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YOU MUST READ THE FOLLOWING DISCLAIMER BEFORE CONTINUING

THIS DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE TRANSMITTED INTO OR DISTRIBUTED TO PERSONS THAT ARE U.S. PERSONS OR WITHIN THE UNITED STATES TO ANY PERSONS, IN EACH CASE, UNLESS SUCH PERSONS ARE A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") (AS DEFINED IN RULE 144A ("**RULE 144A**") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**")) IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION OF THE SECURITIES DESCRIBED HEREIN (EXCEPT IN ACCORDANCE WITH RULE 144A).

The following disclaimer applies to the document attached following this notice (the "**document**") and you are therefore required to read this disclaimer page carefully before reading, accessing or making any other use of the document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

The document is only being provided to you at your request as a general explanation of the structure of the transaction described therein and is not intended to constitute or form part of an offer to sell or an invitation or solicitation of an offer to sell the Notes described therein, nor shall it (or any part of it), or the fact of its distribution, form the basis of or be relied on in connection with any contract therefor.

Nothing in the document or any electronic transmission thereof constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so. The Notes (as defined in the attached document) have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the U.S. or any other jurisdiction and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

The contents of the document are confidential and may not be copied, distributed, published, reproduced or reported (in whole or in part) or disclosed by you to any other person. If at any time we request that the document be returned, you will (a) return the document, (b) arrange to destroy all analyses, compilations, notes, structures, memoranda or other documents prepared by you to the extent that the same contain, reflect or derive from information in the document and (c) so far as is practicable to do so (but, in any event, without prejudice to the obligations of confidentiality imposed herein) expunge any information relating to the document in electronic form from any computer, word processor or other device. The document and any information contained herein shall remain our property and in sending the document to you, no rights (including any intellectual property rights) over the document and the information contained therein have been given to you. We specifically prohibit the redistribution of the document and accept no liability whatsoever for the actions of third parties in this respect.

Confirmation of Your Representation: In order to be eligible to view the document or make an investment decision with respect to the Notes, investors must either be (a) U.S. persons that are QIBs or (b) non-U.S. persons with a view to purchasing the securities described herein in offshore transactions (within the meaning of Regulation S). The document is being sent at your request and by accepting the e-mail and accessing the document, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) U.S. Persons that are both QIBs or (b) non-U.S. Persons and that the electronic email address that you gave us and to which this email has been delivered is not located in the U.S., (2) such acceptance and access to the document by you and any customer that you represent is not unlawful in the jurisdiction where it is being made to you and any customers you represent, (3) you consent to delivery of the document by electronic transmission and (4) you consent to accept the delivery by electronic transmission of the document on distribution and publication of the same.

The document has been sent to you in the belief that you are (a) a person in member states of the European Economic Area that is a "qualified investor" within the meaning of Article 2(1)(e) of Directive 2003/71/EC ("**Qualified Investor**"), (b) a person of the kind described in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion)

Order 2005 or who otherwise fall within an exemption set out in such Order so that Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer and (c) a person to whom the document can be sent lawfully in accordance with all other applicable securities laws. If this is not the case then you must return the document immediately.

The document has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, *BNP Paribas* or *Commerzbank AG, London Branch* (or any person who controls any of them or any director, officer, employee or agent of any of them, or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from us.

You are reminded that the document has been delivered to you on the basis that you are a person into whose possession the document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the document to any other person.

Restrictions: Nothing in this document or any electronic transmission hereof constitutes an offer of securities for sale in the United States or any other jurisdiction. Any securities to be issued will not be registered under the Securities Act and may not be offered or sold in the United States or to or for the account or benefit of any U.S. person (as such terms are defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration.

The transaction described in this Offering Circular and the Notes have been structured in reliance on the Foreign Safe Harbour (as defined herein). Consequently, (a) on the Issue Date the Notes may not be purchased by any person except for (i) persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**") or (ii) persons that have obtained a U.S. Risk Retention Waiver (as defined herein) from the Investment Manager, and (b) during the Restricted Period, the Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons, or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager ("**U.S. Risk Retention Transfer Restriction**"). In any event, no more than 10 per cent. of the value of the Notes may be sold or transferred to Risk Retention U.S. Persons on the Issue Date or during the Restricted Period. Any purchase or transfer of the Notes in breach of these requirements will result in the affected Notes becoming subject to forced transfer provisions. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S. Each initial investor will be required to provide a representation to the Investment Manager in respect of their status under the U.S. Risk Retention Rules.

This Offering Circular may not be used for and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or purchase Notes. This document is an advertisement and does not comprise a prospectus for the purposes of EU Directive 2003/71/EC (as amended) or any legislation or rules in any jurisdiction implementing such Directive.

Bosphorus CLO IV Designated Activity Company

(*a designated activity company incorporated under the laws of Ireland, with registered number 614693*)

€2,000,000 Class X Secured Floating Rate Notes due 2030
€246,000,000 Class A Secured Floating Rate Notes due 2030
€31,550,000 Class B-1 Secured Floating Rate Notes due 2030
€10,000,000 Class B-2 Secured Fixed Rate Notes due 2030
€25,700,000 Class C Secured Deferrable Floating Rate Notes due 2030
€21,000,000 Class D Secured Deferrable Floating Rate Notes due 2030
€26,900,000 Class E Secured Deferrable Floating Rate Notes due 2030
€10,500,000 Class F Secured Deferrable Floating Rate Notes due 2030
€42,650,000 Subordinated Notes due 2030

The assets securing the Notes will consist primarily of a portfolio of Senior Secured Loans and Senior Secured Bonds in respect of which Commerzbank AG, London Branch is acting as investment manager (the "**Investment Manager**").

Bosphorus CLO IV Designated Activity Company (the "**Issuer**") will issue the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes (each as defined herein).

The Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes (together with the Class B-1 Notes, the "**Class B Notes**"), the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (such Classes of Notes, the "**Rated Notes**"), together with the Subordinated Notes, are collectively referred to herein as the "**Notes**". The Notes will be issued and secured pursuant to a trust deed (as amended, supplemented and/or restated from time to time, the "**Trust Deed**") dated on or about 31 May 2018 (the "**Issue Date**"), made between (amongst others) the Issuer and The Bank of New York Mellon, London Branch, in its capacity as trustee (the "**Trustee**"). The Notes will initially be offered at the prices specified in the "*Overview*" or such other prices as may be negotiated at the time of sale which may vary among different purchasers.

Interest on the Notes will be payable (i) quarterly in arrear on 15 March, 15 June, 15 September and 15 December prior to the occurrence of a Frequency Switch Event (as defined herein) and (ii) semi-annually in arrear on (A) 15 March and 15 September (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either March or September) or (B) 15 June and 15 December (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either June or Septmber) in each year, commencing on 15 December 2018 and ending on the Maturity Date (as described herein) (or, in each case, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day) in accordance with the Priorities of Payment described herein.

The Notes will be subject to optional, mandatory and other redemptions as described herein. See Condition 7 (*Redemption and Purchase*).

See "*Risk Factors*" herein for a discussion of certain factors to be considered in connection with an investment in the Notes.

This Offering Circular (this "**Offering Circular**") does not constitute a prospectus for the purposes of Article 5 of Directive 2003/71/EC (as such directive may be amended from time to time, the "**Prospectus Directive**"). The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive. Application will be made to Euronext Dublin for the Notes to be admitted to the official list (the "**Official List**") and trading on the Global Exchange Market of Euronext Dublin (the "**Global Exchange Market**"). It is anticipated that listing and admission to trading will take place on or about the Issue Date. There can be no assurance that such listing and admission to trading will be granted or maintained. Application will be made Euronext Dublin to approve this Offering Circular. This document constitutes a "listing particulars" for the purposes of such application. The final copy of the "listing particulars" will be available from the website of Euronext Dublin.

The Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral.

It is a condition of the issue and sale of the Notes that the Rated Notes be issued with at least the following ratings from Moody's Investors Service, Ltd. ("**Moody's**") and Fitch Ratings Ltd. ("**Fitch**" and, together with Moody's, the "**Rating Agencies**", and each a "**Rating Agency**"): the Class X Notes: "Aaa(sf)" from Moody's and "AAAsf" from Fitch; the Class A Notes: "Aaa(sf)" from Moody's and "AAAsf" from Fitch; the Class B-1 Notes: "Aa2(sf)" from Moody's and "AAsf" from Fitch; the Class B-2 Notes: "Aa2(sf)" from Moody's and "AAsf" from Fitch; the Class C Notes: "A2(sf)" from Moody's and "Asf" from Fitch; the Class D Notes: "Baa2(sf)" from Moody's and "BBBsf" from Fitch; the Class E Notes: "Ba2(sf)" from Moody's and "BBsf" from Fitch; and the Class F Notes: "B2(sf)" from Moody's and "B-sf" from Fitch. The Subordinated Notes being offered hereby will not be rated. A security rating is not a recommendation to buy, sell or hold the Rated Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agencies.

The Investment Manager does not intend to retain a risk retention interest contemplated by the U.S. Risk Retention Rules (as defined herein) in connection with the transaction described in this Offering Circular or the Notes. Accordingly, the transaction described in this Offering Circular and the Notes has been structured in reliance on the Foreign Safe Harbour (as defined herein). Consequently, for so long as such rules apply to the transaction contemplated, (a) on the Issue Date the

Notes may not be purchased by any person except for (i) persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**") or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager, and (b) during the Restricted Period, the Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons, or (ii) persons that have obtained a U.S. Risk Retention Waiver (as defined herein) from the Investment Manager ("**U.S. Risk Retention Transfer Restriction**"). In any event, no more than 10 per cent. of the value of the Notes may be sold or transferred to Risk Retention U.S. Persons on the Issue Date or during the Restricted Period. Any purchase or transfer of the Notes in breach of these requirements will result in the affected Notes becoming subject to forced transfer provisions. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S. Each initial investor will be required to provide a representation to the Investment Manager in respect of their status under the U.S. Risk Retention Rules. See "*Risk Factors – Regulatory Initiatives*" and "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules*".

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to institutions that are non-U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**"); and (b) within the United States to persons and outside the United States to U.S. Persons (as such term is defined in Regulation S ("**U.S. Persons**")) who are qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act. The Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Interests in the Notes will be subject to certain restrictions on transfer, and each purchaser of Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See "*Plan of Distribution*" and "*Transfer Restrictions*".

The Notes are being offered by the Issuer through BNP Paribas in its capacity as Initial Purchaser of the Notes (the "**Initial Purchaser**") subject to prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions. The Retention Notes shall be purchased from the Initial Purchaser by Taurus Corporate Financing LLP in its capacity as retention holder (the "**Retention Holder**" and the "**Originator**"). It is expected that delivery of the Notes will be made on or about the Issue Date.

Arranger and Initial Purchaser
BNP Paribas

The date of this Offering Circular is 25 May 2018

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Offering Circular (the second paragraph of the section of this document headed "*Risk Factors – U.S. Risk Retention Rules*" and the sections of this document headed "*Risk Factors – certain conflicts of interest – Investment Manager*", "*Description of the Investment Manager*" (together, the "**Investment Manager Information**"), "*Description of the Trustee*" (the "**Trustee Information**"), "*Description of the Collateral Administrator*" (the "**Collateral Administrator Information**", "*Description of the Originator and the Retention Requirements*" and "*Description of the Originator and its Business*") (together, the "**Originator Information**") and together with the Investment Manager Information, the Trustee Information and the Collateral Administrator Information, the "**Third Party Information**")). To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. None of the Arranger, the Originator, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator, the Agents nor any of their respective affiliates accept responsibility for the accuracy, adequacy, reasonableness or completeness of the information contained therein. The delivery of this Offering Circular at any time by the Arranger, the Initial Purchaser and/or any of their respective affiliates does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.

The Investment Manager accepts responsibility for the Investment Manager Information. To the best of the knowledge and belief of the Investment Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. None of the Issuer, the Arranger, the Originator, the Initial Purchaser, the Trustee, the Collateral Administrator, the Agents, nor any of their respective affiliates accepts responsibility for the accuracy, adequacy, reasonableness or completeness of the information contained therein.

The Originator accepts responsibility for the Originator Information. To the best of the knowledge and belief of the Originator (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. None of the Issuer, the Arranger, the Initial Purchaser, the Investment Manager, the Trustee, the Collateral Administrator, the Agents, nor any of their respective affiliates accepts responsibility for the accuracy, adequacy, reasonableness or completeness of the information contained therein.

The Trustee accepts responsibility for the Trustee Information. To the best of the knowledge and belief of the Trustee (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. None of the Issuer, the Arranger, the Originator, the Initial Purchaser, the Collateral Administrator, the Agents, the Investment Manager, nor any of their respective affiliates accepts responsibility for the accuracy, adequacy, reasonableness or completeness of the information contained therein.

The Collateral Administrator accepts responsibility for the Collateral Administrator Information. To the best of the knowledge and belief of the Collateral Administrator (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. None of the Issuer, the Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Agents, the Originator, the Investment Manager, nor any of their respective affiliates accepts responsibility for the accuracy, adequacy, reasonableness or completeness of the information contained therein.

DISCLAIMER

The Issuer has only made very limited enquiries with regards to the accuracy and completeness of the Third Party Information. As far as the Issuer is aware and is able to ascertain, this information has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading. Prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the Third Party Information. None of the Arranger, the Initial Purchaser, the Investment Manager (save in respect of the Investment Manager Information, the Trustee (save in respect of the Trustee Information), the Collateral Administrator (save in respect of the Collateral Administrator Information), the Originator (save in respect of the Originator Information), any Hedge Counterparty, any Agent or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Arranger, the Originator, the Initial Purchaser, the Trustee (save as specified above), the Investment Manager (save as specified above), the Collateral

Administrator (save as specified above), any Hedge Counterparty, any Agent or any other party (save for the Issuer as specified above in relation to the acceptance of responsibility) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Offering Circular or in any further notice or other document which may at any time be supplied in connection with the Notes or their distribution or accepts any responsibility or liability therefor. None of the Arranger, the Originator, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator, any Hedge Counterparty any Agent or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular.

IRISH REGULATORY POSITION

The Issuer is not and will not be regulated by the Central Bank of Ireland (the "**Central Bank**") by virtue of the issue of the Notes. Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank.

OFFER/INVITATION/DISTRIBUTION RESTRICTIONS

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF THE ISSUER, THE ARRANGER (OR ANY OF THEIR RESPECTIVE AFFILIATES), THE INITIAL PURCHASER (OR ANY OF ITS AFFILIATES), THE ORIGINATOR, THE TRUSTEE, THE INVESTMENT MANAGER, THE COLLATERAL ADMINISTRATOR, ANY HEDGE COUNTERPARTY, ANY AGENT OR ANY OTHER PERSON TO SUBSCRIBE FOR OR PURCHASE ANY OF THE NOTES. THE DISTRIBUTION OF THIS OFFERING CIRCULAR AND THE OFFERING OF THE NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS OFFERING CIRCULAR COMES ARE REQUIRED BY THE ISSUER, THE INITIAL PURCHASER AND THE ARRANGER TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS. IN PARTICULAR, THE COMMUNICATION CONSTITUTED BY THIS OFFERING CIRCULAR IS DIRECTED ONLY AT PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM AND ARE OFFERED AND ACCEPT THIS OFFERING CIRCULAR IN COMPLIANCE WITH SUCH RESTRICTIONS OR (II) ARE PERSONS FALLING WITHIN ARTICLES 19 OR 49 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 OR WHO OTHERWISE FALL WITHIN AN EXEMPTION SET OUT IN SUCH ORDER SO THAT SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 DOES NOT APPLY TO THE ISSUER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS COMMUNICATION MUST NOT BE DISTRIBUTED TO, ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. FOR A DESCRIPTION OF CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF NOTES AND DISTRIBUTION OF THIS OFFERING CIRCULAR, SEE "PLAN OF DISTRIBUTION" BELOW.

THE NOTES ARE NOT INTENDED TO BE SOLD AND SHOULD NOT BE SOLD TO RETAIL INVESTORS. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU.

UNAUTHORISED INFORMATION

IN CONNECTION WITH THE ISSUE AND SALE OF THE NOTES, NO PERSON IS AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS OFFERING CIRCULAR AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY OR ON BEHALF OF THE ISSUER, THE INITIAL PURCHASER, THE ARRANGER, THE ORIGINATOR, THE TRUSTEE, THE INVESTMENT MANAGER, THE COLLATERAL ADMINISTRATOR OR ANY OTHER TRANSACTION PARTY. THE DELIVERY OF THIS OFFERING CIRCULAR AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED IN IT IS CORRECT AS AT ANY TIME SUBSEQUENT TO ITS DATE.

EU RETENTION REQUIREMENTS

In accordance with the EU Retention Requirements, the Originator, in its capacity as the Retention Holder, will undertake to the Issuer, the Arranger, the Investment Manager and the Trustee in the Retention Undertaking Letter that, amongst other matters, on the Issue Date, it will acquire and hold on an ongoing basis for so long as any Class of Notes remains Outstanding, Subordinated Notes with an aggregate purchase price representing no less than 5.0 per cent. of the Maximum Par Amount (such Notes being the "**Retention Notes**"). See further "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements*".

Each prospective Investor in the Notes is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with the EU Retention Requirements or any other applicable legal, regulatory or other requirements. None of the Issuer, the Investment Manager, the Arranger, the Originator, the Initial Purchaser, the Collateral Administrator, the Trustee, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such person shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the EU Retention Requirements or any other applicable legal, regulatory or other requirements. Each prospective investor in the Notes which is subject to the EU Retention Requirements or any other applicable legal, regulatory or other requirements should consult with its own legal, accounting and other advisers and/or its national regulator in determining the extent to which the information set out under "*EU Retention Requirements*" and in this Offering Circular generally is sufficient for the purpose of complying with the EU Retention Requirements, or any other applicable legal, regulatory or other requirements. Any such prospective investor is required to independently assess and determine the sufficiency of such information.

The Monthly Reports will include a statement as to the receipt by the Collateral Administrator, the Issuer and the Trustee of a confirmation from the Investment Manager on behalf of the Retention Holder as to its holding of the Retention Notes, which confirmation the Investment Manager on behalf of the Retention Holder will undertake to provide to, *inter alios*, the Collateral Administrator, the Issuer and the Trustee on a monthly basis.

