
DEED OF CHARGE AND SECURITY ASSIGNMENT

DATED 21 SEPTEMBER 2010

between

CASAFORTE S.r.l.

as Issuer

and

KPMG FIDES SERVIZI DI AMMINISTRAZIONE S.p.A.

as Security Trustee



Gide Loyrette Nouel

[Handwritten mark]

TABLE OF CONTENTS

		page
1.	DEFINITIONS AND INTERPRETATION	2
2.	PAYMENT OF THE SECURED OBLIGATIONS	8
3.	SECURITY	8
4.	CRYSTALLISATION OF FLOATING CHARGE.....	9
5.	PERFECTION OF SECURITY AND FURTHER ASSURANCE.....	9
6.	NEGATIVE PLEDGE, DISPOSALS AND SECURITY INTEREST.....	10
7.	OTHER COVENANTS OF GENERAL APPLICATION	10
8.	ASSIGNED DOCUMENTS	13
9.	REPRESENTATIONS.....	14
10.	ENFORCEMENT – GENERAL PROVISIONS.....	14
11.	RIGHT OF APPROPRIATION	16
12.	APPOINTMENT OF RECEIVER	16
13.	APPLICATION OF PROCEEDS.....	18
14.	GENERAL SECURITY PROVISIONS.....	18
15.	POWER OF ATTORNEY.....	20
16.	RETENTION OF SECURITY.....	20
17.	PRIOR SECURITY INTERESTS.....	21
18.	SECURITY TRUSTEE PROVISIONS.....	21
19.	COSTS AND INDEMNITY	28
20.	TRANSFERS	29
21.	COMMUNICATIONS.....	30
22.	NON PETITION AND LIMITED RECOURSE.....	30
23.	CALCULATIONS AND CERTIFICATES	31
24.	PARTIAL INVALIDITY	32
25.	REMEDIES AND WAIVERS.....	32
26.	AMENDMENTS AND WAIVERS.....	32
27.	COUNTERPARTS.....	32
28.	GOVERNING LAW	32
29.	ENFORCEMENT	32

THIS DEED OF CHARGE AND SECURITY ASSIGNMENT (this "Deed") is dated 21 September 2010 and made between:

- (1) **CASAFORTE S.r.l.**, a limited liability company with sole shareholder (*società a responsabilità limitata con unico socio*) incorporated under the laws of the Republic of Italy under Article 3 of Law 30 April 1999, No. 130 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended and supplemented from time to time (the "**Securitisation Law**"), having its registered office in Rome at Via Eleonora Duse 53, 00197 Rome, Italy and registered with the Registry of Enterprises of Rome under No. 03670580285; registered with the register (*elenco generale*) of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Legislative Decree of 1 September 1993, No. 385 (the "**Italian Banking Act**") under No. 32933 (the "**Issuer**"); and
- (2) **KPMG FIDES Servizi di Amministrazione S.p.A.** a joint stock company incorporated under the laws of the Republic of Italy, having its registered office in Milan at Via Vittor Pisani, 27, 20124 Milan, Italy and registered with the Registry of Enterprises of Milan under No. 00731410155 as trustee for the Issuer Secured Creditors (the "**Security Trustee**").

BACKGROUND:

- (A) The Issuer is expected to issue the Notes (as defined below) on or about 22 December, 2010, in accordance with the Securitisation Law to finance the purchase of the Portfolio (as defined below) from Banca Monte dei Paschi di Siena S.p.A., a joint stock company incorporated under the laws of the Republic of Italy, having its registered office in Siena, at Piazza Salimbeni, 3, 53100 Siena, Italy, registered with the Registry of Enterprises of Siena under No. 00884060526 and registered under No. 5274 with the register of banks held by the Bank of Italy pursuant to article 13 of the Italian Banking Act.
- (B) This Deed is entered into by the Issuer in connection with the issue of the Notes in order to secure the fulfilment of all the Secured Obligations (as defined below).
- (C) The Security Trustee holds the benefit of this Deed, including the security created hereunder and other rights granted in it to the Security Trustee for itself and on trust for the Issuer Secured Creditors on the terms set out in Clause 18 (*Security Trustee Provisions*).
- (D) This document is the deed of the Issuer, even if it has not been duly executed by the other Party or has been executed by the other Party but not as a deed.

THIS DEED WITNESSES that:

1. DEFINITIONS AND INTERPRETATION

1.1 Other definitions

In this Deed, capitalised terms and expressions shall have the following meaning:

"**Affiliate**" in relation to any person means a Subsidiary of that person, a Holding Company of that person or any other Subsidiary of that person, in each case from time to time.

"**Assigned Document**" means the Hedging Agreement and any English law governed agreement evidencing or constituting any Secured Asset and entered into by the Issuer in connection with the Securitisation from time to time.

"**Business Day**" has the meaning ascribed to the term "*Giorno Lavorativo*" in the Conditions of the Notes.

"**Cash and Payment Management Agreement**" has the meaning ascribed to the term "*Contratto di Gestione della Cassa e dei Pagamenti*" in the Conditions of the Notes.

“**Collection Account**” has the meaning ascribed to the term “*Conto Accumulo*” in the Conditions of the Notes.

“**Conditions of the Notes**” means the terms and conditions governing the Notes attached to the Intercreditor Agreement.

“**Deed of Pledge**” has the meaning given to the term “*Contratto di Pegno*” in the Conditions of the Notes.

“**Discharge Date**” has the meaning given in Clause 14.1 (*Continuing security*).

“**English Account Bank**” means Banca Monte dei Paschi di Siena S.p.A., London branch.

“**English Bank Accounts**” means the Collection Account (*Conto Accumulo*), the Main Account (*Conto Principale*) and the Extraordinary Collection Account (*Conto Incassi Straordinari*), all opened by the Issuer with the English Account Bank.

“**Extraordinary Collection Account**” has the meaning ascribed to the term “*Conto Incassi Straordinari*” in the Conditions of the Notes.

“**Final Maturity Date**” has the meaning ascribed to the term “*Data di Scadenza Finale*” in the Conditions of the Notes.

“**Hedging Agreement**” means the English law governed interest rate swap agreement entered into on or about the date hereof by the Issuer and the Hedging Counterparty, to protect the Issuer against certain financial risks relating to the payment of interest accrued on the Notes.

“**Hedging Counterparty**” means Banca Monte dei Paschi di Siena S.p.A., London branch in its capacity as hedging counterparty pursuant to the Hedging Agreement and its permitted successors and assignees from time to time.

“**Holding Company**” in relation to any entity means any company or corporation of which it is from time to time a Subsidiary

“**IA**” means the Insolvency Act 1986.

“**Insolvency**” of a person includes the dissolution, bankruptcy, insolvency, winding-up, liquidation, administration, examination, amalgamation, reconstruction, reorganisation, arrangement, adjustment, administrative or other receivership or dissolution of that person, the official management of all of its revenues or other assets or the seeking of protection or relief of debtors and any equivalent or analogous proceeding by whatever name known and in whatever jurisdiction and “**insolvent**” shall be construed accordingly.

“**Insolvency Proceedings**” means, in relation to the Issuer or any other Italian entity, the proceedings set forth under the Italian Insolvency Law, the Legislative Decree n. 270 of 8 July 1999, as from time to time amended and supplemented, the Law Decree no. 347 of 23 December 2003, as from time to time amended and supplemented, the Italian Banking Act and any other applicable proceedings or similar procedures provided for under Italian law.

“**Instrument**” means any document (which term includes any form of writing) under which any obligation is evidenced or undertaken or any Security Interest (or right in any Security Interest) is granted or perfected or purported to be granted or perfected.

“**Intercreditor Agreement**” has the meaning given to the term “*Convenzione dei Creditori*” in the Conditions of the Notes.

“**Issue Date**” has the meaning ascribed to the term “*Data di Emissione*” in the Conditions of the Notes.

“**Issuer Bank Accounts**” has the meaning ascribed to the term “*Conti dell’Emittente*” in the Conditions of the Notes.

“**Issuer Secured Creditors**” has the meaning ascribed to the term “*Creditori dell’Emittente*” in the Conditions of the Notes.

“**Italian Banking Act**” has the meaning ascribed to this term in the parties’ list.

“**Italian Civil Code**” means the Italian Royal Law Decree no. 262 of 16th March 1942, as from time to time amended and supplemented.

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

“**Losses**” means losses (including loss of profit), claims, demands, actions, proceedings, damages and other payments, costs, expenses and other liabilities of any kind.

“**LPA**” means the Law of Property Act 1925.

“**Main Account**” has the meaning ascribed to the term “*Conto Principale*” in the Conditions of the Notes.

“**Note**” means any of the Euro 1,536,644,000 Asset Backed Class A Notes due 30 June 2040, the Euro 130,000,000 Asset Backed Class B Notes due 30 June 2040 and the Euro 3,000,000 Asset Backed Class Z Notes due 30 June 2040 and “**Notes**” collectively all of them.

“**Noteholders**” means the persons who are, from time to time, the holders of the Notes and “**Noteholder**” means each of them.

“**Notice of Assignment**” means a notice of assignment substantially in the form set out in Schedule 2 (*Notice of Assignment*) or in such other form as may be specified by the Security Trustee.

“**Notice of Charge**” means a notice of charge substantially in the form set out in Schedule 1 (*Notice of Charge*) or in such other form as may be specified by the Security Trustee.

“**Party**” means a party to this Deed.

“**Placement Agreement**” has the meaning given to the term “*Contratto di Collocamento*” in the Conditions of the Notes.

“**Portfolio**” has the meaning ascribed to the term “*Portafoglio*” in the Conditions of the Notes.

“**Priority Order of Payments**” has the meaning ascribed to the term “*Ordine di Priorità*” in the Conditions of the Notes.

“**Prospectus**” has the meaning ascribed to the term “*Prospetto*” in the Conditions of the Notes.

