C Coupon is presented for payment is located and (ii) which is a TARGET Settlement Day.

7. Taxation

All payments in respect of the Class C Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Principal Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Class C Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer or the Principal Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. **Neither the Principal Paying Agent nor the Issuer will be obliged to make any additional payments to holders of Class C Notes or Class C Coupons in respect of such withholding or deduction.**

8. Prescription

Claims against the Issuer for payments in respect of the Class C Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

For the purpose of this Class C Condition 8, the “Relevant Date”, in respect of a Class C Note or Class C Coupon, is the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the moneys due and payable in respect of all the Class C Notes or the Class C Coupons, as the case may be, on or before that date has not been duly received by the Principal Paying Agent or the Trustee on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Class C Noteholders in accordance with Class C Condition 14.

9. Events of Default

- (a) The Trustee in its absolute discretion may and if so requested in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes then outstanding or if so directed by or pursuant to an Extraordinary Resolution (as defined in the Trust Deed) of the holders of any of the Class C Notes (subject, in each case, to being indemnified and/or secured to its satisfaction) shall give notice to the Issuer declaring the Class C Notes to be due and repayable at any time after the happening of any of the following events (each an “Event of Default”):
- (i) default being made for a period of fourteen days in the payment of the principal or any interest on any Class C Note when and as the same ought to be paid in accordance with these Class C Conditions (excluding, for the avoidance of doubt, payments of interest which have been deferred in accordance with Class C Conditions 4(j) and (k)); or
 - (ii) the Issuer failing duly to perform or observe any obligation binding upon it under the Class C Notes, the Trust Deed, the Servicing and Treasury Management Agreement, the Deed of Charge and Assignment, the Euroclear Pledge Agreement or any of the other Transaction Documents to which it is a party (other than any obligation for the payment of any principal or interest on the Class C Notes, failure to make such payments being dealt with at sub-paragraph (i) above and other than the I/R/Fx Swap Agreements and the Credit Default Swap Agreements, failure to perform under such agreements being dealt with at sub-paragraph (vii) below) and, in any such case (except where the Trustee certifies that, in its opinion such failure is incapable of remedy when no notice will be required), such failure continues for a period of 30 days following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

- (iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (iv) below, ceasing or, through an official action of the Board of Directors of the Issuer, threatening to cease to carry on business or being unable to pay its debts as and when they fall due; or
- (iv) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Trustee in writing or by an Extraordinary Resolution of the Class C Noteholders; or
- (v) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order) and such proceedings not, in the opinion of the Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress or execution or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to judicial proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally; or
- (vi) it becomes unlawful for the Issuer to perform any of its obligations under any of the Transaction Documents; or
- (vii) an Early Termination Event occurs in relation to (aa) any Credit Default Swap Agreement as a result of the occurrence of an event described in Part 5(g) of the Schedule to the Credit Default Swap Agreements where the Issuer is the defaulting party or (bb) any I/R/Fx Swap Agreement as a result of the occurrence of an event described in Part 5(g) of the Schedule to the I/R/Fx Swap Agreements where the Issuer is the defaulting party

Provided that, in the case of each of the events described in sub-paragraph (ii) of this Class C Condition 9(a), the Trustee shall have certified (after taking such expert advice as it in its sole discretion considers appropriate) to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Class C Noteholders.

- (b) Upon any declaration being made by the Trustee in accordance with paragraph (a) above that the Class C Notes are due and repayable, the Class C Notes shall immediately become due and repayable at, subject to Class C Condition 15, their Principal Amount Outstanding together with accrued interest as provided in the Trust Deed.

10. Enforcement of Class C Notes

At any time after the Class C Notes have become due and repayable the Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce the Security and to enforce repayment of the Class C Notes together with accrued interest thereon, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Class C Noteholders or if so requested in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes and (b) it shall have been indemnified and/or secured to its satisfaction. No Class C Noteholder or Class C Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing. The Trustee cannot, while any of the Class C Notes are outstanding, be required to enforce the Issuer Security at the request of any Issuer Secured Party (other than the holders of the Class C Notes as aforesaid) under the Deed of Charge and Assignment or the Euroclear Pledge Agreement.

In the event that the Security is enforced, and after payment of all other claims ranking in priority to the Class C Notes and the Class C Coupons under the Deed of Charge and Assignment, the remaining proceeds of such enforcement are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Class C Notes, then the Class C Noteholders' and Class C Couponholders' claims against the Issuer in respect of the Class C Notes and the Class C Coupons (as appropriate) shall be limited to their respective shares of such remaining proceeds (as determined in accordance with Class C Condition 15) and,

after payment to each Class C Noteholder or Class C Couponholder (as the case may be) of its respective share of such remaining proceeds, the obligations of the Issuer to such Class C Noteholder or Class C Couponholder (as the case may be) under the relevant Class C Note or Class C Coupon shall be deemed to be discharged in full, shall cease to be due and shall be cancelled.

11. Meetings of Noteholders, Modification, Waiver and Substitution of Principal Debtor

- (a) The Trust Deed contains provisions for convening meetings of the Class C Noteholders to consider any matter affecting the interests of Class C Noteholders, including *inter alia* the sanctioning by Extraordinary Resolution of any proposed modification of the Notes (including these Class C Conditions) or the provisions of any of the Transaction Documents.
- (b) An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all Class A Noteholders, all Class B Noteholders and all Class C Noteholders, irrespective of the effect upon them, except an Extraordinary Resolution to sanction any modification which would have the effect of altering the amount or timing of payments of principal on the Notes of any Class or the rate of interest payable in respect of the Notes or the Coupons of any Class or the currency of payment of the Notes or the Coupons of any Class or any alteration of this paragraph or of the quorum or majority required to pass an Extraordinary Resolution (a “Basic Terms Modification”), which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class C Noteholders.

An Extraordinary Resolution passed at any meeting of Class B Noteholders or a request in writing by the holders of Class B Notes shall not be effective for any purpose while any Class A Notes remain outstanding unless either (i) the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders, or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders.

An Extraordinary Resolution passed at any meeting of Class C Noteholders or a request in writing by the holders of Class C Notes shall not be effective for any purpose while any Class A Notes or Class B Notes remain outstanding unless either (i) the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders and the interests of the Class B Noteholders or (ii) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and the Class B Noteholders.

Subject as provided below, the quorum at any meeting of Class C Noteholders for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority of the aggregate Principal Amount Outstanding of the Class C Notes then outstanding or, at any adjourned meeting one or more persons being or representing Class C Noteholders, whatever the aggregate Principal Amount Outstanding of the Class C Notes then outstanding so held or represented except that the quorum at any meeting of Class C Noteholders or for passing an Extraordinary Resolution in respect of a Basic Terms Modification shall be one or more persons holding or representing not less than three quarters of the aggregate Principal Amount Outstanding of the Class C Notes then outstanding or, at any adjourned meeting, one or more persons representing not less than one quarter of the aggregate Principal Amount Outstanding of the Class C Notes then outstanding. The majority required for an Extraordinary Resolution shall be 75 per cent. of the votes cast on that Resolution, whether on a show of hands or a poll.

- (c) The Trustee may agree, without the consent of the Class C Noteholders or the Class C Couponholders, to any modification (except a Basic Terms Modification) or to any waiver or authorisation of any breach or proposed breach of the Notes of any Class or any of the Transaction Documents which, in the opinion of the Trustee is not materially prejudicial to the interests of the Class C Noteholders, or to any modification which, in the opinion of the Trustee, is to correct a manifest error or is of a formal, minor or technical nature. The Trustee may also, without the consent of the Class C Noteholders or the Class C Couponholders, determine that an Event of Default shall not, or shall not subject to specified conditions, be treated as such. Any such modification, waiver, authorisation or determination shall be binding on the Class C Noteholders and the Class C Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Class C Noteholders as soon as practicable thereafter in accordance with Class C Condition 14.

- (d) A resolution in writing executed by or on behalf of the holders of a clear majority or, in the case of a Basic Terms Modification not less than three quarters of, the aggregate Principal Amount Outstanding of the Class C Notes outstanding shall be effective as an Extraordinary Resolution passed at a meeting of Class C Noteholders duly convened and held and may consist of several instruments in like form each executed by or on behalf of one or more of such holders.
- (e) The Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Class C Noteholders if each of the Rating Agencies have confirmed that the then current rating of the Class C Notes would not be adversely affected by such exercise.

12. Indemnification of the Trustee

The Trust Deed and the Deed of Charge and Assignment contain provisions governing the responsibility (and relief from responsibility) of the Trustee and providing for its indemnification in certain circumstances, including *inter alia* provisions relieving it from taking enforcement proceedings or enforcing the Security unless indemnified and/or secured to its satisfaction. The Trustee and its related companies and any director or officer of a corporation acting as trustee are entitled to enter into business transactions with the Issuer, the Agents, the Custodian, the Account Bank, the Computation Agent, the Swap Counterparty, the Credit Default Swap Counterparty, the Corporate Services Provider and/or the related companies of any of them without accounting for any profit made or other benefit received by it resulting therefrom (as are, for the avoidance of doubt, the Agents, the Custodian, the Account Bank, the Computation Agent, the Swap Counterparty, the Credit Default Swap Counterparty and the Corporate Services Provider). The Trustee will not be responsible for any loss, expense or liability which may be suffered *inter alia* as a result of any assets comprised in the Security, or any deeds or documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Computation Agent or the Custodian or any agent or related company of the Computation Agent or the Custodian or by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Trustee.