VOLCKER RULE

Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") prevents "banking entities" (a term which includes affiliates of a U.S. banking organisation as well as affiliates of a foreign banking organisation that has a branch or agency office in the U.S., regardless where such affiliates are located) from (i) engaging in proprietary trading in financial instruments, or (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund," subject to certain exemptions.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, Investment Manager, or general partner, trustee, or member of the board of directors of the "covered fund". A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act 1940 (the "**ICA**") but is exempt from registration solely in reliance on Section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

The Transaction Documents contain certain requirements that are intended to allow the Issuer to rely on the exemption from the definition of "investment company" of Rule 3a-7 under the Investment Company Act, which will, among other things, mean the Issuer will not be expected to fall within the definition of a "covered fund" for purposes of the Volcker Rule. There can be no assurance, however, that compliance with those requirements will be adequate for the Issuer to rely on Rule 3a-7.

The Transaction Documents provide that any holders of the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes or the Class D Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes or IM Removal and Replacement Non-Exchangeable Non-Voting Notes are disenfranchised in respect of any IM Removal Resolution or IM Replacement Resolution with the intention of excluding such instruments from the definition of "ownership interest". However, there can be no assurance that these features will be effective (and neither the Issuer nor any other Person makes any representation that such features will be effective) in resulting in such investments in the Issuer by "banking entities" subject to the Volcker Rule not being characterised as "ownership interests" in the Issuer. Investors purchasing interests in Class A Notes must make their own determination as to whether such features will be effective for this purpose.

If the Issuer is deemed to be a "covered fund", the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of "banking entities" to hold an "ownership interest" in the Issuer or enter into certain credit related financial transactions with the Issuer. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment. If investment by "banking entities" in the Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes.

No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Notes. Each prospective investor in the Notes should independently consider the potential impact of the Volcker Rule in respect of any investment in the Notes. Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes. See further also "*Risk Factors – Regulatory Initiatives – Volcker Rule*".

INFORMATION AS TO PLACEMENT WITHIN THE UNITED STATES AND OUTSIDE THE UNITED STATES

The Notes of each Class offered pursuant to an exemption from registration under Rule 144A under the Securities Act ("**Rule 144A**") (the "**Rule 144A Notes**") will be sold only to "qualified institutional buyers" (as defined in Rule 144A) ("**QIBs**"). Rule 144A Notes of each Class will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and, together the "**Rule 144A Global Certificates**") or may in some cases be represented by definitive certificates of such Class (each a "Rule 144A Definitive Certificate" and, together the "**Rule 144A Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with a custodian for, and registered in the name of, a nominee of a common depositary acting on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") or, in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Regulation S Notes of each Class (the "**Regulation S Notes**") sold outside the United States to institutions that are non-U.S. Persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Regulation S Global Certificate**" and, together the "**Regulation S Global Certificates**"), or may in some cases be represented by definitive certificates of such Class (each a "Regulation S Definitive Certificate" and, together the "**Regulation S Definitive Certificates**") in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary acting on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, and Clearstream, Luxembourg and their respective participants. Notes in definitive certificated form will be issued in exchange for beneficial interests in a Global Certificate only in limited circumstances. In each case, purchasers and transferees of notes will be deemed and in certain circumstances will be required to have made certain representations and agreements. See "*Form of the Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*" below.

The Issuer has not been and will not be registered under the Investment Company Act in reliance on Rule 3a-7 thereunder. Each purchaser of an interest in the Notes will be deemed to have made the representations set out in "*Transfer Restrictions*" herein. The purchaser of any Note by such purchase, agrees that such Note is being acquired for its own account and not with a view to distribution and may be resold, pledged or otherwise transferred only (1) to the Issuer (upon redemption thereof or otherwise), (2) to a person the purchaser reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, or (3) outside the United States to an institution that is a non-U.S. Person in an offshore transaction in reliance on Regulation S, in each case, in compliance with the Trust Deed and all applicable securities laws of any state of the United States or any other jurisdiction. See "*Transfer Restrictions*".

On the Issue Date, the Notes may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver (as defined herein) from the Investment Manager. Additionally, during the Restricted Period, the Notes may not be transferred to any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S.

Risk Retention Waiver from the Investment Manager. Purchasers and transferees of the Notes, including beneficial interests therein, will be deemed and in certain circumstances will be required to have made certain representations and agreements, including that each purchaser or transferee (i) either (a) is not a Risk Retention U.S. Person or (b) it has received a U.S. Risk Retention Waiver from the Investment Manager, and (ii) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules described in "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules*"). Each initial investor will be required to provide a representation to the Investment Manager in respect of their status under the U.S. Risk Retention Rules. See "*Plan of Distribution*" and "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules*" below.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes and the offering thereof described herein, including the merits and risks involved.

THE NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR APPROVED BY, ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Any reproduction or distribution of this Offering Circular in whole or in part and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the securities offered herein is prohibited.

U.S. TAX LEGEND

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, EACH RECIPIENT (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH RECIPIENT) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT OF THE ISSUER, THE NOTES, OR THE TRANSACTIONS REFERENCED HEREIN AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER U.S. TAX ANALYSES) RELATING TO SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT AND THAT MAY BE RELEVANT TO UNDERSTANDING SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT.

AVAILABLE INFORMATION

To permit compliance with the Securities Act in connection with the sale of the Notes in reliance on Rule 144A, the Issuer will be required under the Trust Deed to furnish upon request to a holder or beneficial owner who is a QIB of a Note sold in reliance on Rule 144A or a prospective investor who is a QIB designated by such holder or beneficial owner the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may be obtained during usual business hours free of charge at the office of the Issuer.

GENERAL NOTICE

EACH PURCHASER OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION AT ANY TIME IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE ARRANGER (OR ANY OF THEIR RESPECTIVE AFFILIATES), THE INITIAL PURCHASER (OR ANY OF ITS AFFILIATES), THE ORIGINATOR, THE INVESTMENT MANAGER, THE TRUSTEE, THE COLLATERAL

ADMINISTRATOR, ANY AGENT OR ANY OTHER TRANSACTION PARTY SHALL HAVE ANY RESPONSIBILITY THEREFOR.

INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR A DISCUSSION OF CERTAIN FACTORS REGARDING THE ISSUER AND THE NOTES THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE NOTES, SEE "RISK FACTORS".

SEE "PLAN OF DISTRIBUTION" FOR CERTAIN TERMS AND CONDITIONS OF THE OFFERING OF THE NOTES HEREUNDER.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE NOTES AND THE OFFERING THEREOF DESCRIBED HEREIN, INCLUDING THE MERITS AND RISKS INVOLVED.

THIS OFFERING CIRCULAR HAS BEEN PREPARED BY THE ISSUER SOLELY FOR USE IN CONNECTION WITH THE OFFERING OF THE NOTES DESCRIBED HEREIN AND THE ADMISSION TO TRADING OF THE NOTES ON THE GLOBAL EXCHANGE MARKET (THE "**OFFERING**"). EACH OF THE ISSUER, THE INITIAL PURCHASER AND THE ARRANGER RESERVES THE RIGHT TO REJECT ANY OFFER TO PURCHASE NOTES IN WHOLE OR IN PART FOR ANY REASON, OR TO SELL LESS THAN THE STATED INITIAL PRINCIPAL AMOUNT OF ANY CLASS OF NOTES OFFERED HEREBY. THIS OFFERING CIRCULAR IS PERSONAL TO EACH PROSPECTIVE INVESTOR TO WHOM IT HAS BEEN DELIVERED BY THE ISSUER, THE INITIAL PURCHASER, THE ARRANGER OR ANY AFFILIATE THEREOF AND DOES NOT CONSTITUTE AN OFFER TO ANY OTHER PERSON OR TO THE PUBLIC GENERALLY TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE NOTES. DISTRIBUTION OF THIS OFFERING CIRCULAR TO ANY PERSONS OTHER THAN SUCH PROSPECTIVE INVESTOR AND THOSE PERSONS, IF ANY, RETAINED TO ADVISE SUCH PROSPECTIVE INVESTOR WITH RESPECT THERETO IS UNAUTHORISED AND ANY DISCLOSURE OF ANY OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER, IS PROHIBITED.

THE RESULTS OF THE PORTFOLIO PROFILE TESTS AND THE COLLATERAL QUALITY TESTS AS APPLIED TO THE INITIAL PORTFOLIO ARE SUBJECT TO CHANGE PRIOR TO THE ISSUE DATE IN THE EVENT OF PREPAYMENTS ON OR OTHER CHANGES IN RESPECT OF THE EXPECTED INITIAL PORTFOLIO.

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED, RESOLD OR PLEDGED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

CURRENCIES

In this Offering Circular, unless otherwise specified or the context otherwise requires (a) all references to "**Euro**", "**euro**", "**EUR**" and "**€**" are to the lawful currency of the member states of the European Union ("**Member States**") that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; **provided that** if any Member State or States ceases to have such single currency as its lawful currency (such Member State(s) being the "**Exiting State(s)**"), the euro shall mean the single currency adopted and retained as the lawful currency of the remaining Member States and shall not include any successor currency introduced by the Exiting State(s) but for the avoidance of doubt shall not affect any definition of euro used in respect of any Portfolio Asset, (b) all references to "**US dollar**", "**USD**", "**U.S. Dollar**" or "**$**" are to the lawful currency of the United States of America and (c) all references to "**GBP**" and "**Sterling**" are to the lawful currency of the United Kingdom.

NO STABILISATION

In connection with the issue of the Notes, no stabilisation will take place and the Initial Purchaser will not be acting as stabilising manager in respect of the Notes.

COMMODITY POOL REGULATION

BASED UPON INTERPRETATIVE GUIDANCE PROVIDED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**"), THE ISSUER IS NOT EXPECTED TO BE TREATED AS A "COMMODITY POOL" (AS DEFINED IN THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**CEA**") ("**COMMODITY POOL**") AND, AS SUCH, THE ISSUER (OR THE INVESTMENT MANAGER ON ITS BEHALF) MAY, SUBJECT TO SATISFACTION OF THE HEDGING CONDITION, ENTER INTO HEDGE AGREEMENTS (OR ANY OTHER AGREEMENT THAT WOULD FALL WITHIN THE DEFINITION OF "SWAP" AS SET OUT IN THE CEA). FOLLOWING RECEIPT OF LEGAL ADVICE FROM REPUTABLE COUNSEL TO THE EFFECT THAT NONE OF THE ISSUER, ITS DIRECTORS OR OFFICERS, OR THE INVESTMENT MANAGER OR ANY OF ITS DIRECTORS, OFFICERS OR EMPLOYEES, SHOULD BE REQUIRED TO REGISTER WITH THE CFTC AS EITHER A "COMMODITY POOL OPERATOR" (A "**CPO**") OR A "COMMODITY TRADING ADVISOR" (THE "**CTA**") (AS SUCH TERMS ARE DEFINED IN THE CEA) IN RESPECT OF THE ISSUER. IN THE EVENT THAT TRADING OR ENTERING INTO HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF A COMMODITY POOL UNDER THE CEA, THE INVESTMENT MANAGER WOULD EITHER SEEK TO UTILISE ANY EXEMPTIONS FROM REGISTRATION AS A CPO AND/OR CTA THAT THEN MAY BE AVAILABLE, OR SEEK TO REGISTER AS A CPO AND/OR CTA, ANY SUCH EXEMPTION MAY IMPOSE ADDITIONAL COSTS ON THE INVESTMENT MANAGER AND MAY SIGNIFICANTLY LIMIT ITS ABILITY TO ENGAGE IN HEDGING ACTIVITIES ON BEHALF OF THE ISSUER. SEE "*Risk Factors – Regulatory Initiatives – Commodity Pool Regulation*".

PRIIPS Regulation / Prohibition on Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MiFID II product governance / Professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Benchmarks Regulation

Amounts payable on the Floating Rate Notes are calculated by reference to EURIBOR. As at the date of this Offering Circular, the administrator of EURIBOR (being the European Money Markets Institute) is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**").

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the European Money Markets Institute is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

NEITHER THE SOLE ARRANGER NOR THE PLACEMENT AGENT NOR ANY OF THEIR RESPECTIVE AFFILIATES ACCEPTS ANY RESPONSIBILITY FOR ANY ACTS OR OMISSIONS OF THE TRUSTEE, THE ISSUER OR ANY OTHER PERSON (OTHER THAN, RESPECTIVELY, THE SOLE ARRANGER OR

THE PLACEMENT AGENT) IN CONNECTION WITH THE OFFERING CIRCULAR OR THE ISSUE AND OFFERING OF THE NOTES.

TABLE OF CONTENTS

OVERVIEW

The following overview does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular and related documents referred to herein. Capitalised terms not specifically defined in this overview have the meanings set out in Condition 1 (*Definitions*) under "*Terms and Conditions of the Notes*" below or are defined elsewhere in this Offering Circular. An index of defined terms appears at the back of this Offering Circular. References to a "Condition" are to the specified Condition in the "*Terms and Conditions of the Notes*" below and references to "Conditions of the Notes" are to the "*Terms and Conditions of the Notes*" below.

Parties

Issuer: ..... Bosphorus CLO IV Designated Activity Company

Arranger: ..... BNP Paribas

Initial Purchaser: ..... BNP Paribas

Investment Manager: ..... Commerzbank AG, London Branch

Originator: ..... Taurus Corporate Financing LLP

Trustee: ..... The Bank of New York Mellon, London Branch

Information Agent: ..... The Bank of New York Mellon SA/NV, Dublin Branch

Collateral Administrator: ..... The Bank of New York Mellon SA/NV, Dublin Branch

Custodian: ..... The Bank of New York Mellon, London Branch

Account Bank: ..... The Bank of New York Mellon, London Branch

Principal Paying Agent: ..... The Bank of New York Mellon, London Branch

Calculation Agent: ..... The Bank of New York Mellon, London Branch

Registrar: ..... The Bank of New York Mellon SA/NV, Luxembourg Branch

Transfer Agent: ..... The Bank of New York Mellon SA/NV, Luxembourg Branch

Notes

Class of Notes	Principal Amount	Initial Stated Interest Rate at the Issue Date[(1)]	Alternate Stated Interest Rate[(2)]	Moody's ratings of at least[(3)]	Fitch ratings of at least[(3)]	Maturity Date[(4)]	Issue Price (per cent.)[(5)]
X	€2,000,000	3 month EURIBOR + 0.35 per cent.	6 month EURIBOR + 0.35 per cent.	"Aaa(sf)"	"AAAsf"	15 December 2030	99.75%
A	€246,000,000	3 month EURIBOR + 0.82 per cent.	6 month EURIBOR + 0.82 per cent.	"Aaa(sf)"	"AAAsf"	15 December 2030	99.65%
B-1	€31,550,000	3 month EURIBOR + 1.25 per cent.	6 month EURIBOR + 1.25 per cent.	"Aa2(sf)"	"AAsf"	15 December 2030	100%
B-2	€10,000,000	2.20 per cent.	2.20 per cent.	"Aa2(sf)"	"AAsf"	15 December 2030	100%
C	€25,700,000	3 month EURIBOR + 1.70 per cent.	6 month EURIBOR + 1.70 per cent.	"A2(sf)"	"Asf"	15 December 2030	100%
D	€21,000,000	3 month EURIBOR + 2.60 per cent.	6 month EURIBOR + 2.60 per cent.	"Baa2(sf)"	"BBBsf"	15 December 2030	98.21%

Class of Notes	Principal Amount	Initial Stated Interest Rate at the Issue Date[(1)]	Alternate Stated Interest Rate[(2)]	Moody's ratings of at least[(3)]	Fitch ratings of at least[(3)]	Maturity Date[(4)]	Issue Price (per cent.)[(5)]
E	€26,900,000	3 month EURIBOR + 4.63 per cent.	6 month EURIBOR + 4.63 per cent.	"Ba2(sf)"	"BBsf"	15 December 2030	94.04%
F	€10,500,000	3 month EURIBOR + 6.22 per cent.	6 month EURIBOR + 6.22 per cent.	"B2(sf)"	"B-sf"	15 December 2030	91.55%
Subordinated[(6)]	€42,650,000	N/A	N/A	Not Rated	Not Rated	15 December 2030	91.80%

(1) Applicable at all times prior to the occurrence of a Frequency Switch Event. The rate of interest of the Rated Notes (other than the Class B-2 Notes) for the period from, and including, the Issue Date to, but excluding, the first Payment Date will be determined by reference to a straight line interpolation of 6-month EURIBOR and 9-month EURIBOR.

(2) Applicable at all times following the occurrence of a Frequency Switch Event, provided that in the case of the period from, and including, the final Payment Date before the Maturity Date to, but excluding the Maturity Date, if such first mentioned Payment Date falls in June 2030, the rate of interest on the Rated Notes (other than the Class B-2 Notes) will be determined by reference to 3-month EURIBOR.

(3) The ratings assigned to the Class X Notes, the Class A Notes, the Class B-1 Notes and the Class B-2 Notes address the timely payment of interest and ultimate payment of principal and the ratings assigned to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the ultimate payment of interest and principal. A security rating is not a recommendation to buy, sell or hold the Rated Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency.

(4) If such day is not a Business Day, then on the next succeeding Business Day.

(5) The Initial Purchaser may offer the Notes at prices as may be negotiated at the time of sale which may vary among different purchasers and which may be different to the issue price of the Notes.

(6) Pursuant to and in accordance with the conditions set out in Condition 17 (*Additional Issuances*), further Notes may be issued from time to time and the proceeds thereof applied for the purposes described herein.

(a) Eligible Purchasers: The Notes have not been registered under the Securities Act and will be offered only outside the United States to institutions that are non-U.S. Persons (as defined in Regulation S under the Securities Act) in "offshore transactions" in reliance on Regulation S and within the United States to persons and outside the United States to U.S. Persons, in each case, who are QIBs.

(b) The Notes sold pursuant to the initial syndication of this Offering may not be purchased by, and will not be sold to any person, and during the U.S. Risk Retention Period the Notes may not be transferred to any person, in each case, except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager. Any purchase or transfer of the Notes in breach of this requirement will result in the affected Notes becoming subject to forced transfer provisions.

Interest on the Notes:

Payment Dates:..... 15 March, 15 June, 15 September and 15 December prior to the occurrence of a Frequency Switch Event and 15 March and 15 September (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either March or September) or 15 June and 15 December (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either June or December) following the occurrence of a Frequency Switch Event, in each year commencing on 15 December 2018, up to and including the Maturity Date and any Redemption Date **provided that** if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day.

Consequences of Non-Payment of Interest: ..... Failure on the part of the Issuer to pay the Interest Amounts on the Class X Notes, the Class A Notes, the Class B-1 Notes or the Class B-2 Notes pursuant to Condition 6 (*Interest*) and the Priorities

of Payment by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not be a Note Event of Default unless and until such failure continues for a period of five Business Days, save as the result of any deduction therefrom or the imposition of withholding thereon as set out in Condition 9 (*Taxation*).

To the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes are not made on the relevant Payment Date in such circumstances, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, and thereafter will accrue interest on such unpaid amount at the rate of interest applicable to such Notes. See Condition 6(c) (*Deferral of Interest*).