“**Rating Agency**” means Fitch ratings Ltd.

"Receiver" means any receiver, receiver and manager or administrative receiver appointed by the Security Trustee over all or any of the Secured Assets under this Deed whether solely, jointly, severally or jointly and severally with any other person and includes any substitute for any of them appointed from time to time.

"Regulation of the Notes" has the meaning given to the term "*Regolamento dei Titoli*" in the Conditions of the Notes.

"Representative of the Noteholders" means KPMG Fides Servizi di Amministrazione S.p.A., a company incorporated under the laws of Italy, whose registered office is at Via Vittor Pisani, No. 27, 20124, Milan, Italy, registered with the Registry of Enterprises of Milan under No. 00731410155 in its capacity as representative of the Noteholders or any of its successors and assigns or such other person acting from time to time as Representative of the Noteholders.

"Rules of the Organisation of the Noteholders" means the rules of the organisation of the Noteholders as set out in clause 13 of the Conditions of the Notes.

"Secured Assets" mean the Assigned Document, the English Bank Accounts and the other assets from time to time the subject of this Deed pursuant to Clause 3.3 (*Further Secured Assets*) or otherwise, as the case may be, and **"Secured Asset"** means any of them and any reference to one or more of the Secured Asset includes all or any part of it or each of them.

"Secured Obligations" means all monies in whatever currency from time to time due or owing, and all obligations and other actual or contingent liabilities from time to time incurred, by the Issuer to the Issuer Secured Creditors under the Prospectus and the Transaction Documents, including but not limited to:

- (a) all present and future payment obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Issuer under the Prospectus and the Transaction Documents, as they may be varied, amended, modified, novated or restated from time to time, and specifically:
 - (i) the obligations to repay or prepay principal;
 - (ii) the obligations to pay interest (including without limitation default interest);
- (b) the payment obligations of the Issuer resulting from the invalidity, ineffectiveness or unenforceability of any of the obligations referred to in paragraph (a) above, including without limitation the obligation to pay any amount under articles 2033 or 2041 of the Italian Civil Code;
- (c) all the monetary obligations of the Issuer in case of claw-back (*revocatoria*) or ineffectiveness (*inefficacia*), pursuant to article 65 or article 67 of the Italian Insolvency Law (or any other provision of Italian law or any other applicable law), of any payment made by the Issuer or any other person to discharge any of the obligations referred to in paragraph (a) and (b) above; and
- (d) all documented amounts, costs and expenses (including, without limitation, legal and taxes costs and expenses) borne by the Security Trustee in relation to the enforcement of this Deed.

but excluding any money, obligation or liability which would cause the covenant set out in Clause 2.1 (*Covenant to pay*) or the security which would otherwise be constituted by this Deed to be unlawful or prohibited by any applicable law or regulation.

"**Securitisation**" has the meaning ascribed to this term in the Conditions of the Notes.

"**Security Documents**" means this Deed and any other English law governed document guaranteeing or creating security for or supporting the obligations of the Issuer to the Issuer Secured Creditors in connection with any Secured Obligations.

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

"**Subscription Agreement**" has the meaning given to the term "*Contratto di Sottoscrizione*" in the Conditions of the Notes.

"**Subsidiary**" means a subsidiary within the meaning of s726 Companies Act 1985 or a subsidiary undertaking within the meaning of s258 Companies Act 1985.

"**Transaction Documents**" has the meaning ascribed to the term "*Documenti dell'Operazione*" in the Conditions of the Notes.

"**Trigger Event**" has the meaning ascribed to the term "*Evento Determinante*" in the Conditions of the Notes.

"**Unpaid Sum**" means any sum due and payable but unpaid by the Issuer under the Prospectus and the Transaction Documents.

1.2 Construction

- (a) In this Deed, any reference to:
- (i) "**assets**" includes present and future properties, revenues, rights and other assets of every description;
 - (ii) this Deed includes the Recitals and the Schedules which form part of this Deed for all purposes;
 - (iii) a "**disposal**" includes any lease, licence, transfer, sale or other disposal of any kind (with related words being construed accordingly);
 - (iv) any Transaction Document, the Prospectus, other Instrument or other document is to that Transaction Document, Prospectus, other Instrument or other document as supplemented, otherwise amended, replaced or novated from time to time (however fundamental that amendment, novation or replacement may be, even if it involves increased, new, additional and/or replacement facilities or an increase in any other amount or rate);
 - (v) the masculine, feminine or neuter gender respectively includes the other genders and the singular includes the plural (and vice versa);
 - (vi) a "**guarantee**" means:
 - (1) any guarantee, letter of credit, bond, indemnity, third party security or other legally binding assurance against loss; or
 - (2) any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person, to make an

investment in or loan to any person or to purchase assets from any person where, in each case, that obligation is assumed in order to maintain or assist the ability of that person to meet its indebtedness;

- (vii) **"including"** means **"including without limitation"** (with related words being construed accordingly), **"in particular"** means **"in particular but without limitation"** and other general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things;
 - (viii) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (ix) a **"person"** includes any individual, firm, company or other corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of them and any reference to a Party or other particular person includes its successors in title, permitted assignees and permitted transferees in accordance with their respective interests;
 - (x) a provision of law is to that provision as amended, re-enacted or replaced from time to time and includes any subordinated legislation in force under it from time to time;
 - (xi) a **"Recital"** is to a statement made under the heading **"Background"** above and any reference to a **"Clause"** or to a **"Schedule"** is to a clause of or a schedule to this Deed (as the case may be);
 - (xii) **"regulation"** includes any regulation, rule, official directive, notice, request, code of practice, guideline, demand or decision (in each case whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (xiii) a **"right"** includes any estate, interest, claim, remedy, power, authority, discretion or other right of any kind, both present and future;
 - (xiv) **"tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and
 - (xv) **"this Security"** means the Security Interests constituted by or pursuant to this Deed.
- (b) The index and Clause and Schedule headings are for ease of reference only and shall not affect the meaning of this Deed.

1.3 Inconsistencies with the Transaction Documents

If there is any inconsistency between the terms of this Deed and those of the Conditions of the Notes or any Transaction Document, the terms of this Deed shall prevail.

1.4 Third party rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed. There is an exception to this in Clause 18.8(b) (*Exclusion of liability*) and in Clause 22.3 (*Corporate obligations*).

2. PAYMENT OF THE SECURED OBLIGATIONS

2.1 Covenant to pay

The Issuer covenants with the Security Trustee (for its own account and as trustee for the other Issuer Secured Creditors) that it shall duly, unconditionally and punctually pay and discharge, or procure the unconditional and punctual payment or discharge of, each of the Secured Obligations at the time and in the manner provided in the Prospectus, the Transaction Documents (or any other relevant Instrument) for their payment or discharge by the Issuer.

2.2 Covenants held on trust

The Security Trustee will hold the benefit of the covenants in this Clause 2 on trust for the Issuer Secured Creditors.

3. SECURITY

3.1 Fixed charge

As security for the payment and discharge of the Secured Obligations, the Issuer with full title guarantee charges to the Security Trustee by way of first fixed charge the English Bank Accounts, all of its rights, amounts, benefits and securities standing to the credit, or deposited in the English Bank Accounts and the indebtedness represented by them.

3.2 Assignment

- (a) As security for the payment and discharge of the Secured Obligations, the Issuer with full title guarantee assigns absolutely to the Security Trustee by way of first fixed security, all of its rights under the Assigned Documents.
- (b) For the avoidance of doubt, the Issuer will remain at all times liable in respect of all of its obligations under each of the Assigned Documents to the same extent as if this Security had not been created and none of the Security Trustee, any other Issuer Secured Creditor nor any Receiver will be under any liability or other obligation to the Issuer or to any other person under or in respect of the Assigned Documents.

3.3 Floating charge

As security for the payment and discharge of the Secured Obligations, the Issuer with full title guarantee charges to the Security Trustee by way of first floating charge its rights under the Secured Assets to the extent not validly and effectively charged or assigned (whether at law or in equity) pursuant to Clauses 3.1 (*Fixed charge*) and 3.2 (*Assignment*).

3.4 Further Secured Assets

The Issuer and the Security Trustee may at any time agree that further Secured Assets in substitution of the original ones shall become the subject of this Deed, by executing a memorandum in the form of Schedule 3 (*Memorandum of further Secured Assets*) to this Deed or in such other form or by such other means as the Security Trustee may in its sole discretion approve or require.

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation by notice

The Security Trustee may at any time by notice in writing to the Issuer convert the floating charge created by the Issuer in Clause 3.3 (*Floating charge*) into a fixed charge with immediate effect as regards any Secured Asset specified in the notice, and by way of further assurance, the Issuer, at its own expense, shall execute all documents in such form as the Security Trustee shall require and shall deliver to the Security Trustee all conveyances, deeds, certificates and documents which may be necessary to perfect such first specific fixed charge if:

- (a) a Trigger Event has occurred; or
- (b) the Security Trustee considers that any Secured Asset may be in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy; or
- (c) the Security Trustee considers that it is desirable to protect the priority of this Security.

4.2 Automatic crystallisation

The floating charge created by the Issuer in Clause 3.3 (*Floating charge*) shall automatically (without notice to the Issuer) be converted into a fixed charge with immediate effect as regards all assets subject to the floating charge if:

- (a) the Issuer creates a Security Interest over any Secured Asset or attempts to do so or any Secured Asset is disposed of contrary to Clause 6.2 (*No disposals*) or is otherwise in jeopardy; or
- (b) any person levies or attempts to levy any distress, execution, sequestration or other process against any Secured Asset; or
- (c) the Security Trustee receives notice of a proposal or intention to wind up, or appoint an administrator of, the Issuer or if the Issuer is wound up or has an administrator appointed.

Nothing in this Clause 4 shall affect the crystallisation of the floating charge created by the Issuer in Clause 3.3 (*Floating charge*) under applicable law and regulation.