13. Replacement of Class C Notes

If any Class C Note or Class C Coupon is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Principal Paying Agent. Replacement of any mutilated, defaced, lost, stolen or destroyed Class C Note or Class C Coupon 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 and in accordance with applicable laws. Mutilated or defaced Class C Notes or Class C Coupons must be surrendered before new ones will be issued.

14. Notices to Class C Noteholders

All notices to Class C Noteholders shall be deemed to have been duly given if published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if this is not practicable, in another leading English language newspaper having general circulation in Europe previously approved by the Trustee. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in the newspaper referred to above.

The Trustee shall be at liberty to sanction some other method of giving notice to the Class C Noteholders or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Class C Notes are then listed and provided that notice of such other method is given to the Class C Noteholders in such manner as the Trustee shall require.

The Class C Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Class C Noteholders in accordance with this Class C Condition 14.

15. Limited Recourse

If, following the service of an Issuer Enforcement Notice and following the enforcement of the Security and the exercise by the Trustee of its right to direct the Issuer to take any action in respect of the Securities Portfolio and any asset or amount derived therefrom, or, if no Issuer Enforcement Notice has been served, on the Payment Date falling in November, 2021, the aggregate funds available to the Issuer in accordance with the provisions of the relevant Priority of Payment for application in or towards any payment

obligation (for the purposes of this Class C Condition 15, the “Relevant Obligation”) on the Class C Notes which, but for the operation of this Class C Condition 15 would be due and payable in respect of the Class C Notes on the relevant date, are not sufficient to pay in full the aggregate amount which, but for the operation of this Class C Condition 15, would be due and payable on the Class C Notes in respect of the Relevant Obligation on the relevant date, then notwithstanding any other provision of these Class C Conditions, only a *pro rata* share of the funds which are available to make payments in respect of the Relevant Obligation on the Class C Notes shall be due and payable on any Class C Note on the relevant date and the balance of the amount outstanding in respect of the Relevant Obligation on the Class C Notes which, but for the operation of this Class C Condition 15, would be due and payable shall not be due and payable, shall be deemed to be released by the relevant Class C Noteholders and shall be cancelled. The *pro rata* amount due and payable in respect of any Class C Note shall be calculated by multiplying the amount of the funds available to make payments in respect of the Relevant Obligation on the Class C Notes by a fraction, the numerator of which is the Principal Amount Outstanding of such Class C Note and the denominator of which is the aggregate Principal Amount Outstanding of all the Class C Notes (rounding down the resultant figure to the nearest Euro 0.01).

16. Governing Law

The Transaction Documents, the Class A Notes and the Class A Coupons, the Class B Notes and the Class B Coupons, the Class C Notes and the Class C Coupons are governed by, and shall be construed in accordance with, English law and the English courts shall have jurisdiction to settle any dispute in relation thereto, except for the Euroclear Pledge Agreement which is governed by, and shall be construed in accordance with, Belgian law and the Belgian Courts have jurisdiction to settle any dispute in relation thereto, and the Securities Purchase Agreement and the Securities Purchase Agreement Amendment Agreement, which are governed by, and to be construed in accordance with, Italian law and the arbitral tribunal of Milan has jurisdiction to settle any dispute in relation thereto.

17. Third Party Rights

No person shall have any right to enforce any term or condition of this Class C Note under the Contracts (Rights of Third Parties) Act 1999.

TAXATION

The following is a summary of certain Republic of Ireland, Italian and United Kingdom tax consequences of the purchase, ownership and disposition of the Notes. The summary does not purport, and is not, a complete description of all of the tax considerations that may be relevant to a decision to subscribe for, buy, hold, sell, redeem or dispose of the Notes. The following summary does not discuss the treatment of securities that are held in connection with a permanent establishment or fixed base through which a non-Republic of Ireland investor carries on business or performs personal services in the Republic of Ireland or a non-Italian investor carries on business or performs personal services in Italy.

The summary is based upon tax laws and the practice of the Republic of Ireland, Italy and the United Kingdom as in effect on the date of this Offering Circular, which are subject to change (including retrospective changes). Prospective investors in the Notes should consult their own advisors as to the Republic of Ireland, Italian, United Kingdom or other tax consequences of the purchase, beneficial ownership and disposition of the Notes including, in particular, the effect of any state or local tax laws. In addition, the summary regarding Italian taxation is based on certain legislation and administrative provisions which came into force on 1 July, 1998. Investors should consider that due to recent Italian tax reform, and its yet to be defined interpretation by Italian tax authorities, certain provisions set out below could be subject to unforeseeable applications.

Republic of Ireland Taxation

The following summary of the anticipated tax treatment in Ireland in relation to the payments on the Notes is based on the taxation law and practice in force at the date of this document. It does not purport to be, and is not, a complete description of all of the tax considerations that may be relevant to a decision to subscribe for, buy, hold, sell, redeem or dispose of the Notes. Particular rules may apply to certain classes of tax payers holding Notes (for example, dealers in securities) which are not addressed herein. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Notes and the receipt of interest and distributions (whether or not on a winding-up) with respect to such Notes under the laws of the jurisdictions in which they may be liable to taxation. Prospective investors should be aware that the anticipated tax treatment in Ireland summarised below may change.

Taxation of the Issuer

Corporation Tax

In general, Irish companies must pay corporation tax on their income at the rate of 20% in relation to trading income and 25% in relation to non-trading income. However, Section 110 of the Irish Taxes Consolidation Act 1997 (“TCA 1997”) provides for special treatment in relation to qualifying companies. A qualifying company is a company:

- (a) which is resident in Ireland;
- (b) which carries on in Ireland a business of management of qualifying assets;
- (c) which, apart from activities ancillary to that business, carries on no other activities in Ireland; and
- (d) in relation to which the market value throughout the initial period of all qualifying assets acquired from any one originator or original lender, as the case may be, is not less than IR£10,000,000,

but a company is not a qualifying company if any transaction is carried out by it otherwise than by way of a bargain made at arm’s length.

A qualifying asset in relation to a qualifying company is an asset of an original lender which the company acquired directly or indirectly from the original lender where the asset consists of, or of an interest in, any financial asset (within the meaning of Section 496 TCA 1997).

If a company is a qualifying company for the purpose of Section 110 TCA 1997, then profits arising from its activities are treated as annual profits and gains and are chargeable to corporation tax under Case III of Schedule D and, for that purpose, are computed in accordance with the provisions applicable to Case I of that Schedule. On this basis and on the basis that the interest is at a commercial rate and not linked to the results of the company, the interest on the Notes will be deductible in determining the taxable profits of the company. The taxable profits of such a company will be subject to corporation tax at the rate of 25%.

Stamp duty

For as long as the Issuer is a qualifying company within the meaning of Section 110 TCA 1997, no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes is used in the course of the Issuer's business.

Taxation of Noteholders

Income Tax

In general, persons who are resident and domiciled in Ireland are liable to Irish taxation on their worldwide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

It is possible that Notes issued by the Issuer would be regarded as property situate in Ireland on the grounds that a debt is situate where the debtor resides. If this is proved to be the case, interest earned on such Notes would be regarded as Irish source interest income. Accordingly, pursuant to general Irish tax rules, a non-resident in receipt of such income would be technically liable to Irish income tax. Therefore, whether or not paid gross, the interest will be chargeable to Irish income tax by direct assessment, subject to the provisions of any applicable double taxation treaty. Ireland has currently ratified 39 double tax treaties (see "Withholding Taxes" below) all of which have entered into force (except for the treaty with Bulgaria which will enter into force in 2002) and the majority of which exempt interest from Irish tax when received by a resident of the other jurisdiction. Thus, a Noteholder may be entitled to exemption from Irish tax under the terms of the double tax treaty between Ireland and the jurisdiction in which the Noteholder is resident.

If, however, the double tax treaty does not exempt the interest or there is no double tax treaty between Ireland and the jurisdiction in which the Noteholder is resident, there is a long standing practice whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are not resident in Ireland except where such persons:

- (a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or
- (b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

Furthermore, there is an exemption from Irish income tax where the interest is paid by an Irish resident company to a company resident in an EU Member State (other than Ireland) or in a jurisdiction with which Ireland has a double tax treaty. There is also an exemption from Irish income tax where interest is paid by an Irish resident company to a person resident in an EU Member State (other than Ireland) or in a jurisdiction with which Ireland has a double tax treaty where such interest is paid on a "quoted Eurobond" (see "Withholding Taxes" below) to which Section 64(2) TCA 1997 applies.

Withholding Taxes

In general, withholding tax at the rate of 20% must be deducted from interest payments made by an Irish company. However, Section 246 TCA 1997 ("Section 246") provides that this general obligation to withhold tax does not apply in respect of, *inter alia*, interest payments made by a company in the ordinary course of a trade or business carried on by it to a company resident in a relevant territory. A relevant territory for this purpose is a Member State of the European Union, other than Ireland, or not being such a Member State, a territory with which Ireland has entered into a double tax treaty. Ireland has currently entered into a double tax treaty with each of Australia, Austria, Belgium, Bulgaria, Canada, China, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Israel, Italy, Japan, Korea (Rep. of), Latvia, Lithuania, Luxembourg, Malaysia, Mexico, The Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Romania, Russia, Slovak Republic, South Africa, Spain, Sweden, Switzerland, United Kingdom, USA and Zambia.