Non-payment of Interest Amounts due and payable on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or, with respect to the Subordinated Notes, Interest Proceeds or Principal Proceeds will not constitute a Note Event of Default.

Redemption of the Notes:..... Principal payments on the Notes may be made in the following circumstances:

(a) on the Maturity Date (see Condition 7(a) (*Final Redemption*));

(b) in whole but not in part from Available Proceeds (including without limitation Refinancing Proceeds) on any Call Date at the option of the Subordinated Noteholders acting by Ordinary Resolution, subject to certain conditions (see Condition 7(b)(i) (*Redemption at Option of the Subordinated Noteholders*));

(c) in whole or in part by the redemption in whole of one or more Classes of Rated Notes from Refinancing Proceeds on any Call Date at the option of the Subordinated Noteholders acting by Ordinary Resolution, subject to certain conditions (see Condition 7(b)(ii) (*Optional Redemption by Refinancing*));

(d) in whole but not in part from Available Proceeds on any Payment Date upon the occurrence of a Collateral Tax Event at the option of the Subordinated Noteholders acting by Ordinary Resolution, subject to certain conditions (see Condition 7(b)(iii) (*Optional Redemption upon the occurrence of a Collateral Tax Event*));

(e) in the case of the Subordinated Notes, in whole but not in part on any Business Day occurring after the expiry of the Non-Call Period and on or after the Payment Date on which the redemption or repayment in full of the Rated Notes occurs, at the direction of the Subordinated Noteholders acting by way of Ordinary Resolution, subject to certain conditions (see Condition 7(b)(iv) (*Optional Redemption of Subordinated Notes*));

(f) on any Payment Date occurring on or after the Effective Date following a breach of a Coverage Test (to the extent such test is required to be satisfied on such date) (see Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*));

(g) in the event that, as at the second Business Day prior to the Payment Date following the Effective Date an Effective Date Rating Event has occurred and is continuing, on such Payment Date and each subsequent Payment Date (to the extent required), out of Interest Proceeds and thereafter out of Principal Proceeds, subject to the Priorities of Payment in each case until redeemed in full or, if earlier, until such Effective Date Rating Event is no longer continuing (see Condition 7(d) (*Redemption upon Effective Date Rating Event*));

(h) on each Payment Date following the expiry of the Reinvestment Period out of Principal Proceeds (save only for any Principal Proceeds which may at such time be re-invested in accordance with and subject to the terms of the Investment Management Agreement) (see Condition 7(e) (*Redemption following Expiry of the Reinvestment Period*).

(i) in whole but not in part on any Payment Date upon the occurrence of a Note Tax Event at the option of the Controlling Class or at the option of the Subordinated Noteholders, in each case, acting by Ordinary Resolution, subject to certain conditions (see Condition 7(f) (*Redemption following Note Tax Event*));

(j) on any Payment Date during the Reinvestment Period at the discretion of the Investment Manager (acting on behalf of the Issuer), following written certification by the Investment Manager to the Trustee (on which the Trustee may rely without further enquiry or liability) that, using commercially reasonable endeavours, it has been unable, for a period of at least 20 consecutive Business Days, to identify Substitute Portfolio Assets that are deemed appropriate by the Investment Manager in its sole discretion in sufficient amounts to permit the investment of all or a portion of the funds then available for reinvestment (see Condition 7(g) (*Special Redemption*));

(k) on any Payment Date in accordance with the Priorities of Payment (see Condition 7(i) (*Redemption from Principal Proceeds*);

(l) if on any Payment Date occurring after the Effective Date and during the Reinvestment Period, after giving effect to the payment of all amounts payable pursuant to the relevant paragraphs of the Interest Priority of payment, the Reinvestment Test is not satisfied, at the discretion of the Investment Manager (acting on behalf of the Issuer) from Interest Proceeds in an amount equal to the Required Diversion Amount to the extent required to satisfy the Reinvestment Test (see Condition 7(h) (*Redemption on Breach of Reinvestment Test*)

(m) at any time following a Note Event of Default, which has occurred and is continuing and has not been cured, and delivery of an Acceleration Notice (see Condition 10 (*Events of Default*)); and

(n) the Class X Notes shall be subject to mandatory redemption in part on each of the first eight Payment Dates immediately following the Issue Date, in each case in an amount equal to the Class X Principal Amortisation Amount (see Condition 7(n) (*Mandatory Redemption of Class X Notes*).

Non-Call Period:	The period from and including the Issue Date up to, but excluding, 15 June 2020, or if such day is not a Business Day, then the next succeeding Business Day.
Redemption Prices*:*	The Redemption Price of each Class of Rated Notes will be (a) 100 per cent. of the Principal Amount Outstanding of the Rated Notes to be redeemed (including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any accrued and unpaid Deferred Interest on such Notes) *plus* (b) accrued and unpaid interest thereon to the date of redemption. The Redemption Price for each Subordinated Note will be its *pro rata* share of the amounts available to be distributed to the Subordinated Noteholders in accordance with the applicable Priorities of Payment.
Priorities of Payment:	Prior to (a) the Maturity Date, (b) such other date on which all Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) the delivery date of an Acceleration Notice (and, if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), from and including the date on which such Acceleration Notice is rescinded or annulled until any of the events described in (a), (b) or (c) above subsequently occurs), in the case of Interest Proceeds, the Interest Priority of Payments and, in the case of Principal Proceeds, the Principal Priority of Payments. On (a) the Maturity Date, (b) such other date on which the Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) following the delivery date of an Acceleration Notice (**provided that** if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), only up to the date on which such Acceleration Notice is rescinded or annulled), the Acceleration Priority of Payments. Upon any redemption in part of the Notes in accordance with Condition 7(b)(ii) (*Optional Redemption by Refinancing*), Refinancing Proceeds and Partial Redemption Interest Proceeds will be applied in accordance with the Partial Redemption Priority of Payments. See Condition 3(k) (*Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date*).
Interest Priority of Payments:	See Condition 3(c)(i) (*Interest Priority of Payments*).
Principal Priority of Payments:	See Condition 3(c)(ii) (*Principal Priority of Payments*).
Collateral Enhancement Obligation Priority of Payments:	See Condition 3(c)(iii) (*Collateral Enhancement Obligation Priority of Payments*).
Acceleration Priority of Payments:	See Condition 10(c) (*Acceleration Priority of Payments*).
Security for the Notes:	The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over the Portfolio. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Irish Account and the Administration Agreement. See Condition 4 (*Security*).

Portfolio

Investment Manager:	Pursuant to the Investment Management Agreement, the Investment Manager is required to act on behalf of the Issuer to carry out the duties and functions described therein. Pursuant to the Investment Management Agreement, the Issuer delegates authority to the Investment Manager to carry out certain administrative and monitoring functions in relation to the Portfolio and the hedging arrangements without the requirement for specific approval by the Issuer or the Trustee. See "Description of the Investment Management Agreement" and "Description of the Portfolio".
Investment Manager Advances:	The Investment Manager or its Affiliate or designee, at its discretion, may make loan advances in Euro to the Issuer during the Reinvestment Period in accordance with and subject to the terms of the Investment Management Agreement, the Conditions and the Trust Deed. Any such advance may only be made for the purpose of (i) designating as Interest Proceeds or Principal Proceeds, to be applied in accordance with the applicable Priorities of Payment, or (ii) acquiring or exercising rights under one or more Collateral Enhancement Obligations. Each Investment Manager Advance will be in a minimum amount of €1,000,000 and will bear interest at a rate equal to EURIBOR *plus* a margin of 2.0 per cent. per annum. The aggregate amount outstanding of all Investment Manager Advances shall not, at any time, exceed €3,000,000. Repayment by the Issuer of any Investment Manager Advance will only be made subject to and in accordance with the Priorities of Payment. See "*Description of the Portfolio – Investment Manager Advances*".

Investment Management Fees:

Senior Investment Management Fee:	The fee payable to the Investment Manager (exclusive of VAT) in arrear on each relevant Payment Date in respect of the immediately preceding Due Period in an amount equal to 0.15 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as of the beginning of the Due Period relating to the applicable Payment Date. See "*Description of the Investment Management Agreement – Compensation of the Investment Manager*".
Subordinated Investment Management Fee:	The fee payable to the Investment Manager (exclusive of VAT) in arrear on each relevant Payment Date in respect of the immediately preceding Due Period in an amount equal to 0.35 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as of the beginning of the Due Period relating to the applicable Payment Date. See "*Description of the Investment Management Agreement – Compensation of the Investment Manager*".
Incentive Investment Management Fee:	The fee payable to the Investment Manager (exclusive of VAT) in arrear on each relevant Payment Date in an amount equal to 20 per cent. of any Interest Proceeds or Principal Proceeds that would otherwise have been payable to the Subordinated Noteholders, **provided that** such amount will only be payable to the Investment

Manager if the Incentive Investment Management Fee IRR Threshold has been reached. See "*Description of the Investment Management Agreement – Compensation of the Investment Manager*".

Hedging Arrangements

Hedging Arrangements: ..... Subject to satisfaction of the Hedging Condition, the Issuer, or the Investment Manager on its behalf, may enter into: (a) Interest Rate Hedge Transactions, for the purpose of hedging any interest rate mismatch between the Rated Notes and the Portfolio Assets; and (b) Asset Swap Transactions, for the purpose of exchanging payments of principal, interest and other amounts denominated in a currency other than Euro for amounts denominated in Euro at the Asset Swap Transaction Exchange Rate, in each case subject to receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and *provided that* the Hedge Counterparty satisfies the applicable Rating Requirement (taking into account any guarantor thereof). See "*Hedging Arrangements*".

Non-Euro Obligations and Asset Swap Transactions:..... Subject to the Eligibility Criteria, the Issuer or the Investment Manager on its behalf may purchase Portfolio Assets that are denominated in a currency other than Euro (each, a "**Non-Euro Obligation**") provided that, subject to the satisfaction of the Hedging Condition, an Asset Swap Transaction is entered into in respect of each such Non-Euro Obligation with one or more Asset Swap Counterparties satisfying the applicable Rating Requirement under which the currency risk is reduced or eliminated, no later than the settlement date of the acquisition of the relevant Portfolio Asset.

Under each Asset Swap Transaction, the currency risk arising from the receipt of certain cash flows from the relevant Non-Euro Obligation, including interest and principal payments thereon, are hedged. The Asset Swap Transaction shall terminate on the maturity date of the Non-Euro Obligation and in the other circumstances specified therein. See "*Description of the Portfolio – – Non-Euro Obligations" and "Hedging Arrangements*".

Purchase and Sale of Portfolio Assets:

Issue Date:..... The Issuer has purchased a portfolio of assets prior to the Issue Date pursuant to the Warehouse Arrangements.

Ramp-up Period ..... During the Ramp-up Period the Investment Manager, on behalf of the Issuer, intends to purchase or commit to purchase Portfolio Assets, subject to the Eligibility Criteria and certain other restrictions, such that the Aggregate Principal Balance of such Portfolio Assets purchased or committed to be purchased by the Issuer, is at least equal to the Target Par Amount. Notice of the occurrence of the Effective Date will be given to Noteholders in accordance with Condition 16 (*Notices*).

Target Par Amount..... €400,000,000.

Sale of Portfolio Assets..... Subject to the limits described in the Investment Management Agreement, the Investment Manager, on behalf of the Issuer, may dispose of certain Portfolio Assets. See "*Description of the Portfolio –Management of the Portfolio*".

Reinvestment in Portfolio Assets ..... Subject to the limits described in the Priorities of Payment and Principal Proceeds available from time to time, the Investment

	Manager shall, on behalf of the Issuer, use reasonable endeavours to purchase Substitute Portfolio Assets meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period. Following expiry of the Reinvestment Period, only either (i) Sale Proceeds from the sale of Credit Impaired Obligations, Credit Improved Obligations and Unscheduled Principal Proceeds received after the expiry of the Reinvestment Period, or (ii) only with respect to the Due Period corresponding to the first Payment Date following the end of the Reinvestment Period, any Scheduled Principal Proceeds or Sale Proceeds received from Discretionary Sales committed to prior to the end of the Reinvestment Period (which, in each case, have not previously been reinvested or distributed) may be reinvested by the Issuer or the Investment Manager, on behalf of the Issuer, in Substitute Portfolio Assets meeting the Eligibility Criteria and in compliance with the Reinvestment Criteria. See "*The Portfolio - Sale of Portfolio Assets*".
Eligibility Criteria	In order to qualify as a Portfolio Asset, an obligation must satisfy the Eligibility Criteria as at the time of the Investment Manager entering into a binding commitment to acquire an obligation by, or on behalf of, the Issuer.. See "*Description of the Portfolio – Eligibility Criteria*".
Restructured Obligations:.....	In order for a Portfolio Asset which is the subject of a restructuring to qualify as a Restructured Obligation, such Portfolio Asset must satisfy the Restructured Obligation Criteria as at the applicable Restructuring Date. See "*Description of the Portfolio – Restructured Obligation Criteria*".
Reinvestment Period:	The period from and including the Issue Date up to and including the earliest of: (a) the end of the Due Period preceding the Payment Date falling in 15 June 2022 or, if such day is not a Business Day, then the next succeeding Business Day; (b) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*)); and (c) the date on which the Investment Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Portfolio Assets in accordance with the Reinvestment Criteria.
Contribution Amounts.....	At any time during the Reinvestment Period, any holder of a beneficial interest in Subordinated Notes may notify the Issuer, the Trustee and the Investment Manager that it proposes to make a contribution of cash to the Issuer (each, a "**Contribution Amount**"). The Investment Manager (on behalf of the Issuer), in consultation with such holder (but in the Investment Manager's sole discretion), will determine whether to accept any proposed Contribution Amount and the Investment Manager will provide written notice of such determination to the applicable Contributing Noteholder. If a Contribution Amount is accepted it will be received into the Contribution Account and applied by the Investment Manager on behalf of the Issuer to a Permitted Use as directed by the Contributing Noteholder at the time such Contribution Amount is made by it (or, if no such direction is given, at the Investment Manager's sole discretion). Contribution Amounts paid to the Issuer shall not earn interest and shall not increase the principal balance of the Subordinated Notes or the beneficial interest therein of the applicable Contributing Noteholder. No Contribution Amount or

part thereof will be repaid to the Contributing Noteholder at any time otherwise than by operation of the Priorities of Payment. The acceptance of Contribution Amounts by the Investment Manager, on behalf of the Issuer, shall be subject to the conditions that: (i) on each occasion, to do so would not cause a Retention Deficiency; (ii) no more than three Contribution Amounts in aggregate shall be accepted by the Investment Manager on behalf of the Issuer; and (iii) on each occasion, each Contribution Amount shall be in a minimum of €1,000,000.

Collateral Quality Tests:..... The Collateral Quality Tests that the Portfolio is required to satisfy as at the Effective Date and (but only to the extent described herein) thereafter will comprise the following:

(a) so long as any Notes rated by Moody's are Outstanding:

(i) the Moody's Minimum Diversity Test;

(ii) the Moody's Maximum Weighted Average Rating Factor Test; and

(iii) the Moody's Minimum Weighted Average Recovery Rate Test;

(b) so long as any Notes rated by Fitch are Outstanding:

(i) the Fitch Maximum Weighted Average Rating Factor Test; and

(ii) the Fitch Minimum Weighted Average Recovery Rate Test;

(c) so long as any Rated Notes are Outstanding:

(i) the Minimum Weighted Average Spread Test;

(ii) the Weighted Average Life Test.

Each of the Collateral Quality Tests is defined in the Investment Management Agreement and described in "Description of the Portfolio - Portfolio Profile Tests, Collateral Quality Tests and Reinvestment Test – Collateral Quality Tests".

Portfolio Profile Tests: ..... In summary, the Portfolio Profile Tests will consist of each of the following (the percentage requirements applicable to different types of Portfolio Assets specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Collateral Balance (excluding Defaulted Obligations)).

	Minimum	**Maximum**
Senior Secured Loans and Senior Secured Bonds in aggregate (the Balances standing to the credit of the Principal Account and the Unused Proceeds Account shall be treated as Senior Secured Loans and Senior Secured Bonds)	90.0 per cent.	N/A
Senior Secured Loans	70.0 per cent.	N/A
Unsecured Loans, Second-Lien Loans, High Yield Bonds, and/or Mezzanine Obligations	N/A	10.0 per cent.

Portfolio Assets of a single Obligor	N/A	2.5 per cent., *provided that* up to three Obligors may, regardless of the rating of such Obligors, each represent up to 3.0 per cent.
Senior Secured Loans and Senior Secured Bonds of a single Obligor	N/A	2.5 per cent., provided that not more than three Obligors may each represent up to 3.0 per cent.
Unsecured Loans, Second-Lien Loans, High Yield Bonds, and Mezzanine Obligations of a single Obligor	N/A	1.5 per cent.
Portfolio Assets of the ten largest Obligors	N/A	20.0 per cent.
Non-Euro Obligations	N/A	20.0 per cent.
Participations	N/A	5.0 per cent.
Discount Obligations	N/A	10.0 per cent.
Current Pay Obligations	N/A	2.5 per cent.
Annual Pay Obligations	N/A	0 per cent.
Unfunded Amounts and Funded Amounts under Revolving Obligations, and Delayed Drawdown Obligations	N/A	5.0 per cent.
Fitch CCC Obligations	N/A	7.5 per cent.
Moody's Caa Obligations	N/A	7.5 per cent.
Corporate Rescue Loans	N/A	2.0 per cent.
Fixed Rate Portfolio Assets	N/A	10.0 per cent.
Obligations comprising any one Fitch Industry Category	N/A	10.0 per cent., with the largest at 17.0 per cent., the second largest at 13.0 per cent. and the three largest at 40.0 per cent.
Obligations comprising any one Moody's Industry Category	N/A	10.0 per cent., with the largest at 17.0 per cent., the second largest at 13.0 per cent. and the three largest at 40.0 per cent.
Moody's Rating is derived from S&P Rating	N/A	10.0 per cent.
Obligors who are Domiciled in countries or jurisdictions with a country ceiling below "AAA" by Fitch	N/A	10.0 per cent.