5. PERFECTION OF SECURITY AND FURTHER ASSURANCE

5.1 Notice of Assignment

The Issuer shall:

- (a) in respect of the Hedging Agreement, upon execution of this Deed, deliver (with a copy to the Security Trustee) a Notice of Assignment to the Hedging Counterparty and in respect of any other Assigned Document, deliver (with a copy to the Security Trustee) a Notice of Assignment duly completed to any other party to an Assigned Document specified by the Security Trustee; and
- (b) procure that each addressee of a Notice of Assignment acknowledges that Notice of Assignment in the form attached to that Notice of Assignment (or in such other form as the Security Trustee may approve).

5.2 Notice of Charge

The Issuer shall:

- (a) promptly upon execution of this Deed, deliver (with a copy to the Security Trustee) a Notice of Charge, duly completed, to the English Account Bank; and
- (b) procure that each addressee of a Notice of Charge acknowledges that Notice of Charge in the form attached to that Notice of Charge (or in such other form as the Security Trustee may approve).

5.3 Further assurance

The Issuer shall at the request of the Security Trustee and at its own expense promptly execute (in such form as the Security Trustee may reasonably require) any Instruments or other documents and otherwise do any acts and things which the Security Trustee may require to improve, preserve, perfect or protect the security created (or intended to be created) by this Deed or the priority of it or to facilitate the realisation or enforcement of it or to exercise any of the rights of the Security Trustee, any other Issuer Secured Creditor or any Receiver in relation to the same.

6. NEGATIVE PLEDGE, DISPOSALS AND SECURITY INTEREST

6.1 Negative pledge

The Issuer undertakes that it will not, at any time prior to the Discharge Date, create or permit to subsist any Security Interest over any Secured Asset other than pursuant to and in accordance with the Prospectus and the Transaction Documents.

6.2 No disposals

The Issuer undertakes that it will not, at any time prior to the Discharge Date, dispose of (or agree to dispose of) any Secured Asset except as expressly permitted by the Prospectus and the Transaction Documents.

7. OTHER COVENANTS OF GENERAL APPLICATION

7.1 Information and access

- (a) The Issuer shall deliver to the Security Trustee from time to time on request such information about its business, the Secured Assets and its compliance with the terms of this Deed as the Security Trustee may reasonably require.
- (b) The Issuer shall permit the Security Trustee and/or its representatives, agents or contractors free access at all reasonable times to the Secured Assets and any books, accounts and records relating to them to examine the state and condition of those assets, to inspect and take copies and extracts from those books, accounts and records, to comply with or object to any direction or notice or other matter served on it or to take any other action (including the payment of money) which the Security Trustee considers necessary or desirable to remedy any failure to comply with any obligation of the Issuer under the Prospectus and the Transaction Documents.
- (c) The Issuer shall forthwith after becoming aware thereof give notice in writing to the Security Trustee of the occurrence of any Trigger Event.

- (d) The Issuer shall at all times comply with any direction given by the Security Trustee in relation to the Secured Assets.

7.2 Security and other activities of the Issuer

- (a) The Issuer undertakes that it will not at any time prior to the Discharge Date, save with the prior written consent of the Security Trustee, or as provided in or contemplated by any of the Prospectus and Transaction Documents:
 - (i) permit the validity or effectiveness of this Deed or the priority of the security created under this Deed to be amended, terminated, postponed or discharged;
 - (ii) create or permit to subsist any Security Interest of any kind (unless arising by operation of law) over any of its property, assets;
 - (iii) sell, lend, use, invest, transfer, exchange, factor, assign, lease or otherwise dispose of all or any part of the Portfolio and of its properties, claims, credits, assets or undertakings, present or future, save as otherwise provided in the Prospectus and the other Transaction Documents;
 - (iv) engage in any activity whatsoever which is not incidental to any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage;
 - (v) have any società controllata (as defined in Article 2359 of the Italian Civil Code) or any employees or premises;
 - (vi) at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents or to do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents;
 - (vii) pay any dividend or make any other distribution or return or repay any equity capital to its Quotaholders, or increase its quotas, save as required by the applicable law;
 - (viii) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person, save as provided in the Prospectus and the Transaction Documents;
 - (ix) consolidate or merge with any other person or convey or transfer all or substantially all of its properties or assets to any other person;
 - (x) permit any of the Transaction Documents to which it is party to be amended, terminated, discharged, become invalid or ineffective or exercise any powers of consent or waiver pursuant to the terms of any of the other Transaction Documents to which it is a party, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations;
 - (xi) have an interest in any bank account other than the Issuer Bank Accounts;

- (xii) permit or consent to any of the following occurring:
- (1) its books and records being maintained with or co-mingled with those of any other person or entity;
 - (2) the Issuer Bank Accounts and the debts represented thereby being co-mingled with those of any other person or entity;
 - (3) its assets or revenues being co-mingled with those of any other person or entity; or
 - (4) its business being conducted other than in its own name;
- and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:
- (5) separate financial statements in relation to its financial affairs under this Securitisation are and will be maintained from those relating to any further securitisation;
 - (6) all corporate formalities with respect to its affairs are observed;
 - (7) separate stationery, invoices and cheques are used;
 - (8) it always holds itself out as a separate entity; and
 - (9) any known misunderstandings regarding its separate identity are corrected as soon as possible;
- (xiii) agree (in so far as is currently permitted) to amend, supplement or otherwise modify its corporate object, its articles of association (*statuto*), except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities;
- (xiv) own assets other than those representing its share capital, the Portfolio, the funds arising from the issue of the Notes, the property, rights and assets secured by this Deed and the Deed of Pledge and associated and ancillary rights and interests thereto, the benefit of the Transaction Documents and any investments and other rights or interests created or acquired thereunder, as all of the same may vary from time to time;
- (xv) cease to comply with any applicable law or any necessary corporate formality;
- (xvi) reissue the Notes in paper form or deposit the Notes with a Clearing System other than Monte Titoli;
- (xvii) move its "centre of main interests" (as that term is used in Article 3(1) of the Council Regulation (EC) No. 1346/2000 of 29 May 2000 on insolvency proceedings) outside of the territory of the Republic of Italy, or have any "establishment" (as that term is used in Article 2(h) of the Council Regulation (EC) No. 1346/2000 of 29 May 2000 on insolvency proceedings) or branch office in any jurisdiction, nor any subsidiaries or employees; or



- (xviii) have any assets in England and Wales other than the assets charged under this Deed.

In addition, until the Discharge Date, the Issuer shall procure that there will be at all times a cash manager in respect of monies from time to time standing to the credit of the Issuer Bank Accounts, provided however that nothing in this Deed shall be construed to prevent the Issuer from granting security over any asset of the Issuer other than the Secured Assets in the course of any further securitisation.

7.3 Covenants and legal obligations and payments

The Issuer shall:

- (a) observe, perform and otherwise comply with all covenants and other obligations and matters (whether or not contained in any agreement or other document) from time to time affecting any of the Secured Assets and (if required by the Security Trustee) produce evidence to satisfy the Security Trustee that it is complying with this obligation;
- (b) comply with all (and not permit any breach of any) the terms of the Assigned Documents and by-laws, other laws and regulations affecting any of the Secured Assets; and
- (c) observe all borrowing limits and limits on the guaranteeing of indebtedness or granting of security imposed by its constitutive documents.

7.4 Enforcement of rights

The Issuer shall use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Security Trustee may from time to time require in each case at the Issuer's cost.

7.5 Covenants for title

The obligations of the Issuer under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 Law of Property (Miscellaneous Provisions) Act 1994.

8. ASSIGNED DOCUMENTS

8.1 Covenants

The Issuer shall:

- (a) not waive any rights under nor amend, novate, repudiate, rescind or otherwise terminate or permit to be terminated any Assigned Document without the prior written consent of the Security Trustee; and
- (b) diligently pursue any remedies available to it for any breach of, or in respect of any claim in relation to, any Assigned Document.

8.2 Other covenants

The Issuer shall:

- (a) observe, perform and otherwise comply with all covenants and other obligations and matters under or in connection with the Cash and Payment Management Agreement; and
- (b) not give any instructions or notice inconsistent with any Notice of Charge, Notice of Assignment or the provisions of this Deed; and
- (c) maintain the English Bank Accounts with the English Account Bank and, except as permitted by the Transaction Documents, not give any ground for, or initiate or consent the closure of the English Bank Accounts, unless the Security Trustee has consented to that closure.

9. REPRESENTATIONS

The Issuer represents, warrants and covenants to the Security Trustee (for itself and as trustee for the other Issuer Secured Creditors) on the date of this Deed and on each date prior to the Discharge Date (with reference to the facts and circumstances then existing) that:

- (a) all consents, licenses, approvals and authorisations that are required for the conduct of its business, as carried on at the date hereof have been, or when required will be, obtained and, so far as it is aware, will not be revoked or otherwise terminated;
- (b) it has taken all necessary steps to enable it to charge or assign as security the Secured Assets in accordance with Clause 3 (*Security*), and that it has taken no action or steps to prejudice its rights in and to the Secured Assets;
- (c) it has full capacity, authority and power to enter, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Assigned Documents and this Deed and the transactions contemplated by those Assigned Documents and this Deed;
- (d) it owns the Secured Assets with full title guarantee and is the sole and beneficial owner of the Secured Assets; and
- (e) its centre of main interest, for the purpose of EU Council Regulation 1346/2000 EC on Insolvency Proceedings, is Italy.

10. ENFORCEMENT – GENERAL PROVISIONS

10.1 Enforcement

- (a) On or at any time after the occurrence of a Trigger Event the security created under this Deed shall become immediately enforceable and the Security Trustee may, at its discretion and without further notice, enforce all or any of its rights under this Deed as it thinks fit subject to the provisions of the Prospectus and the other Transaction Documents. In particular, it may without further notice exercise in relation to the Security Assets:
 - (i) the power of sale and all other powers conferred on mortgagees by the LPA (or otherwise by law) or on an administrative receiver by the IA, in either case as extended or otherwise amended by this Deed; and
 - (ii) (without first appointing a Receiver) any or all of the rights which are conferred by this Deed (whether expressly or by implication) on a Receiver.