Apart from Section 246, Section 64 TCA 1997 ("Section 64") provides for the payment of interest on a "quoted Eurobond" without a deduction of tax in certain circumstances. A quoted Eurobond is defined in Section 64 as a security which:

- (a) is issued by a company;
- (b) is quoted on a recognised stock exchange (this term is not defined but is understood to mean an exchange which is recognised in the country in which it is established);

- (c) is in bearer form; and
- (d) carries a right to interest.

There is no obligation to withhold tax on quoted Eurobonds where:

- (a) the person by or through whom the payment is made is not in Ireland, or
- (b) the payment is made by or through a person in Ireland, and
 - (i) the quoted Eurobond is held in a recognised clearing system (Euroclear and Clearstream, Luxembourg have been designated as recognised clearing systems); or
 - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate written declaration to this effect.

Withholding tax will not arise in relation to any other expenses, including without limitation, payments under a swap agreement.

Capital Gains Tax

A Noteholder will not be subject to Irish taxes on capital gains provided that such Noteholder is neither resident nor ordinarily resident in Ireland and such Noteholder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent representative to which or to whom the Notes are attributable.

Capital Acquisitions Tax

If the Notes are comprised in a gift or inheritance taken from an Irish domiciled or resident disposer or if the disposer's successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situate in Ireland, the disposer's successor may be liable to Irish gift or inheritance tax. As stated above, it is possible that Notes issued by the Issuer may be regarded as property situate in Ireland. Accordingly, if such Notes are comprised in a gift or inheritance, the disposer's successor may be liable to Irish gift or inheritance tax, even though the disposer may not be domiciled in Ireland.

Value Added Tax

The provision of financial services is an exempt transaction for Irish value added tax ("VAT") purposes under paragraph 1 of the first Schedule to the VAT Act 1972. Accordingly, the Issuer should not be liable to account for VAT on income received and should not be entitled to recover any VAT charged on services purchased by it.

The Issuer will be required to account for VAT on a "self supply" basis on certain services received from abroad which are deemed to have an Irish place of supply. However, most of the services which are potentially subject to this self supply VAT charge would be exempt services for VAT purposes.

Republic of Italy Taxation

The following is a general description of certain Italian tax considerations relating to the Notes based on current law and practice in Italy, assuming that the original maturity of the Notes is longer than 18 months. It does not purport to be a complete analysis of all tax considerations relating to the Notes. It relates to the position of persons who are the absolute beneficial owners of Notes, coupons and talons and may not apply to certain classes of persons who are the dealers in securities. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country in which they are resident for tax purposes and the tax laws of Italy of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law or practice as in effect on the date of this Offering Circular and is subject to any change in law or practice that may take effect after such date.

1. Withholding tax (*imposta sostitutiva*)

Interest and other proceeds in respect of the Notes:

- (a) paid to non-Italian resident Noteholders will not be subject to "*imposta sostitutiva*" (as defined in Legislative Decree no. 239 of 1 April, 1996) or in general to withholding or deduction in Italy. However, in the case of Notes held with an Italian bank or other Italian intermediary company or sold through an Italian bank or other Italian intermediary company, no Italian withholding tax is applied if the non-resident Noteholder provides documentary evidence of its non-resident status;

- (b) paid to (i) Italian-resident individuals (unless they have entrusted the management of their financial assets to an authorized intermediary and have opted for the so-called *Risparmio gestito regime – “Asset Management Option”*) or (ii) informal partnerships (*società semplice*), *de facto* partnerships not carrying out commercial activities and professional associations, (iii) public and private resident entities, other than companies, not carrying out commercial activities, (iv) real estate investment funds referred to in Law no. 86 of 25 January, 1994, as amended by Legislative Decree no. 47 of 18 February, 2000, (v) entities exempt from corporate income tax, will be subject to *imposta sostitutiva* at the rate of 12.5%;
- (c) paid to any Italian resident entity or person other than those mentioned in (b) above will not be subject to the above-described *imposta sostitutiva* or in general to Italian withholding tax.

To ensure payment without the application of the *imposta sostitutiva*, investors in (c) above must be the beneficial owners of payments of interest on the Notes and hold the Notes through an authorised intermediary.

2. Early Redemption Tax

In the event that the Notes are redeemed in whole or in part prior to eighteen months from the Issue Date, the Noteholder will be required to pay a tax equal to 20 per cent. of the interest accrued up to the time of the early redemption.

3. Taxation of interest and other profits, gains and losses arising in relation to the Notes

(1) Italian corporate tax taxpayers

Any interest and other proceeds received by an Italian corporation in respect of the Notes will form part of the aggregate income of such corporation and will be subject to taxation in accordance with the ordinary regime applicable to such corporation. An Italian corporate Noteholder will be subject to tax on interest due in respect of the Notes on an accrual basis. Therefore, interest and other proceeds accrued in the relevant financial year will be subject to taxation, regardless of whether they have been received by the Noteholder in full or not. Accordingly, a corporate Noteholder will include the gross amount of interest and other proceeds in its income tax return and this amount will be subject to Corporation Tax (“IRPEG”) at the then current rate (the “Ordinary Corporation Tax Rate”). In accordance with the provisions of Law 23 December, 2000 no. 388 (Bill for year 2001 – “*Finanziaria per l’anno 2001*”), the Ordinary Corporation Tax Rate will be 36 per cent. for the years 2001 and 2002.

For financial entities only, the gross amount of interest and other proceeds received on the Notes will be subject to Regional Tax (“IRAP”) at the then current rate. The IRAP rate for the year 2001 is 5 per cent.

If the Notes are accounted for as stock-in-trade, gains realised by Italian corporations on disposal of the Notes will be subject to IRPEG on an amount calculated according to the consideration received on disposal less an amount equal to the purchase price paid for such Notes. If the Notes have been accounted for as a fixed asset in the balance sheet of the seller, gains are calculated as the difference between the accounting value (subject to any adjustment for tax purposes) and the sale price. Gains may be taxed in equal installments over five financial years if the Notes are accounted for as a fixed asset in each balance sheet for the three tax years preceding the year during which the disposal is carried out. Gains may be set off against losses.

(2) Italian individual taxpayers

(i) Income Tax

The *imposta sostitutiva* described in paragraph 1 above discharges all subsequent tax liabilities of Italian resident individuals not engaged in entrepreneurial activities in respect of the interest and other proceeds from the Notes.

The *imposta sostitutiva* is applied by the Italian bank or financial intermediary which intervenes in the payment of the proceeds (the “Italian collecting agent”).

If the interest and other proceeds on the Notes are not paid through the intervention of an Italian collecting agent or if, for any reason, the interest and other proceeds are cashed without the application of the *imposta sostitutiva*, the Italian-resident individual Noteholder shall disclose the interest and other proceeds in the annual income tax return and settle the *imposta sostitutiva* due. However, such interest and other proceeds may be included, at the taxpayer option, in the overall taxable income which is subject to Italian Personal Income Tax (“IRPEF”) at progressive rates.

Interest and other proceeds payable to Italian-resident individuals which have entrusted the management of their financial assets to an authorised intermediary and have opted for the so-called “*Risparmio Gestito*” regime are not subject to the *imposta sostitutiva* described in paragraph 1 and 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% Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary.

(ii) Capital Gains Tax

Any capital gains realised by Noteholders who are Italian resident individuals not engaged in entrepreneurial activity and certain other persons upon sale of the Notes for consideration or redemption thereof will be subject to a final *imposta sostitutiva* at the current rate of 12.5 per cent. Under the tax declaration regime (“*Regime della dichiarazione*”), which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity, the 12.5 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individuals not engaged in entrepreneurial activity pursuant to all investment transactions carried out during any given tax year. Italian resident individuals not engaged in entrepreneurial activity must report overall capital gains realised in any tax year, net of any incurred capital loss, in the annual tax declaration to be filed with the Italian tax authorities for such year and pay *imposta sostitutiva* on such gains together with any 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, Noteholders who are Italian resident individuals not engaged in entrepreneurial activity may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale for consideration or redemption of the Notes (the “*Risparmio Amministrato*” regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs or certain other authorised financial intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being made in writing by the relevant Noteholder. The financial intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Noteholder. Under the *Risparmio Amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime, the Noteholder is not required to declare capital gains in its annual tax declaration and remains anonymous.

Under the tax declaration and *Risparmio Amministrato* regimes, in the event that the period between the purchase of the Notes and their subsequent sale or redemption exceeds twelve months, the amount on which *imposta sostitutiva* will be charged will be determined by multiplying the actual capital gains realised by an adjustment factor (so-called *equalizzatore*) set by the Italian Ministerial Decree of 4 August, 2000. Therefore, the amount of capital gains which will be subject to *imposta sostitutiva* will vary according to the duration of the possession of the Notes, eventual differences of tax rates and the payment date. However, Law Decree 350 of 25 September, 2001 (published in the Official Gazette No. 224 of 26 September, 2001) provides for the abrogation of the *equalizzatore* as of 4 August, 2001. It should be noted that the Law Decree may be subject to substantial amendments before its final approval by the Italian Parliament.

Any capital gains realised by Italian resident individuals holding the Notes not engaged in entrepreneurial activity who have elected for the *Risparmio Gestito* regime will be included in the computation of the annual increase in value (which, as mentioned above, would include interest and other proceeds payable on the Notes) of the managed assets accrued, even if not realised, at year end, subject to a 12.5% Asset Management Tax to be applied on behalf of the taxpayer 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 Noteholder is not required to report capital gains realised in its annual tax declaration and remains anonymous.