Obligors who are Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling of less than or equal to "A1" and greater than or equal to "A3"	N/A	10.0 per cent.
Obligors who are Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling of less than or equal to "Baa1" and greater than or equal to "Baa3"	N/A	0.0 per cent.
Cov-Lite Loans	N/A	30.0 per cent.
Obligations of Obligors with total original indebtedness of an amount equal to or greater than EUR 150,000,000 and less than EUR 250,000,000	N/A	5.0 per cent.
PIK Securities	N/A	0 per cent.
Investment Manager Portfolio Company	N/A	10.0 per cent.
Bivariate Risk Table	N/A	See limits set out in "*Description of the Portfolio – Bivariate Risk Table*"

Coverage Tests: ..... The Coverage Tests shall be satisfied on (a) in the case of the Par Value Tests, each Measurement Date commencing from the Effective Date and (b) in the case of the Interest Coverage Tests, the Determination Date preceding each Payment Date occurring on or after the second Payment Date, if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Class	Required Par Value Ratio (per cent.)
A/B	130.61
C	120.69
D	114.67
E	106.26
F	103.63

Class	Required Interest Coverage Ratio (per cent.)
A/B	120.0
C	110.0
D	105.0
E	101.0

Reinvestment Test ..... If the Reinvestment Test is not satisfied on the Determination Date in respect of any Payment Date from (and including) the Effective Date to (and including) the end of the Reinvestment Period, then, on such Payment Date, Interest Proceeds in an amount equal to the lesser of (1) 50 per cent. of the remaining Interest Proceeds available for payment at paragraph (Y) of the Interest Priority of Payments and (2) the amount required to cause the Reinvestment Test (as calculated by the Collateral Administrator) to be satisfied if recalculated following such payment, are required to be applied, at the discretion of the Investment Manager, acting on behalf of the Issuer either (x) in payment into the Principal Account for use in the purchase of additional Portfolio Assets and/or (y) to redeem the

	Notes, in whole or in part, in accordance with the Priorities of Payments, in each case to the extent necessary to cause the Reinvestment Test to be satisfied if recalculated immediately following such payment or redemption. The Reinvestment Test will be met on any date of determination if the Class F Par Value Ratio is greater than or equal to 104.13 per cent.
Calculation of Portfolio Profile Tests, Collateral Quality Tests and Coverage Tests	With respect to the calculation of the Portfolio Profile Tests, Collateral Quality Tests and Coverage Tests, (a) obligations which are to constitute Portfolio Assets and/or Substitute Portfolio Assets in respect of which a binding commitment has been made to purchase such obligations and/or Substitute Portfolio Assets but such purchase has not been settled shall nonetheless be deemed to have been purchased; (b) Portfolio Assets and/or Substitute Portfolio Assets in respect of which a binding commitment has been made to sell such Portfolio Asset and/or Substitute Portfolio Assets but such sale has not yet settled shall nonetheless be deemed to have been sold and, in either case, without double counting any such Portfolio Assets and/or Substitute Portfolio Assets and any cash payments to be made, or as the case may be, received.
The Offering	
Authorised Denominations:.....	The Regulation S Notes of each Class will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Rule 144A Notes of each Class will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof.
Form, Registration and Transfer of the Notes:.....	The Regulation S Notes of each Class sold outside the United States to institutions that are non-U.S. Persons in reliance on Regulation S may be represented on issue by beneficial interests in one or more Regulation S Global Certificates or may in some cases be represented by Regulation S Definitive Certificates, in each case, in fully registered form, without interest coupons or principal receipts, which Regulation S Global Certificates will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary acting on behalf of Euroclear and Clearstream, Luxembourg and which Regulation S Definitive Certificates will be registered in the name of the registered holder thereof. Beneficial interests in a Regulation S Global Certificate may at any time be held only through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*". Interests in any Regulation S Note may not at any time be held by any U.S. Person or U.S. Resident. The Rule 144A Notes of each Class sold in reliance on Rule 144A within the United States to persons and outside the United States to U.S. Persons, in each case, who are QIBs may be represented on issue by beneficial interests in one or more Rule 144A Global Certificates or may in some cases be represented by Rule 144A Definitive Certificates, in each case, in fully registered form, without interest coupons or principal receipts, which Rule 144A Global Certificates will be deposited on or about the Issue Date with a custodian for, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg

and which Rule 144A Definitive Certificates will be registered in the name of the registered holder thereof. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg .

The Rule 144A Global Certificates will bear a legend and such Rule 144A Global Certificates, or any interest therein, may not be transferred except in compliance with the transfer restrictions set out in such legend. See "*Transfer Restrictions*".

No beneficial interest in a Rule 144A Global Certificate may be transferred to a person who takes delivery thereof through a Regulation S Global Certificate unless the transferor provides the Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each purchaser thereof shall be deemed to represent that such purchaser is a QIB. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*".

A purchaser or transferee of a Class E Note, a Class F Note or a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Class E Note, Class F Note or Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee: (i) obtains the written consent of the Issuer; and (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex C (*Form of ERISA* Certificate)).

Except in the limited circumstances described herein, Notes in definitive, certificated, fully registered form ("**Definitive Certificates**") will not be issued in exchange for beneficial interests in either the Regulation S Global Certificates or the Rule 144A Global Certificates. See "*Form of the Notes – Exchange for Definitive Certificates*".

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set out in the Trust Deed. See "*Form of the Notes*", "*Book Entry Clearance Procedures*" and "*Transfer Restrictions*". Each purchaser of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See "*Transfer Restrictions*".

IM Removal and Replacement Voting Notes, IM Removal and Replacement Non-Exchangeable Non-Voting Notes and IM Removal and Replacement Exchangeable Non-Voting Notes..... Each of the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes may be in the form of IM Removal and Replacement Voting Notes, IM Removal and

Replacement Exchangeable Non-Voting Notes or IM Removal and Replacement Non-Exchangeable Non-Voting Notes.

IM Removal and Replacement Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on any IM Replacement Resolutions and/or any IM Removal Resolutions. IM Removal and Replacement Non-Exchangeable Non-Voting Notes and IM Removal and Replacement Exchangeable Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on any IM Removal Resolutions or any IM Replacement Resolutions but shall carry a right to vote on and be counted in respect of all other matters in respect of which the IM Removal and Replacement Voting Notes have a right to vote and be counted.

IM Removal and Replacement Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into IM Removal and Replacement Exchangeable Non-Voting Notes or IM Removal and Replacement Non-Exchangeable Non-Voting Notes. IM Removal and Replacement Exchangeable Non-Voting Notes shall be exchangeable for (a) upon request by the relevant Noteholder, IM Removal and Replacement Non-Exchangeable Non-Voting Notes at any time; or (b) only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor and upon request of the relevant transferee or transferor, IM Removal and Replacement Voting Notes. IM Removal and Replacement Non-Exchangeable Non-Voting Notes shall not be exchangeable at any time into IM Removal and Replacement Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes.

Governing Law: ..... The Notes, the Trust Deed, the Investment Management Agreement, the Collateral Administration and Agency Agreement and all other Transaction Documents (save for the Administration Agreement which will be governed by the laws of Ireland) will be governed by English law.

Listing: ..... Application will be made to Euronext Dublin for the Notes to be admitted to the official list (the "**Official List**") and trading on the Global Exchange Market of Euronext Dublin (the "**Global Exchange Market**"). It is anticipated that listing and admission to trading will take place on or about the Issue Date. There can be no assurance that such listing and admission to trading will be granted or maintained. Upon approval by and filing with Euronext Dublin, this document will constitute a "listing particulars" for the purposes of such application. The final copy of the "listing particulars" will be available from the website of Euronext Dublin. See "*General Information*".

Certain ERISA Considerations:..... See "*Certain Employee Benefit Plan Considerations*".

Tax Status:..... See "*Certain Tax Considerations*".

Withholding Tax: ..... No gross up of any payments to the Noteholders in respect of amounts deducted or withheld for or on account of tax is required of the Issuer. See Condition 9 (*Taxation*).

EU Retention Requirements:..... The Retention Notes will be purchased by the Retention Holder on the Issue Date and, pursuant to and in accordance with the Retention Undertaking Letter, the Retention Holder will undertake

	to retain the Retention Notes in order to comply with the EU Retention Requirements. See "*Description of the Originator and the Retention Requirements*".
U.S. Risk Retention Requirements:	The Investment Manager does not intend to retain a risk retention interest contemplated by the U.S. Risk Retention Rules in connection with the transaction described in this Offering Circular or the Notes. Accordingly, the transaction described in this Offering Circular and the Notes have been structured in reliance on the Foreign Safe Harbour. See "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules*" and "*Description of the Originator and the Retention Requirements*".
Additional Issuances:	Subject to certain conditions being met, further Notes may be issued and sold. See Condition 17 (*Additional Issuances*).

RISK FACTORS

An investment in the Notes of any Class involves certain risks, including risks relating to the Portfolio Assets securing such Notes and risks relating to the structure and rights of such Notes and the related arrangements. There can be no assurance that the Issuer will not incur losses on the Portfolio Assets or that investors will receive a return on their investments. Prospective investors should carefully consider the following risk factors, in addition to the matters set forth elsewhere in this Offering Circular, prior to investing in any Notes. Terms not defined in this section and not otherwise defined above have the meanings set out in Condition 1 (Definitions) of the "Terms and Conditions of the Notes".

1. GENERAL

1.1 General

It is intended that the Issuer will invest in Portfolio Assets (and other financial assets) with certain risk characteristics as described below and subject to the investment policies, restrictions and guidelines described in "*Description of the Portfolio*". There can be no assurance that the Issuer's investments will be successful, that its investment objectives will be achieved, that the Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are therefore advised to review this entire Offering Circular carefully and should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Class of Notes in the Priorities of Payment. See Condition 3(c) (*Priorities of Payment*). In particular, (i) payments in respect of the Class X Notes and the Class A Notes are generally higher in the Priorities of Payment than those of the other classes of Notes; (ii) payments in respect of the Class B-1 Notes and the Class B-2 Notes are generally higher in the Priorities of Payment than those of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; (iii) payments in respect of the Class C Notes are generally higher in the Priorities of Payment than those of the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; (iv) payments in respect of the Class D Notes are generally higher in the Priorities of Payment than those of the Class E Notes, the Class F Notes and the Subordinated Notes; (v) payments in respect of the Class E Notes are generally higher in the Priorities of Payment than those of the Class F Notes and the Subordinated Notes; and (vi) payments in respect of the Class F Notes are generally higher in the Priorities of Payment than those of the Subordinated Notes. None of the Initial Purchaser, the Arranger, the Originator, the Collateral Administrator, the Agents nor the Trustee undertakes to review the financial condition or affairs of the Issuer or the Investment Manager during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Initial Purchaser, the Arranger, the Originator, the Collateral Administrator, the Agents or the Trustee which is not included in this Offering Circular or the Reports, as the case may be.

1.2 Suitability

Prospective purchasers of the Notes of any Class should ensure that they understand the nature of such Notes and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, regulatory, accounting and financial evaluation of the merits and risks of investment in such Notes and that they consider the suitability of such Notes as an investment in light of their own circumstances and financial condition and that of any accounts for which they are acting.

1.3 Limited Resources of Funds to Pay Expenses of the Issuer

The funds available to the Issuer to pay its expenses on any Payment Date are limited as provided in the Priorities of Payment. In the event that such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and it may not be able to defend or prosecute legal proceedings brought against it or which it might otherwise bring to protect its interests or be able to pay the expenses of legal proceedings against persons it has indemnified.

1.4 Business and Regulatory Risks for Vehicles with Investment Strategies such as the Issuer's

Legal, tax and regulatory changes could occur over the course of the life of the Notes that may adversely affect the Issuer. The regulatory environment for vehicles of the nature of the Issuer is evolving, and changes in regulation may adversely affect the value of investments held by the Issuer and the ability of the Issuer to obtain

the leverage it might otherwise obtain or to pursue its investment and trading strategies. In addition, the securities and derivatives markets are subject to comprehensive statutory, regulatory and margin requirements. Certain regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of transactions of a type similar to this transaction and derivative transactions and vehicles that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Issuer could be substantial and adverse.

1.5 Events in the CLO and Leveraged Finance Markets

Over the past several years, European financial markets have experienced volatility and have been adversely affected by concerns over economic contraction in certain EU member states (the "**Member States**"), rising government debt levels, credit rating downgrades and risk of default or restructuring of government debt. These events could cause bond yields and credit spreads to increase.

Many European economies continue to suffer from high rates of unemployment. This economic climate may have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt.

As discussed further in "*European Union and Euro Zone Risk*" below, it is possible that countries that have adopted the Euro could return to a national currency. The effect on a national economy as a result of it leaving the Euro is impossible to predict, but is likely to be negative. The exit of one or more countries from the Euro zone could have a destabilising effect on all European economies and possibly the global economy as well.

Significant risks for the Issuer and investors exist as a result of current economic conditions. These risks include, among others, (i) the likelihood that the Issuer will find it more difficult to sell any of its assets or to purchase new assets in the secondary market, (ii) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price and (iii) the illiquidity of the Notes. These additional risks may affect the returns on the Notes to investors and/or the ability of investors to realise their investment in the Notes prior to their Maturity Date, if at all. In addition, the primary market for a number of financial products including leveraged loans has not fully recovered from the effects of the global credit crisis. As well as reducing opportunities for the Issuer to purchase assets in the primary market, this is likely to increase the refinancing risk in respect of maturing assets. Although there have recently been signs that the primary market for certain financial products is recovering, particularly in the United States of America, the impact of the economic crisis on the primary market may adversely affect the flexibility of the Investment Manager to invest and, ultimately, reduce the returns on the Notes to investors.

Difficult macro-economic conditions may adversely affect the rating, performance and the realisation value of the Collateral. Default rates on loans and other investments may continue to fluctuate and accordingly the performance of many collateralised loan obligation ("**CLO**") transactions and other types of investment vehicles may suffer as a result. It is also possible that the Collateral will experience higher default rates than anticipated and that performance will suffer.

The ability of the Issuer to make payments on the Notes can depend on the general economic climate and the state of the global economy. The business, financial condition or results of operations of the Obligors of the Portfolio Assets may be adversely affected by a deterioration of economic and business conditions. To the extent that economic and business conditions deteriorate or fail to improve, non-performing assets are likely to increase, and the value and collectability of the Portfolio Assets are likely to decrease. A decrease in market value of the Portfolio Assets would also adversely affect the Sale Proceeds that could be obtained upon the sale of the Portfolio Assets and could ultimately affect the ability of the Issuer to pay in full or redeem the Rated Notes, as well as the ability to make any distributions in respect of the Subordinated Notes.

Many financial institutions, including banks, continue to suffer from capitalisation issues in a regulatory environment which may increase the capital requirement for certain businesses. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Issuer, particularly if such financial institution is a grantor of a participation in an asset or is a hedge counterparty to a swap or hedge involving the Issuer, or a counterparty to a buy or sell trade that has not settled with respect to an asset. The bankruptcy or insolvency of another financial institution may result in the disruption of payments to the Issuer. In addition, the bankruptcy or insolvency of one or more additional financial institutions may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer, the Collateral and the Notes.

The global credit crisis and its consequences together with the perceived failure of the preceding financial regulatory regime, continue to drive legislation and regulators towards a restrictive regulatory environment, including the implementation of further regulation which affects financial institutions, markets, instruments and the bond market. Such additional rules and regulations could, among other things, adversely affect Noteholders as well as the flexibility of the Investment Manager in managing and administering the Collateral. Increasing capital requirements and changing regulations may also result in some financial institutions exiting, curtailing or otherwise adjusting some trading, hedging or investment activities which may have effects on the liquidity of investments such as the Notes as well as the Collateral.

While it is possible that current conditions may improve for certain sectors of the global economy, there can be no assurance that the CLO, leveraged finance or structured finance markets will recover from an economic downturn at the same time or to the same degree as such other recovering sectors.

1.6 Illiquidity in the collateralised debt obligation, leveraged finance and fixed income markets may affect the Noteholders

In previous years, events in the collateralised debt obligation (including CLO), leveraged finance and fixed income markets have resulted in substantial fluctuations in prices for leveraged loans and high-yield debt securities and limited liquidity for such instruments. No assurance can be made that conditions giving rise to similar price fluctuations and limited liquidity may not emerge following the Issue Date. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of Portfolio Assets at a price and time that the Issuer deems advantageous may be severely impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and the Issuer's inability to dispose fully and promptly of positions in declining markets may exacerbate losses suffered by the Issuer when Portfolio Assets are sold. Furthermore, significant additional risks for the Issuer and investors in the Notes may exist. Such risks include, among others, (i) the possibility that, after the Issue Date, the prices at which Portfolio Assets can be sold by the Issuer may deteriorate from their purchase price, (ii) the possibility that opportunities for the Issuer to sell its Portfolio Assets in the secondary market, including Credit Impaired Obligations, and Defaulted Obligations, may be impaired, and (iii) increased illiquidity of the Notes because of reduced secondary trading in CLO securities. These additional risks may affect the returns on the Notes to investors or otherwise adversely affect Noteholders.

In addition, the primary market for a number of financial products, including leveraged loans, has been affected by such limited liquidity, which may reduce opportunities for the Issuer to purchase new issuances of Portfolio Assets. Further, the ability of private equity sponsors and leveraged loan arrangers to effectuate new leveraged buy-outs and the ability of the Issuer to purchase such Portfolio Assets may be significantly limited. In Europe, primary leveraged loan activity has been limited and as such the ability of the Issuer to find suitable obligations to invest in may be limited. The impact of the lack of liquidity on the global credit markets may adversely affect the management flexibility of the Investment Manager in relation to the Portfolio and, ultimately, the returns on the Notes to investors.

1.7 European Union and Euro Zone Risk

Investors should carefully consider how changes to the Euro zone may affect their investment in the Notes. Since the global financial crisis, the deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has continued to pose risks. This situation has also raised uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro zone.

As a confidence building measure, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Euro zone countries in financial difficulties that seek such support. Subsequently, the European Council agreed that Euro zone countries would establish a permanent stability mechanism, the European Stability Mechanism (the "**ESM**"), to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries which has been active since July 2013.

Despite these measures, concerns persist regarding the growing risk that other Euro zone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, Spain and Portugal, together with the risk that some countries could leave the Euro zone (either voluntarily or involuntarily including as a result of an electoral decision to leave the European Union), and that

the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the Collateral.

Furthermore, concerns that the Euro zone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Euro zone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Euro zone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Collateral (including the risks of currency losses arising out of redenomination and related haircuts on any affected assets), the Issuer and the Notes. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes.

1.8 Political uncertainty in Spain

There is currently significant political uncertainty in Spain following the referendum on Catalan secession from Spain held in October 2017. The referendum was promoted by the Catalan regional government and held despite being suspended by Spain's constitutional court. The Catalan regional government announced a result in favour of independence and on 27 October 2017 the Catalan regional parliament passed a resolution of independence from Spain. In response to these developments, the Spanish government has used emergency powers under the Spanish constitution, including to dismiss the Catalan regional government, to dissolve the Catalan regional parliament, to impose direct rule on the Catalan region and to require regional elections which were held in December 2017, pursuant to which a President has yet to be elected. While the effects of these developments are difficult to predict, they could have an adverse effect on the Spanish economy, increase social unrest and uncertainty in Spain and reduce the ability of Obligors which derive all or part of their revenues from Spain to meet their payment obligations under Portfolio Assets.