- (b) Without prejudice to the provisions of the Prospectus and the Transaction Documents, the Security Trustee shall not be bound to take any action pursuant to this Clause 10 unless it shall have been so requested in writing by the Representative of the Noteholders.

10.2 LPA provisions

- (a) The Secured Obligations shall be deemed for the purposes of all powers implied by statute to have become due and payable within the meaning of s101 LPA (*Powers incident to estate or interest of mortgagee*) immediately on the execution of this Deed.
- (b) Section 93(1) LPA (*Restriction on the consolidation of mortgages*), Section 103 LPA (*Regulation of exercise of power of sale*) and Section 109 LPA (*Appointment, powers, remuneration and duties of receiver*) shall not apply to this Security.

10.3 Protection of third parties

- (a) No purchaser, mortgagee or other person dealing with a Receiver or the Security Trustee shall be bound to enquire whether its right to exercise any of its rights has arisen or become exercisable, or be concerned as to the application of any money paid, raised or borrowed or as to the propriety or regularity of any sale by or other dealing with that Receiver or the Security Trustee.
- (b) All of the protection to purchasers contained in Sections 104 (*Conveyance on sale*) and 107 (*Mortgagee's receipts, discharges, &c*) LPA and Section 42(3) IA shall apply to any person purchasing from or dealing with a Receiver or the Security Trustee as if the Secured Obligations had become due and the statutory powers of sale and of appointing a Receiver in relation to the Secured Assets had arisen on the date of this Deed.

10.4 Delegation

- (a) The Security Trustee may delegate to any person or persons all or any of the rights which are exercisable by it under this Deed. A delegation under this Clause may be made in any manner (including by power of attorney) and on any terms (including power to sub-delegate) which the Security Trustee may think fit in the interest of the Issuer Secured Creditors or any of them and, provided that the Security Trustee shall have exercised reasonable care in the selection of such delegate and, where a power to sub-delegate has been given, has obliged the delegate to exercise reasonable care in the selection of any sub-delegate.
- (b) A delegation under Clause 10.4(a) shall not preclude the subsequent exercise of those rights by the Security Trustee itself nor preclude the Security Trustee from making a subsequent delegation of them to another person or from revoking that delegation.
- (c) The Security Trustee shall not be liable or responsible to the Issuer for any loss or damage arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.
- (d) The Security Trustee shall give prompt notice to the Issuer of the appointment of any delegate as aforesaid and shall procure that any delegate shall also give prompt notice of the appointment of any sub-delegate to the Issuer.

10.5 No liability

None of the Security Trustee or any Receiver shall be liable to account in relation to all or any part of the Secured Assets for any loss on realisation or for any other action, default or omission for which it or he might be liable.

11. RIGHT OF APPROPRIATION

11.1 Application of right of appropriation

This Clause 11 applies to the extent the Secured Assets constitute "financial collateral" and this Deed constitutes a "financial collateral arrangement" (within the meaning of the Financial Collateral Arrangements (No.2) Regulations 2003).

11.2 Exercise of right of appropriation

If and to the extent that this Clause 11 applies, the Security Trustee may appropriate the Secured Assets. If the Security Trustee exercises its right of appropriation then it shall for these purposes value:

- (a) the balance standing to the English Bank Accounts together with any accrued interest not credited to the account at the time of the appropriation; and
- (b) any other relevant Secured Asset by reference to an independent valuation or other procedure determined by the Security Trustee, acting reasonably, at the time of the appropriation.

12. APPOINTMENT OF RECEIVER

12.1 Appointment of Receiver

Without prejudice to any statutory or other powers of appointment of the Security Trustee under the LPA as extended by this Deed or otherwise, at any time after this Security has become enforceable or if the Issuer so requests in writing at any time the Security Trustee may without further notice to the Issuer do any of the following:

- (a) appoint by deed or otherwise (acting through a duly authorised officer) any one or more persons qualified to act as a Receiver to be a Receiver of all or any part of the Secured Assets;
- (b) either at the time of appointment or any time after that appointment fix his or their remuneration (without being limited by the maximum rate specified in Section 109(6) LPA); and
- (c) (except as otherwise required by statute) remove any Receiver and appoint another or others in his or their place.

12.2 Powers of Receiver

Every Receiver shall have in relation to the Secured Assets (every reference in this Clause 12.2 to "Secured Assets" being a reference only to all or any part of the Secured Assets in respect of which that Receiver was appointed) the powers granted by the LPA to any receiver appointed under it or to any mortgagor or mortgagee in possession and the powers granted by the IA to any administrative receiver, all as varied and extended by this Deed. In addition, but without limiting the preceding sentence, every Receiver shall have power to do the following:

- (a) Collection: enter on, take possession of, collect and get in the Secured Assets and collect and get in all rents and other income whether accrued before or after the date of his appointment and for those purposes make any demands and take any actions or other proceedings which may seem to him expedient;
- (b) Compliance with this Deed: comply with and perform all or any of the acts, matters, omissions or things undertaken to be done or omitted by the Issuer under this Deed;
- (c) Management of business: carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Issuer or any part of it in such manner as he shall in his discretion think fit;
- (d) Dealing with Secured Assets: sell or otherwise dispose of the Secured Assets, grant easements, rights or options over or in respect of them and surrender, accept the surrender or vary any agreement or arrangement relating to them. This power may be exercised without the need to comply with Sections 99 (*Leasing powers of mortgagor and mortgagee in possession*) and 100 (*Powers of mortgagor and mortgagee in possession to accept surrenders of leases*) LPA. Any disposal or other dealing under this Clause 12.2(d) may be effected in the manner and on the terms which he thinks fit, for consideration consisting of cash, debentures or other obligations, shares or other valuable consideration and this consideration may be payable in a lump sum or by instalments spread over a period as he may think fit;
- (e) Dealing with third parties: appoint or dismiss officers, employees, contractors or other agents and employ professional advisers and others on such terms (as to remuneration and otherwise) as he may think fit;
- (f) Agreements: perform, repudiate, terminate, amend or enter into any arrangement or compromise any contracts or agreements which he may consider expedient;
- (g) Proceedings: settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes which may arise in connection with the business of the Issuer or the Secured Assets and bring, prosecute, defend, enforce, compromise, submit to and discontinue any actions, suits, arbitrations or other proceedings;
- (h) Uncalled capital: make calls on the shareholders of the Issuer in respect of any of its uncalled capital;
- (i) Rights in connection with Secured Assets: exercise or permit the Issuer or any nominee of the Issuer to exercise any rights incidental to the ownership of the Secured Assets in such manner as he may think fit;
- (j) Subsidiaries: form a subsidiary or subsidiaries of the Issuer and transfer, lease or license to it or them or any other person the Secured Assets on such terms as he may think fit;
- (k) Assets and rights: purchase, lease, hire or otherwise acquire any assets or rights of any description which he shall consider necessary or desirable for the carrying on, improvement or realisation of the Secured Assets or the business of the Issuer or otherwise for the benefit of the Secured Assets;
- (l) Raising money: in the exercise of any of the rights conferred on him by this Deed or for any other purpose to raise and borrow money either unsecured or secured

and either in priority to, pari passu with or subsequent to this Security and generally on such terms as he may think fit;

- (m) Receipts and discharges: give valid receipts for all monies and execute all discharges, assurances and other documents which may be proper or desirable for realising the Secured Assets and redeem, discharge or compromise any Security Interest whether or not having priority to the Security or any part of it;
- (n) All other acts: execute and do all such other acts, things and documents as he may consider necessary or desirable for the realisation or preservation of the Secured Assets or incidental or conducive to any of the rights conferred on or vested in him under or by virtue of this Deed or otherwise and exercise and do in relation to the Secured Assets, and at the cost of the Issuer, all the rights and things which he would be capable of exercising or doing if he were the absolute beneficial owner of the same; and
- (o) Name of Issuer: use the name of the Issuer or his own name to exercise all or any of the rights conferred by this Deed.

12.3 Agent of the Issuer

Any Receiver appointed under this Deed whether acting solely or jointly shall be deemed to be the agent of the Issuer and to be in the same position as a receiver appointed under the LPA and the Issuer shall be solely responsible for his acts, omissions, defaults, losses and misconduct and for his remuneration and the Security Trustee shall not be in any way liable or responsible either to the Issuer or to any other person for any Receiver.

12.4 Joint appointment

If at any time two or more persons have been appointed as Receivers of the same Secured Assets, each one of those Receivers shall be entitled to exercise individually all of the rights conferred on Receivers under this Deed to the exclusion of the other or others in relation to any of the Secured Assets in respect of which he has been appointed unless the Security Trustee shall state otherwise in the document appointing him.

13. APPLICATION OF PROCEEDS

Any monies received by the Security Trustee or any Receiver under this Deed or under the rights conferred by this Deed shall, after the occurrence of a Trigger Event, be applied in accordance with the Intercreditor Agreement and the Priority Order of Payments set out in the Regulation of the Notes but without prejudice to the right of the Security Trustee to recover any shortfall from the Issuer.

14. GENERAL SECURITY PROVISIONS

14.1 Continuing security

This Deed is a continuing security and regardless of any intermediate payment or discharge in whole or in part to the Issuer Secured Creditor, shall be binding until the date (the "Discharge Date") on which:

- (a) all of the Secured Obligations have been unconditionally and irrevocably paid or discharged in full to the satisfaction of the Security Trustee, being understood that if the Issuer or any third party who has made payments discharging the Secured Obligations on behalf of the Issuer is adjudicated bankrupt or submitted to any insolvency proceedings which may trigger the applicability of article 65 or article

67 of the Italian Insolvency Law (or any similar provision under any applicable law), this Deed shall be binding until no revocatory action can be exercised; and

- (b) the Security Trustee is satisfied that all of the Issuer Secured Creditors have ceased to have any commitment, obligation or other liability (whether actual or contingent) to make any credit or provide any other accommodation to the Issuer under the Prospectus and any Transaction Document or otherwise or to any other person in respect of whose liabilities the Issuer has undertaken a liability to the Security Trustee or any other Issuer Secured Creditor under the Prospectus or any Transaction Document.