(3) Non-Italian resident Noteholders

According to the provisions of article 20 of DPR no. 917 of 22 December, 1986, as amended by Legislative Decree no. 259 of 21 July, 1999, capital gains arising from the transfer of Notes which are listed on regulated markets (which would include the Luxembourg Stock Exchange) are not subject to taxation in the Republic of Italy even if the Notes are held in Italy.

(4) Other Noteholders

Italian resident collective investment schemes are subject to a 12.5 per cent. annual substitute tax (the “Collective Investment Scheme Tax”) on the increase in value of the managed assets (which increase would include interest paid on the Notes and gains realised on disposal of the Notes).

Pursuant to Legislative decree no. 47 of 18 February, 2000, with effect from 1 January, 2001, pension funds are subject to an 11 per cent. substitute tax (the “Pension Fund Tax”), on the increase in value of the managed assets (which increase would include interest paid on the Notes and gains realised on disposal of the Notes).

4. Inheritance and gift tax

The Law no. 383 of 18 October, 2001, which was published in the Official Gazette of Italy in 24 October, 2001, come into force on 25 October, 2001 and provides for, *inter alia*:

- the abolition of inheritance tax; and
- a full exemption from the gift tax in case of donations and other gifts executed between spouses, close family members and certain relatives. Gifts made to persons other than those mentioned above are subject to transfer taxes, ordinarily applicable in case of transfers by way of consideration, if the value of the asset being transferred to each donee is greater than Lire 350 million.

5. Transfer tax

Sales of Notes listed on regulated markets (which would include the Luxembourg Stock Exchange) are exempt from transfer taxes (*fissato bollato*) in the Republic of Italy if (i) they are executed in regulated markets; or (ii) they are executed outside the Republic of Italy between non-residents; or (iii) they are executed between banks and/or entities authorised to carry on investment services in accordance with Italian law; or (iv) they are executed between banks or entities authorised to carry on investment services in accordance with Italian law and non-resident persons or entities; (v) they are executed between collective investment schemes and banks and other entities, whether or not resident in the Republic of Italy, authorised to carry on investment services in accordance with Italian law.

Any other sales are subject to transfer tax at the rates of Lire 16 per Lire 100,000 or Lire 9 per Lire 100,000 (in each case, of the sale price), depending on the identity of the contracting party.

United Kingdom Taxation

The following is a general description of certain UK tax considerations relating to the Notes based on current law and practice in the UK. It does not purport to be a complete analysis of all tax considerations relating to the Notes. It relates to the position of persons who are the absolute beneficial owners of Notes and some aspects do not apply to certain classes of taxpayer (such as dealers). Prospective Noteholders who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek their own professional advice.

Withholding Tax on Interest

The Notes will constitute “quoted Eurobonds” within the meaning of section 349 of the Income and Corporation Taxes Act 1998 (the “Tax Act”) as long as they are and continue to be listed on a “recognised stock exchange” within the meaning of section 841 of the Tax Act. Under a proposed United Kingdom Inland Revenue interpretation, securities which are to be listed on a stock exchange in a country which is a member state of the European Union or which is part of the European Economic Area will satisfy this requirement if they are listed by a competent authority in that country and are admitted to trading on a recognised stock exchange in that country; securities which are to be listed on a stock exchange in any other country will satisfy this requirement if they are admitted to trading on a recognised stock exchange in that country. The Luxembourg Stock Exchange is currently a recognised stock exchange for these purposes. Accordingly, payments of interest on the Notes (which may be considered to have a UK source) may be made without withholding on account of UK income tax provided the Notes remain so listed at the time of payment.

In all other cases, if interest on the Notes is regarded as having a UK source, an amount must be withheld on account of income tax at the lower rate (currently 20%), subject to any direction to the contrary by the Inland Revenue under an applicable double tax treaty and subject to any entitlement to pay gross to Noteholders within the charge to corporation tax.

Liability to United Kingdom Tax on Interest

Interest on the Notes may have a United Kingdom source. Accordingly, such interest may in principle be within the charge to United Kingdom tax even if paid without withholding or deduction. However, a holder of Notes who is not resident for tax purposes in the United Kingdom, except where tax is withheld or deducted as described above, will not be liable to United Kingdom tax on the interest unless such holder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the notes are attributable.

The Principal Paying Agent or other person through whom interest is paid to, or by whom interest is received on behalf of, an individual (whether resident in the UK or elsewhere) may be required to provide information in relation to the payment and the individual concerned to the UK Inland Revenue. The Inland Revenue may communicate this information to the tax authorities of other jurisdictions.

Taxation of Returns: Companies Within the Charge to UK Corporation Tax

In general, Noteholders which are within the charge to UK corporation tax (other than authorised unit trusts) will be treated for tax purposes as realising gains or losses in respect of the Notes on a basis which is broadly in accordance with their statutory accounting treatment so long as the accounting treatment is in accordance with a mark-to-market basis or an accruals basis which is authorised for tax purposes. Such gains and losses will be taken into account in computing taxable income for corporation tax purposes. Such Noteholders will also be required to recognise, as income items for corporation tax purposes, any currency fluctuations, in accordance with the exchange gains and losses provisions in the Finance Act 1993, which should generally mirror their accounting treatment.

Taxation of Returns: Other Noteholders

A disposal (including a redemption) of a Note by a Noteholder (other than a company) who is resident or ordinarily resident for tax purposes in the UK or who carries on a trade, profession or vocation in the UK through a branch or agency to which the Note is attributable may give rise to a chargeable gain or allowable loss for the purposes of UK tax on capital gains (calculated to include currency exchange rate differences calculated by ascertaining the difference between the pound sterling equivalent at the date of acquisition of the consideration given for the Notes and the pound sterling equivalent at the date of disposal of the proceeds received on disposal of those Notes), depending on individual circumstances and subject to any taper relief which may be due.

The provisions of the accrued income scheme may apply to certain Noteholders who are not subject to corporation tax, in relation to a transfer of the Notes. On a transfer of securities with accrued interest the accrued interest scheme usually applies to deem the transferor to receive an amount of income equal to the accrued interest and to treat the deemed or actual interest subsequently received by the transferee as reduced by a corresponding amount. Generally, persons who are neither resident nor ordinarily resident in the UK and who do not carry on a trade in the UK through a branch or agency to which the Notes are attributable will not be subject to the provisions of these rules.

Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax will be payable on the issue or transfer by delivery of the Notes.

Proposed EU Directive on the Taxation of Savings Income

The European Union is currently considering proposals for a new Directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed under the proposal for a Directive presented by the EU Commission on 18 July, 2001, that Member States will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to or for the benefit of an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding system for a transitional period in relation to such payments for a period of 7 years following the date of entry into force of the Directive. The European Council has agreed that it will decide on the adoption and implementation of the proposed Directive no later than 31 December, 2002. The proposed Directive indicates that member States shall implement the provisions of the Directive no later than 1 January, 2004.

In the event of any withholding or deduction for or on account of any tax being required, neither the Issuer nor the Principal Paying Agent will be obliged to pay any additional amounts as a consequence.

SUBSCRIPTION AND SALE

General

BNP PARIBAS London branch (the “Lead Manager”) has, pursuant to a subscription agreement dated 30 October, 2001 between the Lead Manager, the Issuer and Banca Lombarda e Piemontese S.p.A. (in its capacity as Vendor) (the “Note Subscription Agreement”), jointly and severally agreed with the Issuer to subscribe for the Class A Notes at the issue price of 99.80 per cent. of the principal amount of the Class A Notes, the Class B Notes at the issue price of 100 per cent. of the principal amount of the Class B Notes and the Class C Notes at the issue price of 100 per cent. of the principal amount of the Class C Notes. The Issuer will pay to the Lead Manager a selling commission of 0.10 per cent. and a management and underwriting commission of 0.125 per cent. of the aggregate principal amount of the Class A Notes, a selling commission of 0.25 per cent. and a management and underwriting commission of 0.25 per cent. of the aggregate principal amount of the Class B Notes and a selling commission of 0.50 per cent. and a management and underwriting commission of 0.50 per cent. of the aggregate principal amount of the Class C Notes.

The Note Subscription Agreement is subject to a number of conditions and may be terminated by the Lead Manager in certain circumstances prior to payment for the Notes to the Issuer. The Issuer has agreed to indemnify BNP PARIBAS London branch against certain liabilities in connection with the issue of the Notes.

Set out below is a summary of the principal restrictions on the offer and sale of the Notes and the distribution of documents relating to the Notes.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Lead Manager under the Note Subscription Agreement has represented and agreed that it has not offered and sold the Notes, and will not offer and sell the Notes of the relevant Class (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the date of commencement of the offering of the Notes of the relevant Class and the Issue Date (the “distribution compliance period”) within the United States or to, or for the account of or benefit of, a U.S. person, except in accordance with Rule 903 of Regulation S or Rule 144A under the Securities Act and accordingly, that the Lead Manager, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes of the relevant Class, and it and they have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act to the extent applicable. The Lead Manager under the Note Subscription Agreement has agreed that, at or prior to confirmation of the sale of Notes of the relevant Class, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes of the relevant Class from it during the distribution compliance period a confirmation or notice setting forth the restrictions on offers and sales of Notes of the relevant Class within the United States or to, or for the account or benefit, of U.S. persons.