1.9 Referendum on the UK's EU Membership

On 23 June 2016, the UK held an advisory referendum with respect to its continued membership of the EU (the "**Referendum**"). The result of the Referendum was a vote in favour of leaving the EU. Whilst the result of the Referendum itself is clear, the next steps of the UK executive and UK Parliament and the reaction of the other Member States to these steps is not. In particular, the format of the negotiation, negotiation positions of the participants and timeframe are uncertain, with any limited public statements subject to change.

Article 50 of the Treaty on European Union ("**Article 50**") provides that a Member State which decides to withdraw from the EU is required to notify the European Council of its intention to do so.

The UK government gave notice of the UK's intention to withdraw from the EU pursuant to Article 50 on 29 March 2017, which has triggered the commencement of a negotiation process between the UK and the EU in respect of the arrangements for the UK's withdrawal from the EU. Article 50 provides for a two year period for such negotiations to take place.

As a result of the Referendum and related matters, there are a number of uncertainties in connection with the future of the UK and its relationship with the EU. Until the terms of the UK's exit from the EU are clearer, it is not possible to determine the impact that the Referendum, the UK's departure from the EU and/or any related matters may have on the business of the Issuer (including the performance of the Portfolio), the Investment Manager (including its ability to manage the Portfolio), one or more of the other parties to the Transaction Documents or any Obligor, or on the regulatory position of any such entity or of the transactions contemplated by the Transaction Documents under EU regulation or more generally. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

Applicability of EU law in the UK

It is at present unclear what type of relationship between the UK and the EU will be established, or at what date (whether by the time when, or after, the UK ceases to be a member of the EU), or what would be the content of such a relationship. It is possible that a new relationship would preserve the applicability of certain EU rules (or equivalent rules) in the UK, and the UK government has indicated that it intends to bring existing EU law into UK law on the date of the UK's exit from the EU in general, subject to certain powers to deal with deficiencies

in such retained EU law. The legislation proposed by the UK government to achieve its intentions in this regard, referred to as the European Union (Withdrawal) Bill, remains subject to political negotiation.

Given the current uncertainty, prospective investors should note that substantial amendments to English law may occur in connection with the UK's exit from the EU. Consequently, English law may change and it is impossible at this time to predict the consequences on the Portfolio or the Issuer's business, financial condition, results of operations or prospects. Such changes could be materially detrimental to Noteholders.

Regulatory Risk

Currently, under the EU single market directives, mutual access rights to markets and market infrastructure exist across the EU and the mutual recognition of insolvency, bank recovery and resolution regimes applies. In addition, under MiFID II, regulated entities licensed or authorised in one EEA jurisdiction may operate on a cross-border basis in other EEA countries in reliance on passporting rights and without the need for a separate licence or authorisation. There is uncertainty as to whether, following a UK exit from the EU or the EEA (whatever the form thereof), a passporting regime (or similar regime in its effect) will apply (for an implementation period or at all). Depending on the terms of the UK's exit, any implementation period and any replacement relationship, it is likely that UK regulated entities may, on the UK's withdrawal from the EU, lose the right to passport their services to EEA countries, and EEA entities may lose the right to reciprocal passporting into the UK. Also, UK entities may no longer have access rights to market infrastructure across the EU and the recognition of insolvency, bank recovery and resolution regimes across the EU may no longer be mutual.

It should also be noted that MiFID II and corresponding Regulation 600/2014/EU provide for (among other things) the ability for non-EU investment firms to provide Investment Management services in the EU on a cross-border basis. However, in order to qualify to provide Investment Management services in the EU on a cross-border basis, non-EU investment firms will be required (i) to be authorised in a third country (A) in respect of which the Commission has adopted an equivalency decision and (B) where ESMA has established cooperation arrangements with the relevant competent authorities, and (ii) to be registered with ESMA to do so. It is not possible to guarantee or predict the timing of any Commission equivalency decision, cooperation arrangements or registration by ESMA and any equivalency determination may be withdrawn.

There can be no assurance that the terms of the UK's exit from the EU or any replacement relationship will include arrangements for the continuation of a passporting regime (or a similar regime in its effect) or mutual access rights to market infrastructure and recognition of insolvency, bank recovery and resolution regimes. Such uncertainty could adversely impact the Issuer and, in particular, the ability of third parties to provide services to the Issuer, and could be materially detrimental to Noteholders. The replacement of any such third parties that are no longer able to provide services to the Issuer may result in additional costs and expenses, which may in turn affect the amounts available to pay Noteholders.

Market Risk

Following the results of the Referendum, and throughout the early stages of negotiation between the UK and the EU, the financial markets have experienced some volatility and disruption. This volatility and disruption may continue or increase, and investors should consider the effect thereof on the market for securities such as the Notes and on the ability of Obligors to meet their obligations under the Portfolio Assets.

Investors should be aware that the UK's exit from the EU (including any related negotiations, notifications, withdrawal and changes to legislation) may introduce potentially significant new uncertainties and instabilities in the financial markets. These uncertainties and instabilities could have an adverse impact on the business, financial condition, results of operations and prospects of the Issuer, the Obligors, the Portfolio, the Investment Manager and the other parties to the transaction and could therefore also be materially detrimental to Noteholders.

Exposure to Counterparties

The Issuer will be exposed to a number of counterparties (including in relation to any Participations and Hedge Transactions and also each of the Agents) throughout the life of the Notes. Investors should note that if the UK does leave the EU, such counterparties may be unable to perform their obligations due to changes in regulation, including the loss of, or changes to, existing regulatory rights to do cross-border business in the EU or the costs of such transactions with such counterparties may increase. In addition, counterparties may be adversely

affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the result of the Referendum, therefore increasing the risk that such counterparties may become unable to fulfil their obligations. Such inability could adversely impact the Issuer and could be materially detrimental to Noteholders. For further information on counterparties.

Ratings actions

Following the result of the Referendum, S&P and Fitch have each downgraded the UK's sovereign credit rating and each of S&P, Fitch and Moody's has placed such rating on negative outlook, suggesting possible further negative rating action.

The credit rating of a country affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Accordingly, the recent downgrades of the UK's sovereign credit rating and any further downgrade action may trigger downgrades in respect of parties to the Transaction Documents. If a counterparty no longer satisfies the relevant Rating Requirement, the Transaction Documents may require that such counterparty be replaced with an entity that satisfies the relevant Rating Requirement. If rating downgrades are widespread, it may become difficult or impossible to replace counterparties with entities that satisfy the relevant Rating Requirement.

While the extent and impact of these issues are unknown, investors should be aware that they could have an adverse impact on the Issuer, its service providers, the payment of interest and repayment of principal on the Notes and therefore, the Noteholders. For further information, see paragraph 4.13 (*Counterparty Risk*) below.

1.10 LIBOR and EURIBOR Reform

The London Interbank Offered Rate ("**LIBOR**") has been reformed, with developments including:

(a) the activities of administering a specified benchmark and of providing information in relation to a specified benchmark becoming regulated activities in the United Kingdom (LIBOR has been a specified benchmark since April 2013);

(b) ICE Benchmark Administration Limited becoming the LIBOR administrator in place of the British Bankers' Association in February 2014;

(c) a reduction in the number of currencies and tenors for which LIBOR is calculated; and

(d) the introduction of a LIBOR code of conduct for contributing banks.

ICE Benchmark Administration Limited intends to make further reforms to the submission methodology for LIBOR panel banks.

The Euro Interbank Offered Rate (for the purposes of this risk factor, "**EURIBOR**"), together with LIBOR, and other so-called "benchmarks" are the subject of reform measures by a number of international authorities and other bodies.

In a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the UK Financial Conduct Authority ("**FCA**"), announced the FCA's intention that the use of LIBOR is expected to be phased out from the end of 2021. The sustainability of LIBOR has been questioned by the FCA as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms (including those discussed below)) for market participants to continue contributing to such benchmarks. Although market participants in the leveraged loan and CLO markets are generally aware of this proposed future phase out of LIBOR, no consensus exists at this time as to the successor benchmark interest rate with respect to the Portfolio Assets that currently bear interest at a LIBOR rate.

The FCA has statutory powers to compel panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that the current panel banks will voluntarily sustain LIBOR until the end of 2021. The FCA's intention is that after 2021, it will no longer be necessary for the FCA to persuade, or to compel, banks to submit to LIBOR. The FCA does not intend to sustain LIBOR through using its influence or legal powers beyond that date.

It is possible that the LIBOR administrator, ICE Benchmark Administration Limited, and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so. However, the survival of LIBOR in its current form, or at all, is not guaranteed after 2021.

Therefore, these reforms and other pressures may cause LIBOR (and other benchmarks, including EURIBOR) to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any of these resulting changes would impact on the Transaction Documents. Any changes to LIBOR (or any other related benchmark, including EURIBOR) could potentially have a material adverse effect on interest payments payable under this transaction and the potential consequences of which investors should be aware are set out below at the end of this risk factor, including as to amendments to the Transaction Documents as further described below.

EURIBOR together with other so-called "benchmarks" are the subject of reform by a number of international authorities and other bodies. In the EU, in September 2013, the European Commission proposed a regulation (the "**Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts. The Benchmark Regulation was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. It is directly applicable law across the EU. On 28 December 2017 LIBOR was added to the list of "critical benchmarks" for the purposes of the Benchmark Regulation pursuant to Implementing Regulation (EU) 2017/2446 which was published in the Official Journal of the EU and entered into force on 29 December 2017. The other two benchmarks included on the list of "critical benchmarks" are EURIBOR and Euro Overnight Index Average.

The Benchmark Regulation applies principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks", and will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and make significant changes to the way in which benchmarks falling within scope of the Benchmark Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors) and (ii) prevent certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU. The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue, financial contracts and investment funds. By way of a European Commission Implementing Regulation published on 12 August 2016, EURIBOR was identified as a "critical benchmark" for the purposes of the Benchmark Regulation.

Benchmarks such as LIBOR or EURIBOR may be discontinued if they do not comply with the requirements of the Benchmark Regulation, or if the administrator of the benchmark either fails to apply for authorisation or is refused authorisation by its home regulator.

Potential effects of the Benchmark Regulation include (among other things):

(a) an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or, if based in a non-EU jurisdiction, the administrator is not otherwise recognised as equivalent; and

(b) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (among other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

Investors should be aware that:

(a) any of the international, national or other measures or proposals for reform, or general increased regulatory scrutiny of "benchmarks" could have a material adverse effect on the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks";

(b) any of these changes or any other changes could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

(c) if the applicable rate of interest on any Portfolio Asset is calculated with reference to a benchmark (or currency or tenor) which is discontinued:

(i) such rate of interest will then be determined by the provisions of the affected Portfolio Assets, which may include determination by the relevant calculation agent in its discretion; and

(ii) there may be a mismatch between the replacement rate of interest applicable to the Portfolio Asset and the replacement rate of interest the Issuer must pay under any applicable Hedge Transaction. This could lead to the Issuer receiving amounts from affected Portfolio Assets which are insufficient to make the due payment under the Hedge Transaction, and potential termination of the Hedge Transaction and/or Hedge Agreement;

(d) if any of the relevant EURIBOR benchmarks referenced in Condition 6 (*Interest*) is discontinued, interest on the Notes will be calculated under Condition 6(e) (*Interest on the Rated Notes*); In general, fallback mechanisms which may govern the determination of interest rates where a benchmark rate is not available are not suitable for long-term use. Accordingly, in the event a benchmark rate is permanently discontinued, it may be desirable to amend the applicable interest rate provisions in the affected Portfolio Asset, Hedge Transaction or the Rated Notes. Investors should note that the Issuer may, in certain circumstances, amend the Transaction Documents to modify or amend the reference rate in respect of the Notes without the consent of Noteholders. See Condition 14(c) (*Modification and Waiver*); and

(e) the administrator of a relevant benchmark will not have any involvement in the Portfolio Assets or the Notes and may take any actions in respect of such benchmark without regard to the effect of such actions on the Portfolio Assets or the Notes.

Any of the above or any other significant changes to EURIBOR or any other benchmark could have a material adverse effect on the value of, and the amount payable under (i) any Portfolio Assets which pay interest linked to a EURIBOR rate or other benchmark (as applicable), and (ii) the Notes.

1.11 Third Party Litigation; Limited Funds Available

Investment activities such as the purchase, selling, holding and participation in voting or the restructuring of Portfolio Assets may subject the Issuer to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. The expense of defending claims against the Issuer by third parties (including bankruptcy or insolvency proceedings) and paying any amounts pursuant to settlements or judgments would, except in the unlikely event that the Issuer is indemnified for such amounts, be borne by the Issuer and would reduce the funds available for distribution and the Issuer's net assets. The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited amounts available in accordance with the Priorities of Payment. If such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer may not be able to defend or prosecute legal proceedings that may be brought against it or that the Issuer might otherwise bring to protect its interests.

2. REGULATORY INITIATIVES

In Europe, the U.S. and elsewhere there has been, and there continues to be increased political and regulatory scrutiny of banks, financial institutions, "shadow banking entities" and the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold or trade asset-backed securities, and may thereby affect the liquidity of such securities.

This uncertainty is further compounded by the numerous regulatory efforts underway in Europe, the U.S. and globally. Certain of these efforts overlap. In addition, even where these regulatory efforts overlap, they generally have not been undertaken on a coordinated basis.

None of the Issuer, the Initial Purchaser, the Investment Manager, the Trustee nor any of their respective affiliates makes any representation as to the proper characterisation of the Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to invest in the Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Notes for such purposes or under such restrictions. All prospective investors in the Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavourable accounting treatment, capital charges, reserve requirements or other consequences.

Without limitation to the above, such regulatory initiatives include the following:

2.1 Risk Retention and Due Diligence Requirements

EU Risk Retention and Due Diligence Requirements

Investors should be aware and in some cases are required to be aware of the risk retention and due diligence requirements in Europe (the "**EU Risk Retention and Due Diligence Requirements**") which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including institutions for occupational retirement, credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Amongst other things, such requirements restrict an investor who is subject to the EU Risk Retention and Due Diligence Requirements from investing in securitisations unless: (i) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed that it will retain, on an on-going basis, a net economic interest of not less than five per cent. in respect of certain specified credit risk tranches or securitised exposures; and (ii) such investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including but not limited to its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the Notes acquired by the relevant investor.

Though some aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear, these requirements and any other changes to the regulation or regulatory treatment of securitisations or of the Notes for investors may negatively impact the regulatory position of individual holders. In addition, such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

Investors are themselves responsible for compliance with any due diligence obligations applicable to them under the EU Risk Retention and Due Diligence Requirements (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. No assurance can be given that the information in this Offering Circular is sufficient for the purposes of meeting such requirements. It should be noted that the Issuer may be unable to provide certain types of information to the extent it is bound by confidentiality provisions in respect of the Portfolio Assets. To the extent that any further information is requested by an investor that is not disclosed in the ordinary course through the Monthly Reports, the Payment Date Reports or via an announcement to the market such investor should assess whether obtaining such additional information could affect an investor's ability to enter into any trade in relation to the Notes under applicable securities legislation.

Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator before committing to acquire any Notes to determine whether, and to what extent, the information set out in this Offering Circular and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying such requirements. Investors are required to independently assess and determine the sufficiency of such information. None of the Issuer, the Initial Purchaser, the Investment Manager, the Trustee, the Collateral Administrator, the Originator, the Retention Holder, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Notes and the transactions described herein are compliant with the EU Risk Retention and Due Diligence Requirements or any other applicable legal regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions contemplated hereby to comply with or otherwise satisfy such requirements. If a regulator determines that the transaction did not comply or is no longer

in compliance with the EU Risk Retention and Due Diligence Requirements or any applicable legal, regulatory or other requirement, then investors may be required by their regulator to set aside additional capital against their investment in the Notes or take other remedial measures in respect of their investment in the Notes. In addition, such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

On 30 September 2015, the European Commission (the "**Commission**") published a proposal to amend the CRR (the "**CRR Amendment Regulation**") and a proposed regulation of the European Union relating to a European framework for simple, transparent and standardised securitisation (the "**STS Securitisation Regulation**") which would, amongst other things, re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe (together with the CRR Amendment Regulation, the "**Securitisation Regulation**"). The Presidency of the Council of the European Union (the "**Council**") and the European Parliament have proposed amendments to the Securitisation Regulation. The subsequent trilogue discussions between representatives of the Commission, the Council and the European Parliament, have resulted in a compromise agreement being reached on the contents of the Securitisation Regulation. The Council published the final texts of the Securitisation Regulation in the Official Journal on 28 December 2017 but the Securitisation Regulation will only apply from 1 January 2019. Securitisations issued prior to 1 January 2019 and which do not involve the issuance of new securities (or otherwise involve the creation of new securitised positions) on or following that date will not be subject to the Securitisation Regulation. Investors should be aware that there are material differences between the current EU Risk Retention and Due Diligence Requirements and those in the Securitisation Regulation. If any changes to the Conditions or the Transaction Documents are required as a result of the implementation of the Securitisation Regulation, the Issuer shall be required to bear the costs of making such changes. It should be noted that any Refinancing of the Notes or additional issuance of Notes in accordance with Condition 17 (*Additional Issuances*) may, if undertaken after the date of application of the Securitisation Regulation, bring the transaction described herein within the scope of the Securitisation Regulation.

Investors should note that the European Banking Authority ("**EBA**") published a report on 22 December 2014 (the "**EBA Report**"). In the EBA Report, the EBA suggested, amongst other things, that the definition of "Originator" should be narrowed in order to avoid potential abuses. Without limiting the foregoing, investors should be aware that at this time save for the EBA Report described above, the EBA has not published any binding guidance relating to the satisfaction of the CRR Retention Requirements by an originator similar to the Retention Holder. Furthermore, the EBA's or any other applicable regulator's views with regard to the CRR Retention Requirements may not be based exclusively on technical standards, guidance or other information known at this time. Although the Securitisation Regulation envisages certain modifications to the definition of "Originator", even if such modifications occurred, there is no guarantee that the Retention Holder would be considered an originator by the EBA or any other applicable regulator.

In general, investors are themselves responsible for monitoring and assessing any changes to European risk retention laws and regulations. There can therefore be no assurances as to whether the transactions described herein will be affected by a change in law or regulation relating to the EU Risk Retention and Due Diligence Requirements (including the Securitisation Regulation), including as a result of any changes recommended in future reports or reviews. Investors should therefore make themselves aware of the EU Risk Retention and Due Diligence Requirements, the proposed Securitisation Regulation (and any corresponding implementing rules of their regulator), in addition to any other regulatory requirements that are (or may become) applicable to them and/or with respect to their investment in the Notes.