14.2 Additional security

This Deed is in addition to and is not in any way prejudiced by any other guarantee or Security Interest now or subsequently held by the Security Trustee, the Representative of the Noteholders and any other Issuer Secured Creditor.

14.3 Immediate recourse

The Issuer waives any right it may have of first requiring the Security Trustee to proceed against or enforce any Security Interest or other rights or claim payment from any other person before claiming from it under this Deed. This waiver applies irrespective of any applicable law and regulation to the contrary.

14.4 Discretion in enforcement

Until the Discharge Date, the Security Trustee or any Receiver may:

- (a) refrain from applying or enforcing any other monies, Security Interests or other rights held or received by it in respect of the Secured Obligations or apply and enforce them in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and the Issuer shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from the Issuer or on account of the Secured Obligations.

14.5 Subsequent Security Interests

At any time following:

- (a) the Security Trustee or any other Issuer Secured Creditor's receipt of notice (either actual or constructive) of any subsequent Security Interest affecting the Secured Assets;
- (b) the Insolvency of the Issuer; or
- (c) any disposal of all or any of the Secured Assets in breach of Clause 6.2 (*No disposals*),

the Security Trustee may (on behalf of any Issuer Secured Creditor) open a new account or accounts in the name of the Issuer (whether or not it permits any existing account to continue). If the Security Trustee does not open such a new account, it shall nevertheless be treated as if it had done so at the time when the notice was received or was deemed to have been received or, as the case may be, the Insolvency commenced or the assignment or transfer occurred and from that time all payments made by the Issuer to the Security Trustee

or received by the Security Trustee for the account of the Issuer shall be credited or treated as having been credited to the new account and shall not operate to reduce the amount secured by this Deed at the time when the Security Trustee received or was deemed to have received that notice or, as the case may be, the Insolvency commenced or the assignment or transfer occurred.

15. POWER OF ATTORNEY

15.1 Appointment

The Issuer irrevocably and by way of security appoints the Security Trustee and any Receiver and every delegate referred to in Clause 10.4 (*Delegation*) and each of them jointly and also severally to be its attorney (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed to execute, deliver and perfect all Instruments and other documents and do any other acts and things which may be required or which the attorney may consider desirable:

- (a) to carry out any obligation imposed on it by this Deed;
- (b) to carry into effect any disposal or other dealing by the Security Trustee or any Receiver;
- (c) to convey or transfer any right in land or any other asset;
- (d) to get in the Secured Assets; and
- (e) generally to enable the Security Trustee and any Receiver to exercise the respective rights conferred on them by this Deed or by applicable law and regulation,

and the Issuer undertakes to ratify and confirm all acts and things done by an attorney in the exercise or purported exercise of its powers and all monies spent by an attorney shall be deemed to be expenses incurred by the Security Trustee under this Deed.

15.2 Irrevocable power

The Issuer acknowledges that each power of attorney granted by Clause 15.1 (*Appointment*) is granted irrevocably and for value as part of this Security to secure a proprietary interest of, and the performance of obligations owed to, the donee within the meaning of s4 Powers of Attorney Act 1971.

16. RETENTION OF SECURITY

16.1 Release of Security

Following the Discharge Date and at the request and cost of the Issuer, the Security Trustee shall, as soon as reasonably practicable after receipt of that request, release and discharge the security created under this Deed and re-assign the assets assigned and/or charged to the Security Trustee under this Deed to the Issuer (or as it shall direct), at all times without recourse, representation or warranty and subject to the provisions of the Prospectus and the Transaction Documents, Clauses 16.2 (*Reinstatement*) and 16.3 (*Retention of security*) and the rights of any person having prior rights over those assets. Any release or discharge of this Security or re-assignment shall not release or discharge the Issuer from any liability to the Security Trustee or any other Issuer Secured Creditor for the Secured Obligations or any other monies which exists independently of this Deed.

16.2 Reinstatement

- (a) Any release, settlement, discharge, re-assignment or arrangement (in this Clause 16, a "**release**") made by the Security Trustee on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided, reduced, clawed back or ordered to be repaid under any law relating to Insolvency.
- (b) If any avoidance, reduction or clawback occurs or order is made as referred to in Clause 16.2(a), then the release given by the Security Trustee shall have no effect and shall not prejudice the right of the Security Trustee to enforce this Security in respect of the Secured Obligations. As between the Issuer and the Security Trustee, this Security shall (notwithstanding the release) be deemed to have remained at all times in effect and held by the Security Trustee as security for the Secured Obligations.

16.3 Retention of security

- (a) The Security Trustee may retain all or part of this Security, the documents of title and other documents relating to the Secured Assets and its other rights under this Deed as security for the Secured Obligations for a period of 25 (*twenty-five*) months after the Secured Obligations shall have been paid and discharged in full.
- (b) If at any time within that period of 25 (*twenty-five*) months a petition is presented to a competent court for a winding-up order to be made in respect of the Issuer, steps are taken to wind up the Issuer voluntarily, an application is made to a competent court for an administration order to be made in respect of the Issuer, a notice of intention to appoint an administrator to the Issuer is filed at court or the appointment of an administrator to the Issuer takes effect, or any similar process or event occurs under the laws of any jurisdiction, then the Security Trustee may continue to retain all or part of this Security, those documents and those other rights for any further period as the Security Trustee may in its absolute discretion determine.

17. PRIOR SECURITY INTERESTS

17.1 Redemption

The Security Trustee may at any time:

- (a) redeem, or procure the transfer to itself of, any prior Security Interest over any Secured Assets; or
- (b) settle and pass the accounts of the holder of any prior Security Interest. Any accounts so settled and passed shall be conclusive and binding on the Issuer.

17.2 Costs of redemption

All principal monies, interest, costs, expenses and other amounts incurred in and incidental to any redemption or transfer under Clause 17.1 shall be paid by the Issuer to the Security Trustee on demand, in each case together with interest calculated in the manner referred to in Clause 18 (*Costs and indemnity*).

18. SECURITY TRUSTEE PROVISIONS

18.1 Appointment of the Security Trustee

Pursuant to the Rules of the Organisation of the Noteholders and the Intercreditor Agreement, for as long as any Note is outstanding, there shall at all times be a Security Trustee. The Security Trustee is the legal representative of the Noteholders. The appointment of the Security Trustee is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders and Intercreditor Agreement, except for the initial Security Trustee appointed on the Issue Date pursuant to the Intercreditor Agreement. Each Noteholder is deemed to accept such appointment.

18.2 Role of the Security Trustee

- (a) The Security Trustee shall hold the benefit of this Deed on trust for the Issuer Secured Creditors on the terms set out in the Intercreditor Agreement.
- (b) If the Security Trustee receives notice from a party referring to this Deed, describing a Trigger Event and stating that the circumstance described is a Trigger Event, it shall promptly notify the Issuer Secured Creditors.
- (c) The Security Trustee does not have any duties except those expressly set out in the Prospectus and the Transaction Documents. In particular, the Security Trustee shall not be subject to the duty of care imposed on trustees by the Trustee Act 2000.
- (d) No Issuer Secured Creditor shall be entitled to proceed directly against the Issuer, unless the Security Trustee, having become bound to do so pursuant to this Deed, fails to do so within 30 (*thirty*) days and such failure shall be continuing.

18.3 No fiduciary duties

The Security Trustee shall not be bound to account to any other Issuer Secured Creditor for any sum or the profit element of any sum received by it for its own account.

18.4 Business with the Issuer

The Security Trustee may accept deposits from, lend money to, invest in and generally engage in any kind of banking or other business with the Issuer and any Affiliate of the Issuer.

18.5 Discretions of the Security Trustee

- (a) The Security Trustee may rely on:
 - (i) any representation, notice, document or other communication believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his or her knowledge or within his or her power to verify.
- (b) The Security Trustee may assume that:
 - (i) no Trigger Event has occurred (unless it has actual knowledge of a Trigger Event arising under Clause 6.1(d) (*Information and access*) or otherwise); and
 - (ii) any right vested in any Issuer Secured Creditor has not been exercised.

- (c) The Security Trustee may engage at the Issuer's expense and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) The Security Trustee may act in relation to the Transaction Documents through its personnel and agents.
- (e) Notwithstanding that the Security Trustee and one or more of the other Issuer Secured Creditors may from time to time be the same entity, that entity has entered into the Prospectus and the Transaction Documents in those separate capacities. However, where the Prospectus and the Transaction Documents provide for the Security Trustee and the other Issuer Secured Creditors to provide instructions to or otherwise communicate with one or more of the others of them, then for so long as they are the same entity it will not be necessary for there to be any formal instructions or other communication, notwithstanding that the Prospectus and the Transaction Documents provide in certain cases for the same to be in writing.
- (f) Except as otherwise expressly provided in this Deed, the Security Trustee shall be and is hereby authorised to assume without enquiry, in the absence of actual notice to the contrary, that each of the Issuer and the other parties to any of the Prospectus and the Transaction Documents (other than the Security Trustee) is duly performing and observing all the covenants and provisions contained in or arising pursuant to this Deed, the Prospectus or any other Transaction Document respectively relating to it and on its part to be performed and observed.