In addition, until the end of the distribution compliance period, an offer or sale of the Notes of the relevant Class within the United States by any dealer (whether or not participating in this offering) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Italy

The Lead Manager under the Note Subscription Agreement has acknowledged that no action has or will be taken by it which would allow a public offer (*sollecitazione all'investimento*) of the relevant Class of Notes in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Accordingly, the Lead Manager has agreed that the Notes of the relevant Class may not be offered, sold or delivered by it and neither this document nor any other offering material relating to

the Notes of the relevant Class will be distributed or made available by it to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

The Lead Manager under the Note Subscription Agreement has acknowledged that no application has been made by any person to obtain an authorisation from CONSOB for the public offering of the relevant Class of Notes in the Republic of Italy.

Accordingly, the Lead Manager under the Note Subscription Agreement has represented and agreed 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 of the relevant Class, this Offering Circular nor any other offering material relating to Notes of such class other than to professional investors (*“investitori professionali/operatori qualificati”*) as defined in Article 31, paragraph 2, of CONSOB Regulation No. 11522 of 1 July, 1998 (as amended) pursuant to Article 100, paragraph 1, letter b) and Article 30, paragraph 2, of Legislative Decree no. 58 of 24 February, 1998 (the “Financial Laws Consolidation Act”) and in accordance with applicable Italian laws and regulations. Any offer of the Notes of the relevant Class to professional investors in the Republic of Italy will be made only by banks, investment firms or financial companies enrolled in the special register provided for in Article 107 of the Italian Banking Act, to the extent duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Financial Laws Consolidation Act and in compliance with Article 129 of the Italian Banking Act.

United Kingdom

Under the Note Subscription Agreement the Lead Manager has represented and agreed with the Issuer that:

- (a) it has not offered or sold and, prior to the expiry of the period of six months from the Issue Date, will not offer or sell any Notes of the relevant Class to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended) or the Financial Services Act 1986 (“FSA”);
- (b) it has complied and will comply with all applicable provisions of the FSA with respect to anything done by it in relation to the Notes of the relevant Class in, from or otherwise involving the United Kingdom; and
- (c) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Notes of the relevant Class to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on.

Ireland

The Issuer is not a collective investment scheme authorised, supervised or otherwise regulated by the Central Bank of Ireland or any other regulatory authority in Ireland and, accordingly, neither this Offering Circular nor any of the contracts or documents referred to in this Offering Circular are subject to review or approval by the Central Bank of Ireland or by any other regulatory authority in Ireland. The Lead Manager has agreed with the Issuer that it will not offer the Notes to persons in Ireland except in circumstances where such offer constitutes an “offer” as described in Article 2 of Council Directive No. 89/298/ECC of 17 April, 1989. The Notes shall not be acquired by any investor in Ireland for a consideration of less than Euro 50,000 per investor.

General

In addition, the Lead Manager under the Note Subscription Agreement has represented, warranted and undertaken to the Issuer that no action has been or will be taken in any jurisdiction by it that would permit a public offering of the relevant Class of Notes, or possession or distribution of the Offering Circulars (in preliminary or final form) or any other offering or publicity material relating to the relevant Class of Notes, in any country or jurisdiction where action for that purpose is required. The Lead Manager under the Note Subscription Agreement has represented and agreed that it will comply with, and obtain any consent, approval or permission required under, all applicable laws and regulations in each jurisdiction in which it

acquires, offers, sells or delivers the relevant Class of Notes or has in its possession or distributes this Offering Circular or any other offering or publicity material relating to the relevant Class of Notes, in all cases at its own expense. The Lead Manager has also agreed that it will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions. The Lead Manager under the Note Subscription Agreement has represented and agreed that it will have any permission required by it for the acquisition, offer, sale or delivery by it of the relevant Class of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. The Lead Manager under the Note Subscription Agreement is not authorised to make any representation or use any information in connection with the issue, subscription and sale of the relevant Class of Notes other than as contained in this Offering Circular or any amendment or supplement to it.

GENERAL INFORMATION

1. The issue of the Notes has been authorised by resolution of the Board of Directors of the Issuer passed on 25 September, 2001.
2. In connection with the application to list the Notes on the Luxembourg Stock Exchange, the Articles of Association of the Issuer and the legal notice relating to the issue of the Notes have been lodged with the Registrar of the District Court of Luxembourg (*Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg*) where such documents may be examined and copies thereof may be obtained on request.
3. The Notes have been accepted for clearance through Clearstream and Euroclear. The Common Code for the Class A Notes is 013817774 and the ISIN is XS0138177745. The Common Code for the Class B Notes is 013817839 and the ISIN is XS0138178396. The Common Code for the Class C Notes is 013817898 and the ISIN is XS0138178982.
4. The Issuer is not involved in any legal or arbitration proceedings which may have or have had since the date of its incorporation, a significant effect on its financial position nor is the Issuer aware that any such proceedings are pending or threatened.
5. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.
6. Save as disclosed in this Offering Circular and as at the date of this Offering Circular, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.
7. KPMG Dublin has given and not withdrawn their written consent to the inclusion in this Offering Circular of their name and reports and references thereto in the form and context in which they appear.
8. Other than as described elsewhere in this document, since 15 August, 2001 (being the date of incorporation of the Issuer) there has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the trading or financial position of the Issuer.
9. Copies of the following documents may be inspected and in the case of (b), (c) and (d) below are available for collection during usual business hours on any weekday at the specified office of the Principal Paying Agent at 10A Boulevard Royal, L-2093 Luxembourg:
 - (a) the Articles of Association of the Issuer;
 - (b) the balance sheet of the Issuer as at 19 October, 2001 and the accountants' report thereon;
 - (c) the latest annual audited financial reports of the Issuer. No interim financial reports will be produced by the Issuer;
 - (d) the Investors' Report relating to the Securities Portfolio prepared by the Computation Agent on a quarterly basis pursuant to the Servicing and Treasury Management Agreement, the first Investor's Report to be available on the Investor's Report on the Investor's Report Date falling in February, 2002;
 - (e) copies of the following documents which, in the case of the documents listed at (iii) to (xiv), prior to the Issue Date, will be drafts:
 - (i) the Securities Purchase Agreement and the Securities Purchase Agreement Amendment Agreement;
 - (ii) the Warranty and Indemnity Deed;
 - (iii) the Agency Agreement;
 - (iv) the Deed of Charge and Assignment;
 - (v) the Euroclear Pledge Agreement;
 - (vi) the Trust Deed;
 - (vii) the I/R/Fx Swap Agreements and the Credit Default Swap Agreements;
 - (viii) the Swap Novation Agreement;
 - (ix) the Servicing and Treasury Management Agreement;
 - (x) the Bank Agreement;
 - (xi) the Custody Agreement;
 - (xii) the Corporate Services Agreement;
 - (xiii) the Note Subscription Agreement; and
 - (xiv) the Master Definitions Agreement.

GLOSSARY

Account Bank means BNP PARIBAS acting through its London branch at 10 Harewood Avenue, London NW1 6AA in its capacity as Account Bank pursuant to the Bank Agreement or its permitted successors or assigns from time to time;

Accounts means the Collection Account and the Deposit Account;

Actual Redemption Amounts means the Class A Note Actual Redemption Amount, the Class B Note Actual Redemption Amount and the Class C Note Actual Redemption Amount;

Agency Agreement means the agency agreement to be entered into on or about the Issue Date between the Issuer, the Trustee, the Principal Paying Agent and the Agent Bank;

Agent Bank means BNP PARIBAS Luxembourg whose registered office is at 10A Boulevard Royal, L-2093 Luxembourg in its capacity as agent bank pursuant to the Agency Agreement or its permitted successors from time to time;

Agents means the Principal Paying Agent and the Agent Bank;

Aggregate Reference Entity Notional Amount has the meaning given to it in the section "Description of Credit Default Swap Agreements";

Alternative Calculation Agent has the meaning given to it in the section "Description of Credit Default Swap Agreements";

Arrangers means BNP PARIBAS London branch and Finanziaria Internazionale Securitisation Group S.p.A.;

Banca di Brescia means Banca di Brescia San Paolo CAB S.p.A.;

Banca Lombarda means Banca Lombarda e Piemontese S.p.A.;

Banca San Paolo means Banca San Paolo di Brescia S.p.A.;

Bank Agreement means the bank agreement to be entered into on or about the Issue Date between the Issuer, the Trustee, the Account Bank and the Computation Agent;

BRE means Banca Regionale Europea S.p.A.;

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

CAB means CAB S.p.A.;

Calculation Agent means BNP PARIBAS;

Calculation Date means 6 February, 6 May, 6 August and 6 November in each year or if it is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next succeeding calendar month, in which event it will be the immediately preceding Business Day, with the first Calculation Date falling on 6 February, 2002;

Calculation Period means each period of three months commencing on (and including) a Calculation Date and ending on (but excluding) the next succeeding Calculation Date, provided that the first Calculation Period shall commence on (and include) the Issue Date and end on (but exclude) the first Calculation Date;

Charged Documents means the Securities Purchase Agreement, the Securities Purchase Agreement Amendment Agreement, the Warranty and Indemnity Deed, the Custody Agreement, the Bank Agreement, the I/R/Fx Swap Agreements, the Credit Default Swap Agreements, the Swap Novation Agreement, the Servicing and Treasury Management Agreement, the Agency Agreement, the Corporate Services Agreement and the Note Subscription Agreement;