With respect to the commitment of the Retention Holder to retain a material net economic interest in the securitisation, please see the statements set out in *Description of the Originator and the Retention Requirements*" below.

U.S. Risk Retention Rules

The final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") generally apply to CLOs, unless an exemption is available. Pursuant to the U.S. Risk Retention Rules, the "sponsor" of a securitisation transaction (or majority-owned affiliate of the sponsor) is required, unless an exemption exists, to retain five per cent. of the credit risk of the assets collateralising the asset-backed securities. Under the U.S. Risk Retention Rules, a "sponsor" means a person who organises and initiates a securitisation transaction by selling or transferring assets, either directly or indirectly, including through an affiliate, to the issuing entity. The sponsor (or its "majority-owned affiliate") is generally prohibited from directly or indirectly eliminating or reducing such credit risk by hedging or otherwise transferring the

retained credit risk during the period of time that the U.S. Risk Retention Rules require that the credit risk be retained.

However, on February 9, 2018, a three-judge panel (the "**Panel**") of the United States Court of Appeals for the District of Columbia held, in *The Loan Syndications and Trading Association v. Securities and Exchange Commission and Board of Governors of the Federal Reserve System*, No. 1:16-cv-0065 (the "**LSTA Decision**"), that collateral managers of "open market CLOs" (described in the LSTA Decision as CLOs where assets are acquired from "arms-length negotiations and trading on an open market") are not "securitizers" or "sponsors" under Section 941 of the Dodd-Frank Act and, therefore, are not subject to risk retention and do not have to comply with the U.S. Risk Retention Rules. The Panel's opinion in the LSTA Decision became effective on 5 April 2018, when the district court entered judgment following the issuance of the appellate mandate on April 3, 2018 (the "**Mandate**") in respect thereof. The period for the federal agencies responsible for the U.S. Risk Retention Rules to petition any court of competent jurisdiction for review of the LSTA Decision has expired on May 10, 2018. However, it is uncertain as to whether this transaction will constitute an "open-market CLO" as described in the LSTA Decision (including as a result of the Originator's activities to comply with the EU retention and due diligence requirements as described under "*Description of the Originator and the Retention Requirements*"). The U.S. Risk Retention Rules provide for certain exemptions from the risk retention obligation that they generally impose.

The Investment Manager does not intend to retain a risk retention interest contemplated by the U.S. Risk Retention Rules in connection with the transaction described in this Offering Circular or the Notes. Accordingly, given the uncertainty as to whether this transaction will constitute an "open-market CLO" (as described in the LSTA Decision), the transaction described in this Offering Circular and the Notes have been structured in reliance on the foreign safe harbour exemption to the U.S. Risk Retention Rules (the "**Foreign Safe Harbour**"). There are a number of requirements which must be satisfied in order to rely on the Foreign Safe Harbour including:

(a) no more than 10 per cent. of the Euro fair value of all Notes may be sold or transferred to "U.S. persons" (as defined in the U.S. Risk Retention Rules) or for the account or benefit of "U.S. persons" (as defined in the U.S. Risk Retention Rules); and

(b) no more than 25 per cent. (as determined based on the unpaid principal balance) of the Portfolio may be acquired by the Investment Manager or the Issuer, directly or indirectly, from: (i) a majority-owned affiliate of the Investment Manager or the Issuer that is chartered, incorporated, or organised under the laws of the United States or any State; or (ii) an unincorporated branch or office of the Investment Manager or the Issuer that is located in the United States or any State.

Prospective investors and any transferee during the Restricted Period should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S. The definition of "U.S. person" in the U.S. Risk Retention Rules is excerpted below (a "**Risk Retention U.S. Person**" and any Person that is not a Risk Retention U.S. Person, an "**Eligible Risk Retention Person**"). Particular attention should be paid to clauses (ii) and (viii)(B), which are different than comparable provisions from Regulation S as set out in the footnote below.[1]

"U.S. person" means any of the following:

(i) Any natural person resident in the United States;

(ii) Any partnership, corporation, limited liability company, or other organization or entity organised or incorporated under the laws of any State or of the United States;

(iii) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

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[1] (ii) Any partnership or corporation organised or incorporated under the laws of the United States;

(viii)(B) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in § 230.501(a)) who are not natural persons, estates or trusts.

(iv) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(v) Any agency or branch of a foreign entity located in the United States;

(vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(viii) Any partnership, corporation, limited liability company, or other organization or entity if:

(A) Organised or incorporated under the laws of any foreign jurisdiction; and

(B) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Act.

The Investment Manager has advised the Issuer that it will not provide a waiver ("**U.S. Risk Retention Waiver**") to any investor if such investor's purchase would result in more than 10 per cent. of the value of all Classes of Notes to be sold or transferred to Risk Retention U.S. Persons on the Issue Date or during the Restricted Period. Consequently, (a) on the Issue Date the Notes may not be purchased by any person except for (i) persons that are not Risk Retention U.S. Persons or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager, and (b) during the Restricted Period, the Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons, or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager. Each holder of a Note or a beneficial interest therein acquired on the Issue Date or during the Restricted Period, by its acquisition of a Note or a beneficial interest in a Note, will be deemed, and in certain circumstances will be required, to represent to the Issuer, the Trustee, the Originator, the Investment Manager and the Initial Purchaser that it (1) either (a) is not a Risk Retention U.S. Person or (b) it has received a U.S. Risk Retention Waiver from the Investment Manager, and (2) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 15G of the Securities Exchange Act of 1934, as added by section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and section 246.20 of the U.S. Risk Retention Rules. See "*Plan of Distribution*" and "*Transfer Restrictions*". Any transfer of Notes in breach of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See "*Risk Factors – Relating to the Notes – Forced transfer*" and Condition 2(k) (Forced transfer).

The Investment Manager, the Issuer and the Initial Purchaser have agreed that none of the Initial Purchaser or any person who controls it or any director, officer, employee, agent or Affiliate of the Initial Purchaser shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Risk Retention Rules, and none of the Initial Purchaser or any person who controls it or any director, officer, employee, agent or Affiliate of the Initial Purchaser accepts any liability or responsibility whatsoever for any such determination.

There can be no assurance that the exemption provided for in Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available to the Investment Manager. In particular, the Investment Manager may not be successful in limiting investment by Risk Retention U.S. Persons to no more than 10 per cent. This may result from misidentification of Risk Retention U.S. Person investors as non-Risk Retention U.S. Person investors, or may result from market movements or other matters that affect the calculation of the 10 per cent. value on the Issue Date.

Failure on the part of the Investment Manager to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Investment Manager which may adversely affect the Notes and the ability of the Investment Manager to perform its obligations under the Investment Management Agreement. Furthermore, the impact of the U.S. Risk Retention Rules on the loan securitisation market and the leveraged loan market generally is uncertain, and a failure by the Investment Manager to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

The U.S. Risk Retention Rules may have adverse effects on the Issuer and/or the holders of the Notes. To the extent the U.S. Risk Retention Rules remain applicable to this transaction (including as a result of the LSTA Decision), the U.S. Risk Retention Rules would apply to any additional Notes issued after the Issue Date or any Refinancing. In addition, the SEC has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" and "sale" of securities may arise when amendments to securities are so material as to require holders to make an "investment decision" with respect to such securities. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, to the extent the U.S. Risk Retention Rules remain applicable to this transaction (including as a result of the LSTA Decision) they could apply to material amendments to the Trust Deed and the Notes, to the extent such amendments require investors to make a new investment decision with respect to the Notes, including a re-pricing to the extent the U.S. Risk Retention Rules remain applicable to this transaction (including as a result of the LSTA Decision). It is expected that the Investment Manager will seek to avail itself of the Foreign Safe Harbour in connection with any such additional issuance, Refinancing or other material amendment. However, if there is not sufficient interest from Eligible Risk Retention Persons, no assurance can be made that any such additional issuance, Refinancing or other material amendment will occur. In no case will the Investment Manager be required to acquire Notes to comply with the U.S. Risk Retention Rules. As a result, the U.S. Risk Retention Rules may adversely affect the Issuer (and the performance and market value of the Notes) if the Issuer is unable to undertake any such additional issuance or Refinancing and may affect the liquidity of the Notes. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Rules would have any future material adverse effect on the business, financial condition or prospects of the Investment Manager or the Issuer or on the market value or liquidity of the Notes.

The impact of the U.S. Risk Retention Rules on the loan securitisation market and the leveraged loan market generally continues to be uncertain, and any negative impact on secondary market liquidity for the Notes may be experienced immediately, due to effects of the rule on market expectations or uncertainty, the relative appeal of alternative investments not impacted by the rule or other factors. In addition, it is possible that the rule may reduce the number of collateral managers active in the market, which may result in fewer new issue CLOs and may reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the loan market could reduce opportunities for the Investment Manager to sell Portfolio Assets or to invest in Portfolio Assets when it believes it is in the interest of the Issuer to do so, which in turn could negatively impact the return on the Collateral and reduce the market value or liquidity of the Notes. Any reduction in the volume and liquidity provided by CLOs in the leveraged loan market could also reduce opportunities to redeem or refinance the Notes.

The statements contained herein regarding the U.S. Risk Retention Rules are based on publicly available information solely as of the date of this Offering Circular. The ultimate interpretation as to whether any action taken by an entity complies with the U.S. Risk Retention Rules will be a matter of interpretation by the applicable governmental authorities or regulators. No assurance can be given that the U.S. Risk Retention Rules will not change or be superseded by changes in law. At this time, there is no established line of authority, precedent or market practice that provides guidance on the U.S. Risk Retention Rules (except the LSTA Decision) and the U.S. Risk Retention Rules may change or may be superseded by changes in law, guidance from the applicable governmental authorities or any additional guidance or views any particular regulator may provide that would result in consequences materially different from the statements herein. Currently, there are a number of future uncertainties surrounding the U.S. Risk Retention Rules for Investment Managers, including: (i) in particular, as a result of the LSTA Decision, (ii) proposed legislation designed to exclude from U.S. Risk Retention Rules qualified CLOs that meet certain criteria, (iii) the October 2017 report to the President of the United States from the United States Department of the Treasury entitled "A Financial System That Creates Economic Opportunities—Capital Markets" (the "**Treasury Report**"), which recommends "creating a set of loan-specific requirements under which CLO managers would receive relief from being required to retain risk" and (iv) future directives and interpretations by governmental authorities with respect to the U.S. Risk Retention Rules. No assurance can be made whether or not any governmental authority will continue to take further legislative or regulatory action in response to past or future economic crises, the Treasury Report or otherwise, and the effect (and extent) of such actions, if any, cannot be known or predicted. Any changes or further guidance may result in the Investment Manager failing to comply with the U.S. Risk Retention Rules and have a material adverse effect on the Issuer and the Notes.

None of the Investment Manager, the Originator, the Issuer, the Arranger, the Initial Purchaser or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the securitisation transaction described herein complies as a matter of fact with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

2.2 Retention Financing

The Retention Holder may enter into financing arrangements in respect of the Retention Notes that it is required to acquire in order to comply with the EU Retention Requirements (any such arrangements, the "**Retention Financing Arrangements**"). In respect of any Retention Financing Arrangements, the Retention Holder may grant security over, or transfer title to, the Retention Notes in connection with such financing. If the collateral arrangements in respect of such Retention Financing Arrangements are by way of title transfer, the Retention Holder would retain the economic risk in the Retention Notes but not legal ownership of them. In particular, should the Retention Holder default in the performance of its obligations under the Retention Financing Arrangements, the lender or lenders thereunder would have the right to enforce the security granted by the Retention Holder, including effecting the sale or appropriation of some or all of the Retention Notes or, if the collateral arrangements in respect of such Retention Financing Arrangements are by way of title transfer, the Retention Holder would not be entitled to have the Retention Notes (or equivalent securities) returned to it. In exercising its rights pursuant to any Retention Financing Arrangements, any lender would not be required to have regard to the EU Retention Requirements and any such sale or appropriation may therefore cause the transaction described in this Offering Circular to be non-compliant with the EU Retention Requirements. None of the Investment Manager, the Retention Holder, any Agent, the Issuer, the Trustee, the Initial Purchaser or any of their respective Affiliates makes any representation, warranty or guarantee that any such Retention Financing Arrangements will comply with the EU Retention Requirements.

The term of any Retention Financing Arrangements may be considerably shorter than the effective term of the Notes, and separately, or as a result of other terms of the Retention Financing Arrangements may require the Retention Holder to repay or refinance the Retention Financing Arrangements whilst some or all Classes of Notes are Outstanding. If refinancing opportunities were limited at such time and the Retention Holder was unable to repay the retention financing from its own resources, the Retention Holder could be forced to sell some or all of the Retention Notes in order to obtain funds to repay the retention financing without regard to the Retention Requirements, and such sales may therefore cause the transaction described in this Offering Circular to be non-compliant with the EU Retention Requirements.

The Retention Holder does not intend to enter into any Retention Financing Arrangements on the Issue Date.

2.3 Restrictions on the Discretion of the Investment Manager in Order to Comply with EU Risk Retention

The aim behind the relevant retention requirements described in "*Risk Retention and Due Diligence Requirements*" above is that affected investors should only invest in securitisations where the originator, sponsor or original lender for the securitisation has explicitly disclosed that it will retain on an ongoing basis, a net economic interest of not less than 5 per cent. in the securitisation. The 5 per cent. net economic interest is measured as the nominal value of the securitised exposures. The Retention Holder has agreed to retain such an interest in the transaction by holding on an ongoing basis for so long as any Class of Notes remains Outstanding, a material net economic interest in the first loss tranche of not less than 5 per cent. of the nominal value of the securitised exposures through the purchase and retention of Subordinated Notes with an original Principal Amount Outstanding (such original Principal Amount Outstanding calculated as of the date of issuance of such Subordinated Notes) *multiplied by* the price at which such Subordinated Notes were purchased by the Retention Holder, being an amount equal to no less than 5 per cent. of the Maximum Par Amount.

Certain discretions of the Investment Manager acting on behalf of the Issuer are restricted where the exercise of the discretion would cause the retention holding described in "*Description of the Originator and the Retention Requirements*" section of this Offering Circular to be (or to be likely to be) insufficient to comply with the EU Retention Requirements.

In particular, if, at any time, the deposit of Trading Gains into the Principal Account would, in the sole discretion of the Investment Manager cause (or would be likely to cause) a Retention Deficiency, such Trading Gains which would have been deposited into the Principal Account and designated for reinvestment or used to redeem the Notes in accordance with the Principal Priority of Payments will instead be deposited into the Interest Account. Such Trading Gains will then be distributed as Interest Proceeds if the reinvestment of such amount would, in the sole discretion of the Investment Manager, cause (or would be likely to cause) a Retention Deficiency in accordance with the Priorities of Payment. In addition, the Investment Manager is not permitted to reinvest in Substitute Portfolio Assets where such reinvestment would cause a Retention Deficiency. As a result, the Investment Manager may be prevented from reinvesting available proceeds in Portfolio Assets in circumstances where such reinvestment would cause (or would be likely to cause) a Retention Deficiency and

therefore the Aggregate Principal Balance of Portfolio Assets securing the Notes may be less than what would have otherwise have been the case if such amounts had been reinvested in Portfolio Assets.

Also, the Investment Manager is not permitted to reinvest in Substitute Portfolio Assets where such reinvestment would cause a Retention Deficiency and the Investment Manager may only acquire a Portfolio Assets on behalf of the Issuer if either (i) the Originator Requirement is satisfied, or (ii) if the Originator Requirement is not satisfied, such Portfolio Assets is acquired from the Retention Holder.

As a result, the Investment Manager may be prevented from reinvesting available proceeds in Portfolio Assets (i) in circumstances where such reinvestment would cause (or would be likely to cause) a Retention Deficiency or (ii) if the Originator Requirement is not satisfied and the Issuer is not able to acquire Portfolio Assets from the Retention Holder, and therefore the Adjusted Collateral Principal Amount of Portfolio Assets securing the Notes may be less than what would otherwise have been the case if such amounts had been reinvested in Portfolio Assets.

Also, the Issuer may not issue further Notes without the Retention Holder (a) consenting to such issuance and (b) subscribing for sufficient Subordinated Notes so as not to result in non-compliance with the EU Retention Requirements.

As a result of such restrictions, the Issuer, or the Investment Manager on its behalf, may be restricted from building or maintaining the par value of the Collateral in certain circumstances under which they would otherwise be able to do so, in order to comply with the provisions of the Conditions intended to achieve ongoing compliance with the applicable retention requirements.

2.4 European Market Infrastructure Regulation (EMIR)

The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") and its various delegated regulations and technical standards impose a range of obligations on parties to "over-the-counter" ("**OTC**") derivative contracts according to whether they are "financial counterparties" such as investment firms, alternative investment funds (in respect of which see "*Alternative Investment Fund Managers Directive*" below), credit institutions and insurance companies, other entities which are "non-financial counterparties" or third country entities equivalent to "financial counterparties" or "non-financial counterparties".

Financial counterparties (as defined in EMIR) will be subject to a general obligation to clear through a duly authorised or recognised central counterparty (the "**clearing obligation**") all "eligible" OTC derivative contracts entered into with other counterparties subject to the clearing obligation. They must also report the details of all derivative contracts to a trade repository (the "**reporting obligation**") (in which respect the Issuer may appoint one or more delegates), and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures (the "**risk mitigation obligations**"). Non-cleared OTC derivative contracts entered into by financial counterparties must also be marked to market and collateral must be exchanged (the "**margin requirement**"). To the extent that the Issuer becomes a financial counterparty, this may lead to a termination of the Hedge Agreements or restricting of their terms.

Non-financial counterparties (as defined in EMIR) are not subject to the clearing obligation and certain of the risk mitigation obligations (such as the posting of collateral) provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial entities within its "group", excluding eligible hedging transactions, does not exceed certain thresholds (set per asset class of OTC derivatives). If the Issuer is considered to be a member of a "group" (as defined in EMIR) (which may, for example, potentially be the case if the Issuer is consolidated by a Noteholder as a result of such Noteholder's holding of a significant proportion of the Subordinated Notes) and if the aggregate notional value of OTC derivative contracts entered into by the Issuer and any non-financial entities within such group exceeds the applicable thresholds, the Issuer would be subject to the clearing obligation, or if the relevant contract is not a type required to be cleared, to the risk mitigation obligations, including the margin requirement. If the Issuer exceeds the applicable thresholds and its swaps become subject to mandatory clearing, this may also lead to a termination of the Hedge Agreements.

Key details in respect of the clearing obligation and the margin requirement and their applicability to certain classes of OTC derivative contracts are to be provided through corresponding regulatory technical standards. Whilst regulatory technical standards have been published in respect of certain classes of OTC derivative contracts, others are yet to be proposed.