18.6 Noteholders instructions

- (a) Unless a contrary indication appears in any Transaction Document, the Security Trustee shall:
 - (i) act in accordance with any instructions given to it by the Noteholders provided in accordance with the Conditions of the Notes (or, if so instructed by such Noteholders or in the absence of an instruction from them, refrain from acting or exercising any power, authority, discretion or other right vested in it as Security Trustee); and
 - (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Noteholders pursuant to Clause 18.6(a).
- (b) Unless a contrary indication appears in a Transaction Document, any instructions given by the Noteholders in accordance with the Conditions of the Notes will be binding on all the Issuer Secured Creditors.
- (c) The Security Trustee may refrain:
 - (i) from acting (in accordance with the instructions of Noteholders (or, if appropriate, the Issuer Secured Creditors) or otherwise) until it has received such security and/or indemnity as it may require for any Losses (including any associated irrevocable VAT) which it may incur in complying with the instructions; and
 - (ii) from doing anything which may in its opinion be a breach of any law or duty of confidentiality or be otherwise actionable at the suit of any person.

- (d) In the absence of instructions from the Noteholders (or, if appropriate, the Issuer Secured Creditors), the Security Trustee may act (or refrain from taking action) as it considers to be in the best interest of the Noteholders.
- (e) This Clause 18.6 is without prejudice to Clause 10.1(b) (*Enforcement*).

18.7 Responsibility for documentation

The Security Trustee is not responsible for:

- (a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any Issuer Secured Creditor, the Issuer or any other person given in or in connection with any Transaction Document; or
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or any other agreement, arrangement or other document entered into, made or executed in anticipation of or in connection with any Transaction Document.

18.8 Exclusion of liability

- (a) Without limiting Clause 18.8(b), the Security Trustee will not be liable for any action taken by it under or in connection with any Transaction Document, unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party may take any proceedings against any officer, employee or agent of the Security Trustee in respect of any claim it might have against the Security Trustee or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document. Any officer, employee or agent of the Security Trustee may rely on this Clause 18.8(b).
- (c) The Security Trustee will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Transaction Documents to be paid by the Security Trustee if the Security Trustee has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Security Trustee for that purpose.
- (d) The Security Trustee shall not be under any obligation to insure any of the Secured Assets or any certificate, note, bond or other evidence in respect of any of them or to require any other person to maintain that insurance and shall not be responsible for any Losses which may be suffered as a result of the lack or inadequacy of that insurance.
- (e) The Security Trustee shall not be responsible for any Losses occasioned to the Secured Assets, however caused, by the Issuer or any other person by any act or omission on the part of any person (including any bank, broker, depository, warehouseman or other intermediary or any clearing system or the operator of it), or otherwise, unless those Losses are occasioned by the Security Trustee's own gross negligence or wilful misconduct. In particular the Security Trustee shall be not responsible for any Losses which may be suffered as a result of any assets comprised in the Secured Assets, or any deeds or documents of title to them, being uninsured or inadequately insured or being held by it or by or to the order of any custodian or by clearing organisations or their operators or by any person on behalf of the Security Trustee.

- (f) The Security Trustee shall have no responsibility to the Issuer as regards any deficiency which might arise because the Issuer is subject to any tax in respect of the Secured Assets or any income or any proceeds from or of them.
- (g) The Security Trustee shall not be liable for any failure, omission or defect in registering or filing, or procuring registration or filing of, or otherwise protecting or perfecting, the security constituted over the Secured Assets.

18.9 Indemnity

The Security Trustee may, in accordance with the Priority Order of Payments, indemnify itself out of the Secured Assets in respect of, and pay and retain, all sums necessary to give effect to this indemnity and to all other indemnities given to it in the other Transaction Documents in its capacity as Security Trustee. The Security Trustee shall have a lien on the security constituted over the Secured Assets and the proceeds of enforcement of this Deed for all such sums.

18.10 Resignation

- (a) The Security Trustee may resign by giving notice to the other parties and the Rating Agency, provided that no such resignation shall be effective until:
 - (i) the Representative of the Noteholders as at the Issue Date has tendered its resignation pursuant to the terms of the Conditions of the Notes and a successor to such Representative of the Noteholders has been appointed pursuant to the terms of the Conditions of the Notes;
 - (ii) a successor to the Security Trustee is appointed in accordance with the succeeding provisions of this Clause 18;
 - (iii) all of the security created under this Deed and all of the Security Trustee's rights and obligations as trustee hereunder have been transferred to its successor; and
 - (iv) its successor has confirmed its agreement to be bound by the provisions hereof and all other related documents to which the Security Trustee is a party in its capacity as security trustee.
- (b) The Security Trustee shall tender its resignation as trustee hereunder if at any time the current Representative of the Noteholders has tendered its resignation pursuant to the terms of the Conditions of the Notes; provided that no such resignation shall be effective until:
 - (i) a successor to the Security Trustee is appointed in accordance with the succeeding provisions of this Clause 18;
 - (ii) all of the security created under this Deed and all of the Security Trustee's rights, benefits and obligations as trustee hereunder have been transferred to its successor;
 - (iii) its successor has confirmed its agreement to be bound by the provisions hereof and all other related documents to which the Security Trustee is a party in its capacity as trustee; and
 - (iv) the resignation of the current Representative of the Noteholders has become effective. The Security Trustee shall give prior written notice to

each of the other Parties and the Rating Agency of any resignation pursuant to this Clause 18.10, such notice to expire on the date the resignation of the Representative of the Noteholders becomes effective.

- (c) If the Security Trustee gives notice of its resignation as trustee pursuant to Clause 18.10(a) or (b), any reputable and experienced bank or other financial institution may be appointed as a successor to the Security Trustee by the Issuer during the period of such notice but, if no such successor is so appointed, the Security Trustee may, in consultation with the Issuer, appoint such a successor itself, provided that at all times the corporate entity that is the Security Trustee is the same corporate entity as the then Representative of the Noteholders.
- (d) The retiring Security Trustee shall, at its own cost, make available to the successor Security Trustee any documents and records and provide any assistance which the successor Security Trustee may reasonably request for the purposes of performing its functions as Security Trustee under the Transaction Documents.
- (e) Upon the appointment of a successor, the retiring Security Trustee shall be discharged from any further obligation in respect of the Transaction Documents but shall remain entitled to the benefit of this Clause 18. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if the successor had been an original Party.

18.11 Additional Security Trustee

The Security Trustee may at any time appoint (and subsequently remove) any person to act as a separate security trustee or as a co-trustee jointly with it (any such person, an "Additional Security Trustee"):

- (a) if it is necessary in performing its duties and if the Security Trustee considers that appointment to be in the interest of the Issuer Secured Creditors; or
- (b) for the purposes of complying with or confirming to any legal requirements, restrictions or conditions which the Security Trustee deems to be relevant; or
- (c) for the purposes of obtaining or enforcing any judgment or decree in any jurisdiction,

and the Security Trustee will give notice to the other Parties of any such appointment.

18.12 Confidentiality

- (a) In acting as security trustee for the Issuer Secured Creditors, the Security Trustee shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Security Trustee, it may be treated as confidential to that division or department and the Security Trustee shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Transaction Document to the contrary, the Security Trustee is not obliged to disclose to any other person:
 - (i) any confidential information; or

- (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

18.13 Credit appraisal by the Issuer Secured Creditors

Without affecting the responsibility of the Issuer for information supplied by it or on its behalf in connection with any Transaction Document, each Issuer Secured Creditor confirms to the Security Trustee that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with the Prospectus and any Transaction Document, including:

- (a) the financial condition, status and nature of the Issuer;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;
- (c) whether that Issuer Secured Creditor has recourse, and the nature and extent of that recourse, against any party or any of its respective assets under or in connection with any Transaction Document, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or other document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and
- (d) the adequacy, accuracy and/or completeness of any information provided by the Security Trustee, any other party or any other person under or in connection with any Transaction Document, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or other document entered into, made or executed in anticipation of, under or in connection with any Transaction Document.

18.14 Security Documents

- (a) The Security Trustee shall accept without investigation, requisition or objection whatever title any person may have to the assets which are subject to the Security Documents and shall not:
 - (i) be bound or concerned to examine or enquire into the title of any person;
 - (ii) be liable for any defect or failure in the title of any person, whether that defect or failure was known to the Security Trustee or might have been discovered upon examination or enquiry and whether it is capable of remedy or not; or
 - (iii) be liable for any failure on its part to give notice of the Security Documents to any third party or otherwise perfect or register the security created by the Security Documents.
- (b) Upon the appointment of any successor Security Trustee under Clause 18.11, the resigning Security Trustee shall execute and deliver any documents and do any other acts and things which may be necessary to vest in the successor Security Trustee all the rights vested in the resigning Security Trustee under the Security Documents.

- (c) Each of the other Issuer Secured Creditors authorises the Security Trustee to hold each Security Interest created in favour of the Security Trustee pursuant to the Prospectus and any Transaction Document in its sole name as security trustee for the Issuer Secured Creditors.

18.15 No obligation to remain in possession

If the Security Trustee, any Receiver or any delegate takes possession of all or any of the Secured Assets, it may from time to time in its absolute discretion relinquish such possession.

18.16 Security Trustee's obligation to account

The Security Trustee shall not in any circumstances (either by reason of taking possession of the Secured Assets or for any other reason):

- (a) be liable to account to the Issuer or any other person for anything except the Security Trustee's own actual receipts which have not been distributed or paid to the Issuer or the persons entitled or at the time of payment believed by the Security Trustee to be entitled to them; or
- (b) be liable to the Issuer or any other person for any principal, interest or Losses from or connected with any realisation by the Security Trustee of the Secured Assets or from any act, default, omission or misconduct of the Security Trustee, its officers, employees or agents in relation to the Secured Assets or from any exercise or non-exercise by the Security Trustee of any right exercisable by it under this Deed unless they shall be caused by the Security Trustee's own gross negligence or wilful misconduct.

18.17 Receiver's and delegate's obligation to account

All the provisions of Clause 18.16 shall apply in respect of the liability of any Receiver or delegate in all respects as though every reference in Clause 18.16 to the Security Trustee were instead a reference to the Receiver or, as the case may be, delegate.