Class A Conditions means the terms and conditions of the Class A Notes;

Class A Global Notes means the Class A Temporary Global Note and the Class A Permanent Global Note;

Class A Note Actual Redemption Amount has the meaning given to it in Class A Condition 5(b);

Class A Noteholders means the several persons who are for the time being holders of the Class A Notes;

Class A Note Principal Payment means the principal amount redeemable in respect of each Class A Note on any Payment Date;

Class A Note Principal Repayment Amount means, on any Payment Date, the lesser of (i) the difference between (a) the sum of the aggregate Principal Amount Outstanding of all the Notes at the immediately preceding Payment Date and the notional amount of the Preferred Shares at the Issue Date and (b) the sum of the Portfolio Principal Amount Outstanding and the credit balance of the Deposit Account at the immediately preceding Calculation Date and (ii) the amount by which the Issuer Available Funds exceed the amount which the Issuer will be required to apply on such Payment Date in priority to items (a) to (j) inclusive, of the Pre-Enforcement Priority of Payments;

Class A Notes means the Euro 195,800,000 Class A Secured Floating Rate Notes due 2021;

Class A Permanent Global Note means the permanent global note in bearer form to be issued in respect of the Class A Notes pursuant to the Trust Deed;

Class A Temporary Global Note means the temporary global note in bearer form to be issued in respect of the Class A Notes pursuant to the Trust Deed;

Class B Conditions means the terms and conditions of the Class B Notes;

Class B Global Notes means the Class B Temporary Global Note and the Class B Permanent Global Note;

Class B Note Actual Redemption Amount has the meaning given to it in Class B Condition 5(b);

Class B Noteholders means the several persons who are for the time being holders of the Class B Notes;

Class B Note Principal Payment means the principal amount redeemable in respect of each Class B Note on any Payment Date;

Class B Note Principal Repayment Amount means, on any Payment Date, the lesser of (i) the difference between (a) the sum of the aggregate Principal Amount Outstanding of all the Notes at the immediately preceding Payment Date and the notional amount of the Preferred Shares at the Issue Date and (b) the sum of the Portfolio Principal Amount Outstanding and the credit balance of the Deposit Account at the immediately preceding Calculation Date and (ii) the amount by which the Issuer Available Funds exceed the amount which the Issuer will be required to apply on such Payment Date in priority to items (a) to (k) inclusive, of the Pre-Enforcement Priority of Payments;

Class B Notes means the Euro 8,700,000 Class B Secured Floating Rate Notes due 2021;

Class B Note Trigger Threshold means a Net Default Ratio (determined by the Computation Agent) equalling 7.1%, as calculated on each Calculation Date;

Class B Permanent Global Note means the permanent global note in bearer form to be issued in respect of the Class B Notes pursuant to the Trust Deed;

Class B Temporary Global Note means the temporary global note in bearer form to be issued in respect of the Class B Notes pursuant to the Trust Deed;

Class C Conditions means the terms and conditions of the Class C Notes;

Class C Global Notes means the Class C Temporary Global Note and the Class C Permanent Global Note;

Class C Note Actual Redemption Amount has the meaning given to it in Class C Condition 5(b);

Class C Noteholders means the several persons who are for the time being holders of the Class C Notes;

Class C Note Principal Payment means the principal amount redeemable in respect of each Class C Note on any Payment Date;

Class C Note Principal Repayment Amount means, on any Payment Date, the lesser of (i) the difference between (a) the sum of the aggregate Principal Amount Outstanding of all the Notes at the immediately preceding Payment Date and the notional amount of the Preferred Shares at the Issue Date and (b) the sum of the Portfolio Principal Amount Outstanding and the credit balance of the Deposit Account as at the immediately preceding Calculation Date and (ii) the amount by which the Issuer Available Funds exceed the amount which the Issuer will be required to apply on such Payment Date in priority to items (a) to (l) inclusive, of the Pre-Enforcement Priority of Payments;

Class C Notes means the Euro 5,800,000 Class C Secured Floating Rate Notes due 2021;

Class C Note Trigger Threshold means a Net Default Ratio (determined by the Computation Agent) equalling 5.0%, as calculated on each Calculation Date;

Class C Permanent Global Note means the permanent global note in bearer form to be issued in respect of the Class C Notes pursuant to the Trust Deed;

Class C Temporary Global Note means the temporary global note in bearer form to be issued in respect of the Class C Notes pursuant to the Trust Deed;

Clearstream, Luxembourg means Clearstream Banking, société anonyme;

Collection Account means the account in the name of the Issuer held with the Account Bank;

Common Depository means the common Depository for Euroclear Bank S.A./N.V., as operator of the Euroclear system and Clearstream Banking, société anonyme;

Computation Agent means Securitisation Services S.p.A. whose registered office is at via Vittorio Alfieri 1, 31015 Conegliano, Italy in its capacity as computation agent pursuant to the Servicing and Treasury Management Agreement or its permitted successors or assigns from time to time;

Conditions means the Class A Conditions, the Class B Conditions and the Class C Conditions;

Connected Third Party Creditor means any creditor of the Issuer (not being an Issuer Secured Party) in respect of any amounts (including taxes) incurred by the Issuer to such creditor or required by law to be paid to such creditor in each case in relation to the securitisation of the Portfolios;

Corporate Services Agreement means the corporate services agreement to be entered into on or about the Issue Date between the Issuer, the Trustee and the Corporate Services Provider;

Corporate Services Provider means Structured Finance Management (Ireland) Limited whose registered office is at 8 Pembroke Road, Dublin 4, Ireland in its capacity as corporate services provider pursuant to the Corporate Services Agreement or its permitted successors or assigns from time to time;

Credit Default Swap Agreements means the 1992 ISDA Master Agreement Schedule and associated swap confirmations to be entered into on or about the Issue Date by the Issuer as credit protection seller and the Credit Default Swap Counterparty as credit protection buyer;

Credit Default Swap Counterparty means BNP PARIBAS acting through its London branch at 10 Harewood Avenue London, NW1 6AA in its capacity as credit default swap counterparty pursuant to the Credit Default Swap Agreements or its permitted successors or assigns from time to time;

Credit Default Swap Counterparty Payment Date has the meaning given to it in “Description of Credit Default Swap Agreements – Credit Default Swap Counterparty Payments”;

Credit Default Swap Portfolio means the portfolio of Credit Default Swap Transactions to be entered into by the Issuer and the Credit Default Swap Counterparty on or about the Issue Date;

Credit Default Swap Reserve means Euro 10 million;

Credit Default Swap Transaction means each credit default swap to be entered into on or about the Issue Date between the Issuer and the Credit Default Swap Counterparty;

Credit Default Swap Unwind Cost means on any Payment Date the credit default swap termination costs which have become due by the Issuer during the preceding Calculation Period calculated in accordance with the relevant Credit Default Swap Agreement;

Credit Event Notice has the meaning given to it in the section “Description of Credit Default Swap Agreement Credit Event Notices”;

Credit Event has the meaning given to it in the section “Description of Credit Default Swap Agreements”;

Credit Protection Determination Date means with respect to each Credit Protection Payment the date on which the Calculation Agent is capable to determine the Credit Protection Payment following the procedure described in the section “Description of the Credit Default Swap Agreement – Credit Protection Payments”;

Credit Protection Interest Amount means the amount equal to the sum of the Credit Protection Rate of Interest multiplied by the Credit Protection Payment due and payable at the relevant Payment Date, multiplying the product of such calculation by the actual number of days elapsed between the Credit Protection Payment Date and the relevant Payment Date and dividing it by 360, and rounding the resultant figure to the nearest Euro cent (half a euro cent being rounded down).

Credit Protection Payment means the amount due and payable by the Issuer to the Credit Default Swap Counterparty following delivery to the Issuer of a Credit Event Notice under a Credit Default Swap Transaction;

Credit Protection Payment Date has the meaning given to it in the section “Description of Credit Default Swap Agreements”;

Credit Protection Rate of Interest means Euribor for three month Euro deposits plus 0.10 per cent.;

Custodian means BNP PARIBAS Luxembourg whose registered office is at 10A Boulevard Royal, L-2093 Luxembourg in its capacity as custodian pursuant to the Custody Agreement or its permitted successors or assigns from time to time;

Custody Agreement means the custody agreement to be entered into on the Issue Date between the Issuer, the Custodian, the Computation Agent and the Trustee;

Deed of Charge and Assignment means the deed of charge and assignment entered into on or about the Issue Date between the Issuer, the Trustee, the Lead Manager, the Swap Counterparty, the Credit Default Swap Counterparty, the Computation Agent, the Custodian, the Servicer, the Account Bank, the Agents, its Vendor, the Swap Novator and the Corporate Services Provider;

Defaulted Security means each Security in respect of which there has occurred a Securities Default;

Default Requirement has the meaning given to it in the section “Description of Credit Default Swap Agreements”;

Deposit Account means the account in the name of the Issuer held with the Account Bank to be credited with the Credit Default Swap Reserve on the Issue Date for satisfying Credit Protection Payments to the Credit Default Swap Counterparty;

Early Termination Date means the date upon which an Early Termination Event occurs;

Early Termination Event has the meaning given to it in the section “Description of Credit Default Swap Agreements – Early Termination”;

Eligible Jurisdiction means Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Spain, Sweden, United Kingdom, USA;

Euribor means, for the purposes of each Class of Notes, the rate for deposits in Euro calculated in accordance with Condition 4(c) of the relevant Class of Notes;