Clearing obligation

The regulatory technical standards governing the mandatory clearing obligation for certain classes of OTC derivative contracts which entered into force on 21 December 2015 specify that the clearing obligation in respect of interest rate OTC derivative contracts that are (i) basis swaps and fixed-to floating swaps denominated in euro, GBP, USD and Japanese Yen and (ii) forward rate agreements and overnight index swaps denominated in euro, GBP and USD, in each case, will take effect on dates ranging from 21 June 2016 (for major market participants grouped under "Category 1") to 21 December 2018 (for non-financial counterparties that are not AIFs (as defined below) grouped under "Category 4").

Margin requirements

On 4 October 2016, the European Commission adopted regulatory technical standards on risk-mitigation techniques for OTC derivative contracts not cleared by a central clearing counterparty to the European Commission (the "**RTS**"). The RTS were published in the Official Journal on 15 December 2016 and entered into force on 4 January 2017.

The RTS detail the risk mitigation obligations and margin requirements in respect of non-cleared OTC derivatives as well as specify the criteria regarding intragroup exemptions and provide that the margin requirement will take effect on dates ranging, originally, from one month after the RTS enter into force (for certain entities with a non-cleared OTC derivative portfolio above €3 trillion) to 1 September 2020 (for certain entities with a non-cleared OTC derivative portfolio above €8 billion). The margin requirements apply to financial counterparties and non-financial counterparties above the clearing threshold and, depending on the counterparty, will require collection and posting of variation margin and, for the largest counterparties/groups, initial margin.

If the Issuer becomes subject to the clearing obligation or to the margin requirement, it is unlikely that it would be able to comply with such requirements, which would adversely affect the Issuer's ability to enter into Hedge Transactions or significantly increase the cost thereof, negatively affecting the Issuer's ability to acquire Non-Euro Obligations and/or hedge its interest rate risk. As a result of such increased costs, additional regulatory requirements and limitations on ability of the Issuer to hedge interest rate and currency risk, the amounts payable to Noteholders may be negatively affected as the Investment Manager may be precluded from executing its investment strategy in full.

The Hedge Agreements may also contain early termination events which are based on the application of EMIR and which may allow the relevant Hedge Counterparty to terminate a Hedge Transaction upon the occurrence of an adverse EMIR-related event. The termination of a Hedge Transaction in these circumstances may result in a termination payment being payable by the Issuer. See the section entitled "*Hedging Arrangements*".

The Conditions of the Notes allow the Issuer and oblige the Trustee, subject to the consent of any of the Noteholders, to amend, modify and/or supplement the Transaction Documents and/or the Conditions of the Notes to comply with the requirements of EMIR which may become applicable in future.

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts (including the potential for non-financial counterparties such as the Issuer to become subject to marking to market and collateral posting requirements in respect of non-cleared OTC derivative contracts such as currency hedge transactions and Interest Rate Hedge Transactions). These changes may adversely affect the Issuer's ability to enter into the currency hedge transactions and/or Interest Rate Hedge Transactions and therefore the Issuer's ability to acquire Non-Euro Obligations and/or manage interest rate risk. As a result of such increased costs and/or additional regulatory requirements, investors may receive significantly less or no interest or return, as the case may be as the Investment Manager may not be able to execute its investment strategy as anticipated. Investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Notes.

Prospective investors should also note that certain amendments to EMIR are contemplated. In particular, in the proposal to amend EMIR published by the European Commission on 4 May 2017, the European Commission proposed amending the definition of financial counterparty to include securitisation special purpose entities similar to the Issuer. However this proposed amendment was removed in the second and third compromise proposals that were published by the Council on 16 November 2017 and 28 November 2017, respectively. At this time, the extent to which such proposed amendment will be reflected in the final amended version of EMIR,

remains unclear. Investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Notes.

2.5 Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") introduced authorisation and regulatory requirements for managers of alternative investment funds ("**AIFs**"). If the Issuer were to be considered to be an AIF within the meaning in AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). The Investment Manager is not authorised under AIFMD but is authorised under MiFID II. As the Investment Manager is not permitted to be authorised under both AIFMD and under MiFID II, it will not be able to apply for an authorisation under AIFMD unless it gives up its authorisation under MiFID II.

There is an exemption from the definition of AIF in AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"). The European Securities and Markets Authority ("**ESMA**") has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it. However, as regards the position in Ireland, the Central Bank has confirmed that pending such further clarification from ESMA, "registered financial vehicle corporations" with the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank, such as the Issuer, do not need to seek authorisation as an AIF or appoint an AIFM unless the Central Bank issues further guidance advising them to do so.

If the SSPE Exemption does not apply and the Issuer is considered to be an AIF, the Investment Manager may not be able to continue to manage the Issuer's assets, or its ability to do so may be impaired. As a result, implementation of the AIFMD may affect the return investors receive from their investment.

If considered to be an AIF managed by an authorised AIFM, the Issuer would also be classified as a FC under EMIR and may be required to comply with clearing obligations and/or other risk mitigation techniques (including obligations to post margin to any central clearing counterparty or market counterparty) with respect to Hedge Transactions. See also "*European Market Infrastructure Regulation (EMIR)*" above.

The Conditions of the Notes allow the Issuer and oblige the Trustee, without the consent of any of the Noteholders, to concur with the Issuer in the making of modifications to the Transaction Documents and/or the Conditions of the Notes to comply with the requirements of AIFMD which may become applicable at a future date.

2.6 U.S. Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was signed into law on 21 July 2010. The Dodd-Frank Act represents a comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act has required, and will continue to require, many lengthy rulemaking processes resulting in the adoption of a multitude of new regulations applicable to entities which transact business in the U.S. or with U.S. persons outside the U.S. The Dodd-Frank Act affects many aspects, in the U.S. and internationally, of the business of the Investment Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivatives and other activities. While many regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, some implementing regulations currently exist only in draft form and are subject to comment and revision, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the Issuer and the businesses of the Investment Manager and its subsidiaries and affiliates, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect and regulators provide further guidance with respect thereto.

The Securities and Exchange Commission (the "**SEC**") proposed changes to Regulation AB (as defined under the Securities Act) under the Securities Act which would have had the potential to impose new disclosure requirements on securities offerings pursuant to Rule 144A under the Securities Act or pursuant to other SEC regulatory exemptions from registration. Such rules, if adopted, could have restricted the use of this Offering Circular or require the publication of a new prospectus in connection with the issuance and sale of any additional Notes or any Refinancing. On 27 August 2014, the SEC adopted final rules amending Regulation AB that did not implement these proposals. However, the SEC has indicated that it is continuing to consider amendments that were proposed with respect to Regulation AB but not adopted, and that further amendments may be forthcoming in the future. If such amendments are made to Regulation AB in the future, they may place

additional requirements and expenses on the Issuer in the event of the issuance and sale of any additional notes, which expenses may reduce the amounts available for distribution to the Noteholders.

None of the Issuer, the Investment Manager, the Initial Purchaser or the Arranger makes any representation as to such matters. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by the Dodd-Frank Act and the rules to be promulgated thereunder in making any investment decision in respect of the Notes.

2.7 CFTC Regulations

Pursuant to the Dodd-Frank Act regulators in the United States have promulgated and continue to promulgate a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with the entry into any Hedge Transaction by the Issuer, or the Investment Manager on its behalf, and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer, or the Investment Manager on its behalf, may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial or variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation margin requirements with respect to uncleared swaps, (iii) swap reporting and recordkeeping obligations, and other matters. These new requirements may (x) significantly increase the cost to the Issuer and/or the Investment Manager of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Portfolio Assets, (y) have unforeseen legal consequences on the Issuer or the Investment Manager or (z) have other material adverse effects on the Issuer or the Noteholders. Furthermore, regulations requiring the posting of variation margin on uncleared swaps entered into by entities such as the Issuer entered into effect in the United States on 1 March 2017. Hedge Transactions may be subject to such requirements, depending on the identity of the Hedge Counterparty. The Trust Deed does not permit the Issuer to post variation margin. Accordingly, the application of United States regulations to a Hedge Transaction or a proposed Hedge Transaction could have a material adverse effect on the Issuer's ability to hedge its interest or currency rate exposure, or on the cost of such hedging.

2.8 Commodity Pool Regulation

The Issuer's ability to enter into Hedge Transactions may cause the Issuer to be a "commodity pool" as defined in the United States Commodity Exchange Act, as amended ("**CEA**") and the Investment Manager to be a "commodity pool operator" ("**CPO**") and/or a "commodity trading advisor" (a "**CTA**"), each as defined in the CEA in respect of the Issuer. The CEA, as amended by the Dodd-Frank Act, defines a "commodity pool" to include certain investment vehicles operated for the purpose of trading in "commodity interests" which includes swaps. CPOs and CTAs are subject to regulation by the CFTC and must register with the CFTC unless an exemption from registration is available. Based on applicable CFTC interpretive guidance, the Issuer is not expected to fall within the definition of a "commodity pool" under the CEA and as such, the Issuer (or the Investment Manager on the Issuer's behalf) may, subject to the Hedging Condition, enter into Hedge Agreements (or any other agreement that would fall within the definition of "swap" as set out in the CEA) following receipt of legal advice from reputable counsel to the effect that none of the Issuer, its directors or officers, the Investment Manager or any of its or their affiliates or any other person would be required to register as a CPO and/or a CTA with the CFTC with respect to the Issuer.

In the event that trading or entering into one or more Hedge Agreements would result in the Issuer's activities falling within the definition of a "commodity pool", the Investment Manager may cause the Issuer to be operated in compliance with the exemption set forth in CFTC Rule 4.13(a)(3) as in effect on the Issue Date. Utilising any such exemption from registration may impose additional costs on the Investment Manager and the Issuer and may significantly limit the Investment Manager's ability to engage in hedging activities on behalf of the Issuer. Additionally, unlike a registered CPO, the Investment Manager would not be required to deliver a CFTC disclosure document to prospective investors, nor would it be required to provide investors with certified annual reports that satisfy on-going compliance requirements under Part 4 of the CFTC Regulations, as would be the case for a registered CPO or CTA. In particular, the limits imposed by such exemptions may prevent the Issuer from entering into a Hedge Transaction that the Investment Manager believes would be advisable or result in the Issuer incurring financial risks that would have been hedged pursuant to swap transactions absent such limits. In addition, the costs of obtaining and maintaining such exemption will be passed on to the Issuer. Neither the CFTC nor the National Futures Association (the "**NFA**") pass upon the merits of participating in a pool or upon the adequacy or accuracy of offering memoranda. Consequently, neither the CFTC nor the NFA has reviewed or approved this Offering Circular or any related subscription agreement.

Notwithstanding the above, in the event that the CFTC guidance referred to above changes or the Issuer engages in one or more activities that might cause it to fall within the definition of a "commodity pool" under the CEA and no exemption from registration is available, registration of the Investment Manager as a CPO or a CTA may be required before the Issuer (or the Investment Manager on the Issuer's behalf) may enter into any Hedge Agreement. Registration of the Investment Manager as a CPO and/or a CTA could cause the Investment Manager to be subject to extensive compliance and reporting requirements that would involve material costs which may be passed on to the Issuer. The scope of such compliance costs is uncertain but could adversely affect the amount of funds available to make payments on the Notes.

Further, if the Investment Manager determines that additional Hedge Transactions should be entered into by the Issuer in excess of the trading limitations set forth in any applicable exemption from registration as a CPO and/or a CTA, the Investment Manager may elect to withdraw its exemption from registration and instead register with the CFTC as the Issuer's CPO and/or CTA. The costs of obtaining and maintaining these registrations and the related compliance obligations may be paid by the Issuer as Administrative Expenses. Such costs would reduce the amount of funds available to make payments on the Notes. These costs are uncertain and could be materially greater than the Investment Manager anticipated when deciding to enter into the transaction and register as a CPO and/or a CTA. In addition, it may not be possible or advisable for the Investment Manager to withdraw from registration as a CPO and/or a CTA after any relevant swap transactions terminate or expire. The costs of CPO and/or CTA registration and the ongoing CPO and/or CTA compliance obligations of the Investment Manager could exceed, perhaps significantly, the financial risks that are being hedged pursuant to any Hedge Transaction.

2.9 Volcker Rule

Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") prevents "banking entities" (a term which includes affiliates of a U.S. banking organisation as well as affiliates of a foreign banking organisation that has a branch or agency office in the U.S., regardless where such affiliates are located) from (i) engaging in proprietary trading in financial instruments, or (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund," subject to certain exemptions.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund". A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act 1940 (the "**ICA**") but is exempt from registration solely in reliance on Section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

The Transaction Documents contain certain requirements that are intended to allow the Issuer to rely on the exemption from the definition of "investment company" of Rule 3a-7 under the Investment Company Act, which will, among other things, mean the Issuer will not be expected to fall within the definition of a "covered fund" for purposes of the Volcker Rule. There can be no assurance, however, that compliance with those requirements will be adequate for the Issuer to rely on Rule 3a-7.

The Transaction Documents provide that any holders of the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes or the Class D Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes or IM Removal and Replacement Non-Exchangeable Non-Voting Notes are disenfranchised in respect of any IM Removal Resolution or IM Replacement Resolution with the intention of excluding such instruments from the definition of "ownership interest". However, there can be no assurance that these features will be effective (and neither the Issuer nor any other Person makes any representation that such features will be effective) in resulting in such investments in the Issuer by "banking entities" subject to the Volcker Rule not being characterised as "ownership interests" in the Issuer. Investors purchasing interests in Class A Notes must make their own determination as to whether such features will be effective for this purpose.

If the Issuer is deemed to be a "covered fund", the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of "banking entities" to hold an "ownership interest" in the Issuer or enter into certain credit related financial transactions with the Issuer. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment. If investment by "banking entities" in the Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes.

No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Notes. Each prospective investor in the Notes should independently consider the potential impact of the Volcker Rule in respect of any investment in the Notes. Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes.

2.10 CRA 3

CRA Regulation in Europe

Regulation (EU) 462/2013 of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies ("**CRA3**") came into force on 20 June 2013. Article 8(b) of CRA3 requires issuers, sponsors and originators of structured finance instruments such as the Notes to make detailed disclosures of information relating to those structured finance instruments. The European Commission has adopted a delegated regulation, detailing the scope and nature of the required disclosure which disclosure reporting requirements became effective on 1 January 2017. Such disclosures are to be made via a website to be set up by ESMA. As yet, this website has not been set up, so issuers, originators and sponsors are currently unable to comply with Article 8(b). In their current form, the regulatory technical standards only apply to structured finance instruments for which a reporting template has been specified. Currently there is no template for CLO transactions but if a template for CLO transactions were to be published and the website for disclosure were to be set up by ESMA, the Issuer may incur additional costs and expenses to comply with such disclosure obligations. Such costs and expenses would be payable by the Issuer as Administrative Expenses. In accordance with the current draft of the Securitisation Regulation, it is intended that Article 8(b) of CRA3 will be repealed, and that disclosure requirements will be governed thereafter by the Securitisation Regulation. However, it is uncertain at this time if the Securitisation Regulation will be adopted in its current form.

Additionally, Article 8(c) of CRA3 has introduced a requirement that where an issuer or a related third party intends to solicit a credit rating of structured finance instruments, it shall obtain two independent ratings for such instruments. Article 8(d) of CRA3 has introduced a requirement that where an issuer or a related third party intends to appoint at least two credit rating agencies to rate the same instrument, the issuer or a related third party shall consider appointing at least one rating agency having less than a 10 per cent. market share among agencies capable of rating that instrument. The Issuer intends to have two rating agencies appointed, but does not make any representation as to market share of either agency, and any consequences for the Issuer, related third parties and investors if an agency does not have a less than 10 per cent. market share are not specified. Investors should consult their legal advisors as to the applicability of CRA3 and any consequence of non-compliance in respect of their investment in the Notes.

2.11 Reliance on Rating Agency Ratings

The Dodd-Frank Act requires that federal banking agencies amend their regulations to remove reference to or reliance on credit agency ratings, including but not limited to those found in the federal banking agencies' risk-based capital regulations. New regulations have been proposed but have not yet been fully implemented in all respects. When such regulations are fully implemented, investments in asset-backed securities like the Notes by such institutions may result in greater capital charges to financial institutions that own such securities, or otherwise adversely affect the treatment of such securities for regulatory capital purposes. Furthermore, all prospective investors in the Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavourable accounting treatment, capital charges or reserve requirements.

2.12 Basel III

The Basel Committee on Banking Supervision ("**BCBS**") has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as "**Basel III**") and has proposed certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**")). BCBS member countries agreed to implement the initial phase of the Basel III reforms from 1 January 2013 and the second phase from 1 January 2022, subject to transitional and phase-in arrangements for certain requirements (for example, the LCR requirements referred to implementation

from the start of 2015, with full implementation by January 2019, and the NSFR requirements referred to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires legislation in each jurisdiction, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (for example, as LCR eligible assets or not), may be subject to some level of variation between jurisdictions. It should also be noted that changes to regulatory capital requirements have been introduced for insurance and reinsurance undertakings through jurisdiction specific initiatives, such as the Solvency II framework in the European Union.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

2.13 EU Bank Recovery and Resolution Directive

The EU Bank Recovery and Resolution Directive (2014/59/EU) (collectively with secondary and implementing EU rules, and national implementing legislation, the "**BRRD**") equips national authorities in Member States (the "**Resolution Authorities**") with tools and powers for preparatory and preventive measures, early supervisory intervention and resolution of credit institutions and significant investment firms (collectively, "**relevant institutions**"). If a relevant institution enters into an arrangement with the Issuer and is deemed likely to fail in the circumstances identified in the BRRD, the relevant Resolution Authority may employ such tools and powers in order to intervene in the relevant institution's failure (including in the case of derivatives transactions, powers to close-out such transactions or suspend any rights to close-out such transactions). In particular, liabilities of relevant institutions arising out of the Transaction Documents or Underlying Instruments (for example, liabilities arising under Participations or provisions in Underlying Instruments requiring lenders to share amounts) not otherwise subject to an exception, could be subject to the exercise of "bail-in" powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to "bail-in" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and ultimately, the Noteholders may not be able to recover any liabilities owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

The European Commission adopted a set of draft regulatory technical standards in respect of the valuation of derivatives for the purposes of the BRRD on 23 May 2016. They were published in the Official Journal on 8 July 2016 and entered into force on 28 July 2016 and provide, among other things, that the relevant Resolution Authorities will have the power to terminate swap agreements (as part of the bail-in process) and to value the position thereunder. This will therefore limit any control the Issuer or the Trustee may have in respect of the valuation process, which may be detrimental to the Issuer and consequently, the Noteholders.