18.18 The Rules of the Organisation of the Noteholders and the Subscription Agreements

The Security Trustee shall carry out its duties under this Deed in accordance with and subject to the terms and conditions of the Conditions of the Notes, as if the same were set out in full herein. In the event of any conflict between the terms and conditions of the Conditions of the Notes and this Deed, this Deed shall prevail.

19. COSTS AND INDEMNITY

19.1 Costs and expenses

Subject to the Priority Order of Payments:

- (a) the Issuer shall promptly on demand pay the Security Trustee the amount of all costs and expenses (including legal fees) incurred by it in connection with:
 - (i) the negotiation, preparation and execution of this Deed;
 - (ii) any actual or proposed amendment of or waiver or consent under or in connection with this Deed requested by the Issuer;

- (iii) any discharge or release of this Security;
- (iv) the preservation or exercise (or attempted preservation or exercise) of any rights under or in connection with, and the enforcement (or attempted enforcement) of, this Deed;
- (v) the taking or holding of this Security or any proceedings in relation to it or to all or any of the Secured Assets; and
- (vi) any advice obtained in relation to any other matter or question arising out of or in connection with this Deed,

together with interest from the date it is incurred or becomes payable up to the date of receipt by the Security Trustee (both before and after judgement), accruing on a daily basis; and

- (b) the Issuer shall pay all stamp, registration and other taxes to which this Deed, this security created under this Deed or any judgment or order given in connection with this Deed may at any time be subject and shall on demand indemnify the Security Trustee against any Losses resulting from any failure to pay or delay in paying the same.

19.2 Indemnity

Subject to the Priority Order of Payments and Clause 20.1 and Clause 20.2 below:

- (a) the Issuer shall on demand indemnify and keep indemnified the Security Trustee and every Receiver, attorney, manager, agent or other person appointed by the Security Trustee under this Deed and their respective employees in respect of all Losses incurred or suffered by any of them in or directly or indirectly as a result of the exercise or purported exercise of any of the rights vested in them under this Deed and against all Losses suffered or incurred by any of them in respect of any matter or thing done or omitted relating to the Secured Assets, together with interest from the earlier of the date of demand and the date of payment by that person up to the date of receipt by that person (both before and after judgement). The Security Trustee and any Receiver may retain and pay all those sums out of any monies received by it or him under this Deed; and
- (b) the Issuer shall on demand indemnify and keep indemnified the Security Trustee in respect of all Losses occasioned by any breach of any of its covenants or other obligations under this Deed or otherwise relating to all or any part of the Secured Assets, together with interest from the earlier of the date of demand by the Security Trustee and the date of payment up to the date of receipt by the Security Trustee (both before and after judgement).

19.3 Invoicing

The Security Trustee agrees, and agrees to procure, that all sums payable by the Issuer to the Security Trustee or any Receiver under this Deed shall be invoiced directly to the Issuer.

20. TRANSFERS

20.1 Security Trustee

The Security Trustee may assign any or all of its rights and transfer any or all of its obligations under this Deed to a successor appointed pursuant to Clause 18.10 (*Resignation*).

20.2 Issuer

The Issuer may not assign any of its rights or transfer any of its rights or obligations under this Deed.

20.3 Disclosure of information

The Security Trustee may disclose any information about the Issuer which it shall consider appropriate to any Affiliate, any of its professional advisers, any person to whom it is proposing to assign or transfer, or has assigned or transferred, any of its rights and obligations under this Deed or to any person to whom information may be required to be disclosed by any applicable law and regulation.

21. COMMUNICATIONS

21.1 Communications in writing

Any communication to be made or provided under or in connection with this Deed (including any notices, waivers, consents or other documents) shall be made or provided in English (or, if in Italian, accompanied by an English language translation) and in writing and, unless otherwise stated, may be delivered by fax, post or personal delivery.

21.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication to be made or delivered under or in connection with this Deed is:

- (a) (subject to Clause 21.2)(b)) that identified with its execution of this Deed at the end of the Schedules or any substitute address, fax number or department or officer as the relevant Party may notify to the other party by not less than 15 (*fifteen*) Business Days' notice; or
- (b) may in the alternative in the case of any claim form, judgment or other notice of process on the Issuer be delivered or sent to its agent for service of process named in Clause 29.2 (*Service of process*) or its registered office from time to time.

21.3 Delivery

- (a) Any communication made or provided by one Party to another under or in connection with this Deed will only be effectively made or provided:
 - (i) if delivered by fax, when received in legible form; or
 - (ii) if delivered by post or personal delivery, when it has been left at the relevant address or (subject to Clause 21.3(b)) 5 (*five*) Business Days after being deposited in the post postage prepaid in an envelope addressed to the recipient at that address.
- (b) Any communication to be made or provided to the Security Trustee will be effectively made or provided only when actually received by the Security Trustee and then only if it is expressly marked for the attention of the department or officer specified as part of its address details provided under Clause 21.2.

22. NON PETITION AND LIMITED RECOURSE

22.1 Non petition

The Security Trustee and the other Issuer Secured Creditors undertake to the Issuer not to take any action or commence any proceedings against the Issuer to recover any amounts due and payable by the Issuer under the Prospectus and the Transaction Documents except as permitted by the provisions in the Prospectus and the Transaction Documents. Parties to the Transaction Documents have agreed with the Issuer not to take any action or commence any proceedings or petition a court for the liquidation of the Issuer, nor enter into any arrangement, reorganisation or Insolvency Proceedings in relation to the Issuer whether under the laws of the Republic of Italy or other applicable bankruptcy laws until 1 (*one*) year and 1 (*one*) day after the Final Maturity Date of the Notes or, in case of prepayment in full of the Notes, 2 (*two*) years and one (*1*) day after the date on which the Notes have been repaid in full and cancelled in accordance with the relevant terms and conditions, or (ii) one (*1*) year and one (*1*) day after the date on which any notes issued by the Issuer pursuant to the Securitisation Law (other than the Notes), have been redeemed in full and cancelled in accordance with the relevant terms and conditions.

22.2 Limited recourse

Notwithstanding any other provision of the Notes, this Deed, any other Transaction Document or otherwise, the obligation of the Issuer to make any payment, at any given time, under the Notes shall be equal to the lesser of (i) the nominal amount of such payment which would be due and payable at such time in accordance with the applicable Priority Order of Payments and (ii) the actual amount received or recovered, at such time, by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Receivables and the other Transaction Documents and which the Issuer or the Representative of the Noteholders is entitled, at such time, to apply, in accordance with the applicable Priority Order of Payments and the terms of the Intercreditor Agreement, in satisfaction of such payment.

22.3 Corporate obligations

No recourse under any covenant, undertaking, agreement or other obligation of the Issuer contained in this Deed shall be made against any shareholder, officer, agent or director of the Issuer as such, by the enforcement of any assignment or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Deed is a corporate obligation of the Issuer and no liability shall attach to, or be incurred by, the shareholders, officers, agents or directors of the Issuer as such, or any of them, under or by reason of any of the covenants, undertakings, agreements and other obligations of the Issuer contained in this Deed, or implied therefrom, and that any and all personal liability for breach by the Issuer of any of such covenants, undertakings, agreements or other obligations, either at law or by statute or certification, of every such shareholder, officer, agent or director is hereby expressly waived by the Issuer as a condition of any consideration for the execution of this Deed.

23. CALCULATIONS AND CERTIFICATES

23.1 Accounts

In any litigation or other proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Security Trustee or any other Issuer Secured Creditor are prima facie evidence of the matters to which they relate.

23.2 Certificates or determinations

Any certificate or determination of the Security Trustee as to any matter provided for in this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

24. PARTIAL INVALIDITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

25. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any remedy or other right under this Deed shall operate as a waiver, nor shall any single or partial exercise of any remedy or other right prevent any further or other exercise or the exercise of any other right. The remedies and other rights provided in this Deed are cumulative and not exclusive of any remedies and other rights provided by law.

26. AMENDMENTS AND WAIVERS

Any term of this Deed may be amended or waived only with the written consent of each Party with notification of such change to be made to Fitch Ratings Ltd.

27. COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures (and if applicable, seals) on the counterparts were on a single copy of this Deed.

28. GOVERNING LAW

This Deed is governed by, and shall be construed in accordance with, English law.

29. ENFORCEMENT

29.1 Jurisdiction

- (a) The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a "Dispute").
- (b) The Issuer agrees that the courts of the Republic of Italy will also have jurisdiction to settle any Dispute the subject of proceedings brought by any Party (other than the Issuer) against the Issuer, but not by the Issuer.
- (c) The Parties agree that the courts of England are an appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (d) This Clause 29.1 is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

29.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
 - (i) agrees to irrevocably appoint within 30 (*thirty*) days of the date of this Deed, an agent for service of process in relation to any proceedings before the English courts in connection with this Deed. The Issuer agrees to provide the Security Trustee with the contact details of such process agent together with evidence of its appointment as soon as is reasonably practicable; and
 - (ii) agrees that a failure by the process agent to notify it of the process will not invalidate the proceedings concerned.
- (b) Without prejudice to any other mode of service allowed under any relevant law, the Security Trustee:
 - (i) agrees to irrevocably appoint within 30 (*thirty*) days of the date of this Deed, an agent for service of process in relation to any proceedings before the English courts in connection with this Deed. The Security Trustee agrees to provide the Issuer with the contact details of such process agent together with evidence of its appointment as soon as is reasonably practicable; and
 - (ii) agrees that a failure by the process agent to notify it of the process will not invalidate the proceedings concerned.
- (c) If the appointment by the Issuer of a process agent pursuant to Clause 29.2(a)(i) ceases to be effective, it shall immediately appoint another person in England as its agent for service of process in relation to any proceeding before the English courts in connection with this Deed. If it fails to do so (and that failure continues for a period of not less than 15 (*fifteen*) Business Days), the Security Trustee shall be entitled to appoint such a person by notice to the Issuer.