Euroclear Cash Account means the sub-account maintained in the books of the Custodian into which all cash received by the Custodian under or in respect of the Securities is paid;

Euroclear Distributions means all amounts received by the Issuer in respect of Euroclear Entitlements, whether by way of interest, principal, premium, dividend, return of capital or otherwise;

Euroclear Entitlements means the entitlements, whether to cash or securities standing from time to time to the credit of the Euroclear Pledged Account including any Euroclear Distributions;

Euroclear Operator means Euroclear Bank S.A./N.V., as operator of the Euroclear systems;

Euroclear Pledge Agreement means the Euroclear pledge agreement to be entered into on or about the Issue Date between the Issuer, the Trustee and the Pledgee’s Representative and any reference to the Euroclear Pledge Agreement shall also be a reference to the Agreement to the Euroclear Single Pledgor Pledged Account Terms and Conditions (Pledgee’s Representative version) as if this was an integral part thereof;

Euroclear Pledged Account means the cash account and the securities account in the name of the Custodian held with the Euroclear Operator;

Euroclear Securities Account means the sub-account maintained in the books of the Custodian into which the Custodian will record the deposit by the Issuer of the Securities in the Euroclear Pledged Account;

Event of Default means any of the events described in Condition 9 of the Notes of each Class;

Extraordinary Resolution has the meaning given to it in Schedule 1 of the Trust Deed;

Financial Instruments means the Securities and the Credit Default Swap Transactions;

Fx Swap Confirmation means the swap confirmation evidencing each currency exchange transaction as set out in Appendix 1 to the Swap Novation Agreement;

Global Notes means the Class A Global Notes, the Class B Global Notes and the Class C Global Notes;

Initial Aggregate Portfolio Amount means the aggregate of (i) the initial principal amount outstanding of all the Securities as at the Issue Date and (ii) the aggregate of Reference Entity National Amounts as at the Issue Date;

Initial Custodian means BNP PARIBAS Luxembourg whose registered office is at 10A Boulevard Royal, L-2093 Luxembourg in its capacity as initial custodian pursuant to the Initial Custody Agreement or its permitted successors or assigns from time to time;

Initial Custody Agreement means the initial custody agreement entered into on the Transfer Date between the Issuer and the Initial Custodian as amended;

Initial Purchase Price means, in respect of a Security, the price paid for such Security by the Issuer to the Vendor on the Issue Date;

Interest Amounts means the amount of interest payable in respect of the Notes of each Class, as defined in Condition (e) of the Conditions of the Notes of each Class;

Interest Determination Date means the second Target Settlement Day prior to each Payment Date or, in respect of the first Interest Period, the first Target Settlement Day prior to the Issue Date;

Interest Period means the period from (and including) a Payment Date (or, in the case of the first Interest Period, the Issue Date) to (but excluding) the next succeeding Payment Date (or, in the case of the first Interest Period, the Payment Date falling in February, 2002);

Investor's Report means the report to be prepared by the Computation Agent pursuant to the Servicing and Treasury Management Agreement on the Investor's Report Date, including, *inter alia*, (a) information on the performance of and the proceeds deriving from the Securities Portfolio and the Credit Default Swap Portfolio during the preceding Calculation Period, (b) the Actual Redemption Amount for each Class of Notes and the Principal Amount Outstanding of each Class of Notes after payments provided in the Payments Report have been made, (c) interest payments made on each Class of Notes at the relevant Payment Date and (d) the Net Default Ratio;

Investor's Report Date means 5 Business Days after each Payment Date;

IIR/Fx Swap Agreements means the 1992 ISDA Master Agreement to be entered into on or about the Issue Date between the Issuer and the Swap Counterparty together with the schedule thereto and the I/R Swap Confirmations and the Fx Swap Confirmations (each as novated pursuant to the Novation Agreement) pursuant to which (a) the Issuer will make payments to the Swap Counterparty of amounts equal to the amounts received by way of interest on any fixed rate securities and the Swap Counterparty will make payments to the Issuer of a floating rate equivalent and (b) the Issuer will make payments to the Swap Counterparty of amounts and in the currency equal to the amounts received by way of interest and principal by the Issuer in respect of non Euro-denominated Securities and the Swap Counterparty will make payments to the Issuer of the equivalent amount in Euro;

IIR Swap Confirmations means the swap confirmations evidencing each interest rate swap transaction as set out in Appendix 1 to the Swap Novation Agreement;

Issue Date means 6 November, 2001 or such later date as the Issuer and the Lead Manager may agree;

Issuer means Cidneo Finance Plc;

Issuer Available Funds means, in respect of any Payment Date, the following amounts received by the Issuer during the immediately preceding Calculation Period (a) all monies received in respect of principal redemptions or disposal proceeds of the Euro-denominated Securities (b) the net proceeds from the disposal of any Defaulted Securities (c) all amounts received pursuant to the IIR/Fx Swap Agreements (d) all amounts received under the provisions of the Warranty and Indemnity Deed and any other Transaction Document (e) all interest received in respect of the Euro-denominated Securities (f) all amounts of interest earned and paid to the Issuer on the Collection Account and the Deposit Account (g) all amounts received from the Credit Default Swap Counterparty (h) any amount transferred from the Deposit Account to the Collection Account and (i) item (q) in the Pre-Enforcement Priority of Payments in relation to the Payment Date prior to such Payment Date;

Issuer Enforcement Notice means a notice served by the Trustee on the Issuer pursuant to Condition 10 of the relevant Class or Classes of Notes declaring the Notes of the relevant Class or Classes to be due and repayable following the occurrence of an Event of Default or, if the Notes shall have been redeemed in full, a notice given by the Trustee under (a) the Deed of Charge and Assignment declaring enforceable the security constituted by the Deed of Charge and Assignment and/or (b) the Euroclear Pledge Agreement declaring enforceable the security constituted by the Euroclear Pledge Agreement;

Issuer Secured Parties means the Trustee, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class A Couponholders, the Class B Couponholders, the Class C Couponholders, the Lead Manager, the Agents, the Swap Counterparty, the Credit Default Swap Counterparty, the Computation Agent, the Servicer, the Custodian, the Account Bank and the Corporate Services Provider;

Lead Manager means BNP PARIBAS;

Master Definitions Agreement means the agreement to be entered into on or about the Issue Date between the Issuer, the Trustee, the Vendor, the Swap Novator, the Swap Counterparty, the Credit Default Swap Counterparty, the Computation Agent, the Custodian, the Account Bank, the Agents and the Corporate Services Provider;

Maturity Date means in respect of each Class of Notes, the Payment Date falling in November, 2021;

Merger means the merger of CAB S.p.A. and Banca San Paolo di Brescia S.p.A.;

Minimum Ratings means an unsecured, unguaranteed and unsubordinated short-term debt rating of at least A-1+ from S&P and an unsecured, unguaranteed and unsubordinated long-term debt rating of at least Aa3 from Moody's;

Moody's means Moody Investors Service Inc.;

Net Default Ratio means, at any time, a fraction (determined by the Computation Agent), the numerator of which is the Net Portfolio Default Amount at such time and the denominator of which is the Initial Aggregate Portfolio Amount;

Net Portfolio Default Amount means, at any time, the aggregate of (i) the principal amounts then outstanding of any Defaulted Securities less the net sale proceeds of each Defaulted Security sold by or on behalf of the Issuer and (ii) any amounts paid as Credit Protection Payments;

Noteholders means the Class A Noteholders, the Class B Noteholders and the Class C Noteholders;

Notes means the Class A Notes, the Class B Notes and the Class C Notes;

Note Subscription Agreement means the note subscription agreement entered into on the date hereof between the Issuer, the Lead Manager and the Vendor;

Note Principal Payment means the Class A Note Principal Payments, the Class B Note Principal Payments and the Class C Note Principal Payments;

Ordinary Shareholders means Eurydice Charitable Trust, Medb Charitable Trust, Badb Charitable Trust, John Walley, Adrian Masterson, Structured Finance Management (Ireland) Limited and SFM Corporate Services Limited;

Ordinary Shares means those shares in the Issuer owned by the Ordinary Shareholders;

Payment Date means each of 16 February, 16 May, 16 August and 16 November in each year or if any such day is not a Business Day the next succeeding Business Day unless such Business Day falls in the next succeeding calendar month, in which event it will be payable on the immediate preceding Business Day;

Payment Requirement has the meaning given to it in the section "Description of Credit Default Swap Agreements";

Payments Report means the report to be prepared by the Computation Agent pursuant to the Servicing and Treasury Management Agreement on the Payments Report Date;

Payments Report Date means each of 11 February, 11 May, 11 August and 11 November in each year or if any such day is not a Business Day the next succeeding Business Day;

Perpetual Security means any Security the terms of conditions of which do not provide for an obligation on the relevant issuer to repay the principal on a specified date;

Pledgee's Representative means BNP PARIBAS Luxembourg whose registered office is at 10A Boulevard Royal, L-2093 Luxembourg in its capacity as pledgee's representative pursuant to the Euroclear Pledge Agreement and each of its permitted successors or assigns from time to time;

Portfolio Principal Amount Outstanding means, on any Calculation Date, the aggregate principal amount outstanding of all the Securities in the Securities Portfolio;

Portfolios means the Securities Portfolio and the Credit Default Swap Portfolio;

Post-Enforcement Priority of Payments means the priority of payments set forth in Clause 5.3 of the Deed of Charge and Assignment;