EXECUTION:

The parties have shown their acceptance of the terms of this Deed by executing it, in the case of the Issuer as a deed, at the end of the Schedules.

**SCHEDULE 1
NOTICE OF CHARGE**

From: Casaforte S.R.L.
Via Eleonora Duse 53
00197 Rome - Italy

To: Banca Monte dei Paschi di Siena S.p.A., London branch
6th floor, Capital House
85, King William Street
London EC4N 7BL – United Kingdom

[●] 2010

Dear Sirs

English Bank Accounts

We refer to the following bank accounts (the "English Bank Accounts"):

- Bank Account IBAN no. [REDACTED] opened in our name with Banca Monte dei Paschi di Siena S.p.A., London branch
- Bank Account IBAN no. [REDACTED] opened in our name with Banca Monte dei Paschi di Siena S.p.A., London branch
- Bank Account IBAN no. [REDACTED] opened in our name with Banca Monte dei Paschi di Siena S.p.A., London branch

We give you notice that by a Deed of Charge and Security Assignment (the "Deed") dated 21 September 2010 and entered into by us in favour of KPMG FIDES Servizi di Amministrazione S.p.A. (as Security Trustee, as defined in the Deed), we have charged all our rights in the credit balance on the English Bank Accounts as set out in Clause 3.1 of the Deed (the "Balance") and the indebtedness represented by them.

We irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary):

- (a) to disclose to the Security Trustee (without any reference to or further authority from us and without any enquiry by you as to the justification for the disclosure), any information relating to the English Bank Accounts which the Security Trustee may, at any time and from time to time, request;
- (b) at any time and from time to time on receipt by you of any written instruction from the Security Trustee, to release any amount of the Balance and to act in accordance with that instruction (without any reference to or further authority from us and without any enquiry by you as to the justification for the instruction or the validity of the same); and
- (c) to comply with the terms of any written notice, statement or instruction in any way relating or purporting to relate to the English Bank Account, the Balance or the indebtedness represented by it or them which you may receive at any time and from time to time from the Security Trustee (without any reference to or further authority from us and without any enquiry by you as to the justification for the notice, statement or instruction or the validity of it).

We agree that:

- (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Trustee's prior written consent; and
- (ii) you are authorised to disclose any information in relation to the English Bank Accounts to the Security Trustee at the Security Trustee's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Security Trustee, at Via Vittor Pisani, 27, 20124 Milan, Italy, marked for the attention of .

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....
Casaforte S.r.l.
By:

[On copy letter only:]

To: KPMG FIDES Servizi di Amministrazione S.p.A.
Via Vittor Pisani, 27
20124 Milan - Italy

We acknowledge receipt of a notice (the "Notice") dated [●] 2010 addressed to us by Casaforte S.r.l. (the "Issuer") regarding bank accounts number:

- Bank Account IBAN no. [REDACTED];
- Bank Account IBAN no. [REDACTED];
- Bank Account IBAN no. [REDACTED];

(the "English Bank Accounts").

We confirm that:

- (a) we consent to the charge of the English Bank Accounts and will comply with the terms of that notice;
- (b) there does not exist in our favour, and we undertake not to create, assert, claim or exercise, any mortgage, fixed or floating charge, assignment or other security interest of any kind or any agreement or arrangement having substantially the same economic or financial effect as any of the above (including any rights of counter-claim, rights of set-off or combination of accounts over or with respect to all or any part of the English Bank Accounts and/or the Balance (as defined in the Notice);
- (c) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Issuer under or in respect of the English Bank Accounts or the Balance; and
- (d) we undertake that, on our becoming aware at any time that any person other than the Security Trustee (as defined in the Notice) has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of the English Bank Accounts or the Balance, we will immediately give written notice of that to the Security Trustee.

.....
for and on behalf of
Banca Monte dei Paschi di Siena S.p.A., London Branch
By: [●]

Dated:

**SCHEDULE 2
NOTICE OF ASSIGNMENT**

From: Casaforte S.r.l.
Via Eleonora Duse 53
00197 Rome - Italy

To: Banca Monte dei Paschi di Siena S.p.A., London branch
6th floor, Capital House
85, King William Street
London EC4N 7BL – United Kingdom

[●] 2010

Dear Sirs

Hedging Agreement as of 21 September 2010

We refer to the Hedging Agreement dated 21 September 2010 between us and you (as amended or novated from time to time, the "Agreement").

We give you notice that by a Deed of Charge and Security Assignment (the "Deed") dated 21 September 2010 and entered into by us in favour of KPMG Fides Servizi di Amministrazione S.p.A. (as Security Trustee, as defined in the Deed), we have assigned all our rights under the Agreement including the right to receive any payments due under the Agreement.

Please note the following:

- (a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Agreement;
- (b) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay any monies payable by you to us under the Agreement to such bank account as the Security Trustee may from time to time specify in writing;
- (c) all of the powers, discretions, remedies and other rights which would, but for the Deed, be vested in us under and in respect of the Agreement are exercisable by the Security Trustee;
- (d) we have agreed not to waive any rights under nor amend, novate, rescind or otherwise terminate the Agreement without the prior written consent of the Security Trustee;
- (e) we agree that:
 - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Trustee's prior written consent; and
 - (ii) you are authorised to disclose any information in relation to the Agreement to the Security Trustee at the Security Trustee's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Security Trustee, at Via Vittor Pisani, 27, 20124, Milan, Italy marked for the attention of

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....
Casaforte S.r.l.

By: [Name of signatory]



[On copy letter only:]

To: **KPMG FIDES Servizi di Amministrazione S.p.A.**
Via Vittor Pisani, 27
20124 Milan - Italy

We acknowledge receipt of a notice dated [●] 2010 addressed to us by **Casaforte S.r.l.** (the "Issuer") regarding the Hedging Agreement dated 21 September 2010 between us and the Issuer (as amended or novated from time to time, the "Agreement").

We confirm that:

- (e) we consent to the assignment of the Agreement and will comply with the terms of that notice;
- (f) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Issuer under or in respect of the Agreement;
- (g) if the Issuer is in breach of any of its obligations, express or implied, under the Agreement or if any event occurs which would permit us to terminate, cancel or surrender the Agreement we will immediately on becoming aware of it, give you written notice of that breach;
- (h) we confirm that no waiver of any of the Issuer's rights under and no amendment, novation, rescission or other termination by the Issuer of, the Agreement shall be effective without the prior written consent of the Security Trustee; and
- (i) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Issuer and we shall send you copies of all statements, orders and notices given by us relating to that debt.

.....
Banca Monte dei Paschi di Siena, London branch
By: [Name of signatory]

Dated:

SCHEDULE 3
MEMORANDUM OF FURTHER SECURED ASSET

THIS MEMORANDUM is dated [●] and made as a deed between:

- (1) **Casaforte S.r.l.**, a limited liability company (società a responsabilità limitata) incorporated under the laws of the Republic of Italy under Article 3 of Law 30 April 1999, No. 130 (Disposizioni sulla cartolarizzazione dei crediti), as amended and supplemented from time to time (the "Securitisation Law"), having its registered office in Rome at Via Eleonora Duse 53, 00197 Rome, Italy and registered with the Registry of Enterprises of Rome under No. 03670580285; registered with the register (elenco generale) of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Legislative Decree of 1 September 1993, No. 385 (the "Italian Banking Act") under No. 32933 (the "**Issuer**"); and
- (2) **KPMG FIDES Servizi di Amministrazione S.p.A.**, a joint stock company incorporated under the laws of the Republic of Italy, having its registered office in Milan at Via Vittor Pisani, 27, 20124 Milan, Italy and registered with the Registry of Enterprises of Milan under No. 00731410155 as trustee for the Issuer Secured Creditors (the "**Security Trustee**").

BACKGROUND

- (A) Pursuant to a Deed of Charge and Security Assignment (the "**Deed**") dated 21 September 2010 and made between the Issuer and the Security Trustee, the Issuer has assigned and/or charged absolutely to the Security Trustee by way of first fixed security all of the rights of the Issuer under and in respect of the Secured Assets (as defined in the Deed).
- (B) Pursuant to Clause 3.3 (*Further Secured Assets*) of the Deed, the Issuer and the Security Trustee may at any time agree that further Secured Assets shall become the subject of the Security created by the Deed, by executing a memorandum in the form of Schedule 3 (*Memorandum of further Secured Assets*) to the Deed or in such other form or by such other means as the Security Trustee may in its sole discretion approve or require.
- (C) This memorandum is supplemental to the Deed and is entered into pursuant to the said Clause 3.3 (*Further Secured Assets*) of the Deed.

THIS MEMORANDUM WITNESSES that:

The Issuer and the Security Trustee agree that the assets specified below shall constitute Secured Assets for all the purposes of the Deed and subject to the Security created thereby:

[SPECIFY DETAILS OF FURTHER SECURED ASSETS]

EXECUTION of the Memorandum:

Issuer

SIGNED and DELIVERED as a DEED)
by [●])
and by [●])


duly authorised for and on behalf of)
Casaforte S.r.l.)

SIGNED and DELIVERED as a DEED)
by [●])
and by [●])
duly authorised for and on behalf of)
KPMG FIDES Servizi di Amministrazione S.p.A.)

EXECUTION of the Deed of Charge and Security Assignment:

Issuer

SIGNED and DELIVERED as a DEED by
and by
duly
authorised for and on behalf of **Casaforte S.r.l.**

) 
)
)
)

Address: Via Eleonora Duse 53
00197 Rome - Italy

Security Trustee

SIGNED and DELIVERED as a DEED by)
And)
by,)
duly)
authorised for and on behalf of **KPMG FIDES**)
Servizi di Amministrazione S.p.A.)

Address: Via Vittor Pisani, 27, 20124
Milan
Italy