Pre-Enforcement Priority of Payments means the priority of payments set forth in Clause 5.1 of the Deed of Charge and Assignment;

Preference Shares means the shares to be issued to the Preferred Shareholder by the Issuer;

Preferred Shareholder means Banca Lombarda e Piemontese S.p.A.;

Preferred Shareholder's Dividend means the portion of the Issuer's profit in each year (if any) declared by the Issuer's board of directors to be payable by way of dividend to the Preferred Shareholder;

Principal Amount Outstanding means on any date, (i) in respect of any outstanding Note, the principal amount of that Note upon issue less the aggregate amount of all Note Principal Payments that have been paid prior to such date in respect of that Note and (ii) in respect of any Preference Share, the outstanding principal amount of such Preference Share;

Principal Paying Agent means BNP PARIBAS Luxembourg whose registered office is at 10A Boulevard Royal, L-2093 Luxembourg in its capacity as principal paying agent pursuant to the Agency Agreement or its permitted successors or assigns from time to time;

Principal Repayment Amount means the Class A Note Principal Repayment Amount, the Class B Note Principal Repayment Amount and the Class C Note Principal Repayment Amount;

Priority of Payments means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as the context may require;

Rate of Interest means, in respect of the Notes of each Class, the rate of interest calculated in accordance with Condition 4(c) of the Notes of each Class;

Rating Agencies means Moody's and S&P;

Receiver means any receiver or manager or analogous person under applicable law appointed under the terms of the Deed of Charge and Assignment or the Euroclear Pledge Agreement;

Reference Entity has the meaning given to it in "Description of Credit Default Swap Agreements";

Reference Entity Notional Amount has the meaning given to it in the section "Description of Credit Default Swap Agreements";

Reference Portfolio has the meaning given to it in the section "Description of Credit Default Swap Agreements";

Relevant Amount has the meaning given to it in the section "Description of Credit Default Swap Agreements";

Relevant Date means, in respect of a Class A Note, Class B Note, Class C Notes, Class A Coupon, Class B Coupon or Class C Coupon the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the moneys payable in respect of all the Class A Notes, Class B Notes, Class C Notes, Class A Coupons, Class B Coupons or Class C Coupons, as the case may be, due and payable on or before that date has not been duly received by the Principal Paying Agent or the Trustee on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Class A Noteholders, Class B Noteholders or Class C Noteholders in accordance with Condition 14 of the relevant class of Notes;

Retention Amount means, on any Calculation Date, an amount calculated by the Computation Agent (if it deems it necessary pursuant to the Servicing and Treasury Management Agreement) equal to the positive difference (if any) between (i) the sum of the interest on the Class A Notes and the Senior Parties' Remuneration that are expected to become due and payable on any of the four Payment Dates falling after the succeeding Payment Date and (ii) the estimated Issuer Available Funds available on all such Payment Dates;

Retention Amount Ledger means the ledger maintained in order to record Retention Amounts in the Collection Account in accordance with the Pre-Enforcement Priority of Payments;

Sales Agent means a sales agent appointed pursuant to the terms of the Servicing and Treasury Management Agreement;

S&P means Standard and Poor's Rating Services, a division of the McGraw-Hill Companies, Inc.;

Scheduled Termination Date means, in respect of Reference Entities Accor S.A. and Agrium S.A., 5 November, 2004 and in respect of the remaining Reference Entities, 5 November, 2006;

Securities means the securities transferred from Banca Lombarda e Piemontese S.p.A. to the Issuer pursuant to the terms of the Securities Purchase Agreement and **Security** shall be construed accordingly;

Securities Act means the United States Securities Act of 1933, as amended;

Securities Default means any Security in respect of which on the basis of public information available one of the following events has occurred (a) the issuer thereof has been declared insolvent or is no longer able to pay its debts as they fall due (b) in relation to any Perpetual Security, the issuer thereof having failed to exercise its right to repay such Perpetual Security when such right is exercisable in accordance with the terms and conditions of such Perpetual Security (c) any failure by the Issuer (or the Custodian on behalf of the Issuer) to receive any amount due and payable under or in respect of the relevant Security for a period equal to the longer of (i) 10 Business Days from the due date for payment thereof or (ii) any grace period for non-payment of the relevant amount due on the relevant Security in accordance with its terms and conditions;

Securities Portfolio means the static portfolio of securities transferred by the Vendor to the Issuer pursuant to the Securities Purchase Agreement;

Securities Purchase Agreement means the securities purchase agreement entered into on the Transfer Date between the Issuer and the Vendor as amended pursuant to the Securities Purchase Agreement Amendment Agreement;

Securities Purchase Agreement Amendment Agreement means the amendment agreement entered into on or about the date hereof between the Issuer and the Vendor;

Security means (a) the Security Interests in respect of the property, assets, interests, rights and powers described in, and made pursuant to the Deed of Charge and Assignment (b) the Security Interests in respect of the property, assets, interests, rights and powers described in, and made pursuant to the Euroclear Pledge Agreement and (c) any further or other Security Interest executed or created by or pursuant to or by way of further assurance under the Deed of Charge and Assignment and/or the Euroclear Pledge Agreement, in each case, in favour of the Trustee;

Security Documents means the Deed of Charge and Assignment and the Euroclear Pledge Agreement;

Security Interest means any mortgage, sub-mortgage, charge, sub-charge, pledge, lien, encumbrance, assignment, assignation, conveyance or transfer by way of security or other security interest, howsoever created or arising;

Senior Parties' Remuneration means the fees, costs and expenses of, and all other amounts payable, to the Trustee, the Custodian, the Account Bank, the Computation Agent, the Servicer, the Agents, the Corporate Services Provider, the Swap Counterparty (with the exception of any Swap Unwind Costs), the Credit Default Swap Unwind Costs (with the exception of the Credit Default Swap Unwind Costs incurred as a result of a default by the Credit Default Swap Counterparty), Credit Protection Interest Amounts to the Credit Default Swap Counterparty, the Irish tax authority under applicable Irish law, any Connected Third Party Creditor and all amounts due and payable in respect of obligations which must be paid in order to preserve the corporate existence of the Issuer and/or comply with applicable law;

Servicer means Securitisation Services S.p.A. whose registered office is at via Vittorio Alfieri 1, 31015 Conegliano, Italy pursuant to the Servicing and Treasury Management Agreement or its permitted successors or assigns from time to time;

Servicing and Treasury Management Agreement means the servicing and treasury management agreement to be entered into on or about the Issue Date between the Issuer, the Trustee, the Servicer and the Computation Agent;

Shareholders means the Ordinary Shareholders and the Preferred Shareholders;

Swap Counterparty means BNP PARIBAS whose registered office is at 16, Boulevard des Italiens, 75009 Paris, France or its permitted successors or assigns from time to time;

Swap Novator means Banca Lombarda e Piemontese S.p.A. whose registered office is at via Cefalonia 62, 25175 Brescia, Italy in its capacity as swap novator pursuant to the Swap Novator Agreement and each of its permitted successors and assigns from time to time;

Swap Novation Agreement means the swap novation agreement to be entered into on or about the Issue Date between the Issuer, the Swap Counterparty, the Swap Novator and the Trustee;

Swap Unwind Costs means the currency swap termination costs and/or interest rate swap termination costs which have become due and payable to the Swap Counterparty pursuant to the relevant I/R/Fx Swap Agreements;

TARGET Settlement Day means any day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET) system (or any successor thereto) is open;

Tax Payment Date means any Business Day on which Irish taxes are paid to the Irish tax authorities;

Tax Reserve Amount means the amount credited to the Tax Reserve Ledger on each Payment Date as calculated by the Computation Agent pursuant to the Servicing and Treasury Management Agreement;

Tax Reserve Ledger means the ledger maintained in order to record Tax Reserve Amounts retained in the Collection Account in accordance with the Pre-Enforcement Priority of Payments;

Transaction Documents means the Trust Deed, the Agency Agreement, the Deed of Charge and Assignment, the Euroclear Pledge Agreement, the Securities Purchase Agreement, the Securities Purchase Agreement Amendment Agreement, Warranty and Indemnity Deed, the I/R/Fx Swap Agreements, the

Credit Default Swap Agreements, the Swap Novation Agreement, the Bank Agreement, the Servicing and Treasury Management Agreement, the Custody Agreement, the Corporate Services Agreement, the Note Subscription Agreement and the Master Definitions Agreement;

Transfer Date means 28 September, 2001;

Trust Deed means the trust deed to be entered into on or about the Issue Date between the Issuer and the Trustee;

Trustee means BNP PARIBAS Trust Corporation UK Limited whose registered office is at 10 Harewood Avenue, London NW1 6AA pursuant to the Trust Deed or its permitted successors or assigns from time to time;

Valuation Time has the meaning given to it in the section “Description of Credit Default Swap Agreements”;

Valuation Date has the meaning given to it in the section “Description of Credit Default Swap Agreements”;

Valuation Date Reference Price has the meaning given to it in the section “Description of Credit Default Swap Agreements”;

Vendor means Banca Lombarda e Piemontese S.p.A.;

Warranty and Indemnity Deed means the warranty and indemnity deed entered into on the Transfer Date between the Issuer and the Vendor.

REGISTERED OFFICE OF THE ISSUER

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TRUSTEE

BNP PARIBAS Trust Corporation UK Limited

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CREDIT DEFAULT SWAP COUNTERPARTY

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LISTING AGENT

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