Resolution Authorities also have the right to amend certain agreements, under applicable laws, regulations and guidance ("**Stay Regulations**"), to ensure stays or overrides of certain termination rights. Such special resolution regimes ("**SRRs**") vary from jurisdiction to jurisdiction, including differences in their respective implementation dates. In the UK, the Prudential Regulation Authority ("**PRA**") has implemented rules (Appendix 1 to the PRA's policy statement 25/15) which requires relevant institutions to ensure that the discretion of the PRA to temporarily suspend termination and security interests under the relevant SRR is respected by counterparties. Any applicable Stay Regulations may result in the Issuer not being able to immediately enforce liabilities owed by relevant institutions that are subject to "stays" under SRRs.

The resolution mechanisms under the BRRD correspond closely to those available to the Single Resolution Board (the "**SRB**") and the European Commission under the single resolution mechanism provided for in Regulation (EU) No 806/2014 (the "**SRM Regulation**"). The SRM Regulation applies to participating Member States (including Member States outside the Euro zone that voluntarily participate through a close co-operation agreement). In such jurisdictions, the SRB will take on many of the functions that would otherwise be assigned to national Resolution Authorities by the BRRD. If a Member State outside the Euro zone (such as the UK) has chosen not to participate in the bank single supervisory mechanism, relevant institutions established in such Member State will not be subject to the SRM Regulation, but to the application of the BRRD by the Resolution

Authorities. It is possible, on the specific facts of a case, that resolution plans and resolution decisions made by the SRB may differ from the resolution schemes that would have been applied by the Resolution Authorities. Therefore, the way in which a relevant institution is resolved and ultimately, the effect of any such resolution on the Issuer and the Noteholders may vary depending on the authority applying the resolution framework.

2.14 Flip Clauses

The validity and enforceability of certain provisions in contractual priorities of payments which purport to alter the priority in which a particular secured creditor is paid as a result of the occurrence of one or more specified trigger events, including the insolvency of such creditor ("flip clauses"), have been challenged recently in the English and U.S. courts on the basis that the operation of a flip clause as a result of such creditor's insolvency breaches the "anti-deprivation" principles of English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency.

The English Supreme Court has, in Belmont Park Investments Pty Limited v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc. [2011] UKSC 38, upheld the validity of a flip clause contained in an English-law governed security document, stating that the anti-deprivation principle was not breached by such provisions.

In the U.S. courts, the U.S. Bankruptcy Court for the Southern District of New York in Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited. (In re Lehman Brothers Holdings Inc.), Adv. Pro. No. 09-1242-JMP (Bankr S.D.N.Y. May 20, 2009) (the "BNY Case") examined a flip clause contained in an indenture related to a swap agreement and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the U.S. Bankruptcy Code. Judge Peck also found that the Code's safe harbour provisions, which protect certain contractual rights under swap agreements, did not apply to the flip clause because the flip clause provisions were contained in the indenture, and not in the swap agreement itself. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard.

On 28 June 2016, the U.S. Bankruptcy Court issued a decision in Lehman Brothers Special Financing Inc. v. Bank of America National Association, et al. Case No. 10-3547 (In re Lehman Brothers Holdings Inc.), Chapter 11 Case No. 10-03547 (Bankr S.D.N.Y. June 208, 2016). In this decision, the court held that not all priority of payment provisions would be unenforceable ipso facto clauses under the U.S. Bankruptcy Code. Instead, the court identified two materially distinct approaches to such provisions. Where a counterparty's automatic right to payment priority ahead of the noteholders is "flipped" or modified upon, for example, such counterparty's default under the swap document, the court confirmed that such priority provisions were unenforceable ipso facto clauses. Conversely, the court held that priority provisions where no right of priority is established until after a termination event under the swap documents has occurred were not ipso facto clauses, and, therefore, fully enforceable. Moreover, even where the provisions at issue were ipso facto clauses, the Court found that they were nonetheless enforceable under the Code's safe harbour provisions. Specifically, the Court concluded that priority of distribution was a necessary part of liquidation of a swap agreement, which the safe harbour provisions expressly protect. The Court effectively limited the analysis in the BNY Case to instances where the flip provisions are only in an indenture, and do not constitute part of the swap agreement. This judgment highlights the difference in approach taken between U.S. and English law on this subject, although it significantly reduces the practical differences in outcome. Lehman filed a notice of appeal with regards to this decision on 6 February 2017. In addition, there remain several actions in the U.S. commenced by debtors of Lehman Brothers concerning the enforceability of flip clauses and this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

The flip clause examined in the Belmont case is similar in substance to the relevant provisions in the Priorities of Payment, however the context and manner of subordination which may be applied to a Hedge Counterparty in accordance with such provisions will not be identical; and the judgments in Belmont and subsequent litigation in which the same rule has been applied have noted that English law questions relating to the anti-deprivation principle will be determined on the basis of the particular terms at hand and their commercial context. As such, it is not necessarily settled that the particular flip clauses contained in the Priorities of Payment would certainly be enforceable as a matter of English law, in the case of insolvency of a Hedge Counterparty.

Moreover, if the Priorities of Payment are the subject of litigation in any jurisdiction outside England and Wales, in particular in the United States of America, and such litigation results in a conflicting judgment in

respect of the binding nature of the Priorities of Payment, it is possible that termination payments due to any Hedge Counterparty would not be subordinated as envisaged by the Priorities of Payment and as a result, the Issuer's ability to repay the Noteholders in full may be adversely affected. There is a particular risk of such conflicting judgments where a Hedge Counterparty is the subject of bankruptcy or insolvency proceedings outside England and Wales.

2.15 Regulated Banking Activity

While non-bank lending is currently being promoted within the EU, in many jurisdictions, especially in continental Europe, engaging in lending activities "in" certain jurisdictions particularly via the original extension of credit granting a loan and in some cases including purchases of receivables, discounting of invoices, guarantee transactions or otherwise (collectively, "Regulated Banking Activities") is generally considered a regulated financial activity and, accordingly, must be conducted in compliance with applicable local banking laws (or the AIFMD, in the case of European long-term investment funds). Although a number of jurisdictions have consulted and published guidance on non-bank lending, in many such jurisdictions, there is comparatively little statutory, regulatory or interpretive guidance issued by the competent authorities or other authoritative guidance as to what constitutes the conduct of Regulated Banking Activities in such jurisdictions.

Portfolio Assets subject to these local law requirements may restrict the Issuer's ability to purchase the relevant Portfolio Asset or may require it to obtain exposure via a Participation. Moreover, these regulatory considerations may differ depending on the country in which each Obligor is located or domiciled, on the type of Obligor and other considerations. Therefore, at the time when Portfolio Assets are acquired by the Issuer, there can be no assurance that, as a result of the application of regulatory law, rule or regulation or interpretation thereof by the relevant governmental body or agency, or change in such application or interpretation thereof by such governmental body or agency, payments on the Portfolio Assets might not in the future be adversely affected as a result of such application of regulatory law or that the Issuer might become subject to proceedings or action by the relevant governmental body or agency, which if determined adversely to the Issuer, may adversely affect its ability to make payments in respect of the Notes.

3. RELATING TO THE NOTES

3.1 Limited Liquidity and Restrictions on Transfer

The Arranger (or any of its affiliates) is under no obligation to make a market for the Notes. The Notes are illiquid investments. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of such Notes. Consequently, a purchaser must be prepared to hold such Notes for an indefinite period of time or until the Maturity Date. In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Notes will not be registered under the Securities Act or any U.S. state securities laws, and the Issuer has no plans, and is under no obligation, to register the Notes under the Securities Act. The Notes are subject to certain transfer restrictions and can be transferred only to certain transferees. See "*Plan of Distribution*" and "*Transfer Restrictions*". Such restrictions on the transfer of the Notes may further limit the liquidity of Notes held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes and IM Removal and Replacement Non-Voting Exchangeable Notes.

In addition, Notes held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes are not exchangeable at any time for Notes held in the form of IM Removal and Replacement Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes and there are restrictions as to the circumstances in which Notes held in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may be exchanged for Notes held in the form of IM Removal and Replacement Voting Notes. Such restrictions on exchange may limit their liquidity.

3.2 The Notes are not guaranteed by the Issuer, the Initial Purchaser, the Arranger, the Retention Holder, the Investment Manager, the Collateral Administrator, the Agents, the Administrator or the Trustee

None of the Issuer, the Initial Purchaser, the Arranger, the Retention Holder, the Investment Manager, the Collateral Administrator, the Agents, the Administrator or the Trustee or any Affiliate thereof makes any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return,

performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to any Noteholder of ownership of the Notes, and no Noteholder may rely on any such party for a determination of expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to any investor of ownership of the Notes. Each Noteholder will be required to represent (or, in the case of certain non-certificated Notes, deemed to represent) to the Issuer, the Initial Purchaser and the Arranger, among other things, that it has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisors regarding investment in the Notes as it has deemed necessary and that the investment by it is within its powers and authority, is permissible under applicable laws governing such purchase, has been duly authorised by it and complies with applicable securities laws and other laws.

3.3 None of the Arranger, the Initial Purchaser or the Retention Holder will have any on-going responsibility for the Portfolio Assets or the actions of the Investment Manager or the Issuer

None of the Arranger, the Initial Purchaser or the Retention Holder will have any obligation to monitor the performance of the Portfolio Assets or the actions of the Investment Manager or the Issuer and will have no authority to advise the Investment Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Investment Manager and/or the Issuer, as the case may be. If the Initial Purchaser, the Arranger, or the Retention Holder owns Notes, it will have no responsibility to consider the interests of any other Noteholders in actions it takes in such capacity. While the Initial Purchaser or the Arranger may own a portion of certain Classes of Rated Notes on the Issue Date and may own Notes at any time, it has no obligation to make any investment in any Notes and may at any time sell any Notes it does purchase.

3.4 The Notes are limited recourse obligations; investors must rely on available collections from the Portfolio Assets and will have no other source for payment

The Notes are limited recourse obligations of the Issuer. Therefore, amounts due on the Notes are payable solely from the Portfolio Assets and all other Collateral secured by the Issuer for the benefit of the Noteholders and other Secured Parties pursuant to the Priorities of Payment. None of the Trustee, the Collateral Administrator, the Agents, the Investment Manager, the Initial Purchaser, the Retention Holder, any Hedge Counterparty, the Arranger or any of their respective Affiliates or the Issuer's Affiliates or any other Person or entity (other than the Issuer) will be obliged to make payments on the Notes. Consequently, Noteholders must rely solely on distributions on the Portfolio Assets and, after a Note Event of Default, proceeds from the liquidation of the Collateral for payments on the Notes. If distributions on such Portfolio Assets are insufficient to make payments on the Notes, no other assets (in particular, no assets of the Investment Manager, the Noteholders, the Initial Purchaser, the Arranger, the Trustee, the Collateral Administrator, any Hedge Counterparty, the Agents or any Affiliates of any of the foregoing) will be available for payment of the deficiency and all obligations of the Issuer and any claims against the Issuer in respect of the Notes will be extinguished and will not revive. Following realisation of the Collateral and the application of the proceeds thereof in accordance with the Priorities of Payment, the obligations of the Issuer to pay such deficiency shall be extinguished. Such shortfall will be borne by the Noteholders and the other Secured Parties in accordance with the Priorities of Payment.

In addition, none of the Noteholders of any Class, the Trustee or the other Secured Parties (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer or its Directors, officers, successors or assigns, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, winding up, examinership or liquidation proceedings or other proceedings under any applicable bankruptcy or similar laws in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed (including by appointing a receiver or an administrative receiver).

3.5 Failure of a Court to Enforce Non-Petition Obligations will Adversely Affect Noteholders

Each Noteholder will agree, and each beneficial owner of Notes will be deemed to agree, pursuant to the Trust Deed, that it will be subject to non-petition covenants. If such provision failed to be enforceable under applicable bankruptcy laws, and a winding-up (or similar) position was presented in respect of the Issuer, then the presentation of such a petition could (subject to certain Conditions) result in one or more payments on the Notes made during the period prior to such presentation being deemed to be preferential transfers subject to avoidance by the bankruptcy trustee or similar official exercising authority with respect to the Issuer's bankruptcy estate. It could also result in the bankruptcy court, trustee or receiver liquidating the assets of the

Issuer without regard to any votes or directions required for such liquidation pursuant to the Trust Deed and could result in any payments under the Notes made during the period prior to such presentation being deemed to be a fraudulent or improper disposition of the Issuer's assets.

3.6 The Subordinated Notes

When the holders of the Subordinated Notes are entitled to take or direct any action they may do so in their sole discretion without regard for the interests of the holders of any other Class of Notes. Distributions to holders of the Subordinated Notes will be made solely from distributions on the Portfolio after all other payments have been made pursuant to the Priorities of Payment described herein. There can be no assurance that the distributions on the Portfolio will be sufficient to make distributions to holders of the Subordinated Notes after making payments that rank senior to payments on the Subordinated Notes. The Issuer's ability to make distributions to the holders of the Subordinated Notes will be limited by the Terms and Conditions of the Notes and the Trust Deed. If distributions on the Portfolio are insufficient to make distributions on the Subordinated Notes, no other assets will be available for any such distributions.

3.7 The subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes will affect their right to payment

Payments of interest on the Class X Notes and the Class A Notes on each Payment Date and will rank senior to payments of interest in respect of each other Class; payments of interest on the Class B Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class X Notes and the Class A Notes, but senior in right of payment to payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payments of interest on the Class C Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class X Notes, the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest on the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payments of interest on the Class D Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest on the Class E Notes, the Class F Notes and the Subordinated Notes; payments of interest on the Class E Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but senior in right of payment to payments of interest on the Class F Notes and the Subordinated Notes; payments of interest on the Class F Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, but senior in right of payment to payments of interest on the Subordinated Notes. Payment of interest on the Subordinated Notes on each Payment Date will be subordinated in right of payment to payment of interest in respect of the Rated Notes.

Except in the case of a Refinancing where Rated Notes may be redeemed in any order, the following will apply. No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class X Notes and the Class A Notes, no amount of principal in respect of the Class C Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes and the Class B Notes, no amount of principal in respect of the Class D Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes, no amount of principal in respect of the Class E Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, no amount of principal in respect of the Class F Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Subject to the applicability of the Acceleration Priority of Payments, the Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Priority of Payments on a *pari passu* basis. Payments on the Subordinated Notes are subordinated to payments on the Rated Notes and other amounts described in the Priorities of Payment and no payments out of Principal Proceeds will be made on the Subordinated Notes until the Rated Notes and other payments ranking prior to the Subordinated Notes in accordance with the Priorities of Payment are paid in full, subject always to the right of the Investment Manager on behalf of the Issuer to transfer amounts which would have been payable on the Subordinated Notes to the Collateral Enhancement Account to be applied in the acquisition of Substitute Portfolio Assets or in the acquisition or exercise of rights under Collateral Enhancement Obligations and the requirement to transfer amounts to the Principal Account in the event that the Reinvestment Test is not met during the Reinvestment Period. Notwithstanding the above, amounts standing to the credit of the Collateral Enhancement Accounts may be distributed to the Subordinated Noteholders pursuant

to the Collateral Enhancement Proceeds Priority of Payments on a Payment Date on which scheduled interest on the Rated Notes and on the Subordinated Notes is not paid in full.

Therefore, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by holders of the Subordinated Notes, then by the holders of the Class F Notes, then by the holders of the Class E Notes, then by the holders of the Class D Notes, then by the holders of the Class C Notes, then by the holders of the Class B Notes and last by the holders of the Class X Notes and Class A Notes.

Furthermore, payments on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes are subject to diversion to pay more senior Classes of Notes pursuant to the Priorities of Payment if certain Coverage Tests are not met, as described herein, and failure to make such payments will not be a default under the Trust Deed nor under the Terms and Conditions of the Notes.

3.8 Amount and timing of payments

Failure on the part of the Issuer to pay the Interest Amounts on the Class X Notes, the Class A Notes or the Class B Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payment by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not be a Note Event of Default unless and until such failure continues for a period of five Business Days, save as the result of any deduction therefrom or the imposition of withholding thereon as set out in Condition 9 (*Taxation*).

To the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes are not made on the relevant Payment Date in such circumstances, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, and thereafter will accrue interest on such unpaid amount at the rate of interest applicable to such Notes. Any failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, or to pay interest and principal on the Subordinated Notes at any time, due to there being insufficient funds available to pay such interest and/or principal (as applicable) in accordance with the applicable Priority of Payments, will not be a Note Event of Default. Payments of interest and principal on the Subordinated Notes will only be made to the extent that there are Interest Proceeds and Principal Proceeds available for such purpose in accordance with the Priorities of Payment. No interest or principal may therefore be payable on the Subordinated Notes for an unlimited period of time, to maturity or at all.

Investment in the Notes of any Class involves a degree of risk arising from fluctuations in the amount and timing of receipt of the principal and interest on the Portfolio Assets by or on behalf of the Issuer and the amounts of the claims of creditors of the Issuer ranking in priority to the holders of each Class of the Notes. In particular, prospective purchasers of such Notes should be aware that the amount and timing of payment of the principal and interest on the Portfolio Assets will depend upon the detailed terms of the documentation relating to each of the Portfolio Assets and on whether or not any Obligor thereunder defaults in its obligations.

As described above, failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes or to pay interest and principal on the Subordinated Notes at any time even where such Class of Notes is the Controlling Class, will not be a Note Event of Default. Holders of such Classes of Notes will consequently have no right to accelerate their Notes or to direct that the Trustee take enforcement action with respect to the Collateral to recover the principal amount of their Notes outstanding in such circumstances.

3.9 Yield considerations on the Subordinated Notes

The yield to each holder of the Subordinated Notes will be a function of the purchase price paid by such holder for its Subordinated Notes and the timing and amount of distributions made in respect of the Subordinated Notes during the term of the transaction. Each prospective investor in the Subordinated Notes should make its own evaluation of the yield that it expects to receive on the Subordinated Notes. Prospective investors should be aware that the timing and amount of distributions will be affected by, among other things, the performance of the Portfolio Assets purchased by the Issuer. Each prospective investor should consider the risk that a Note Event of Default and other adverse performance will result in a lower yield on the Subordinated Notes than that anticipated by such investor. In addition, if the Portfolio Assets (in aggregate) fail any Coverage Test, amounts that would otherwise be distributed to the holders of the Subordinated Notes on any Payment Date may be paid to other investors in accordance with the Priorities of Payment. Each prospective investor should consider that any such adverse developments could result in its failure to recover fully its initial investment in the Subordinated Notes.

3.10 The Subordinated Notes are highly leveraged, which increases risks to investors in that Class

The Subordinated Notes represent a highly leveraged investment in the Portfolio. Therefore, the market value of the Subordinated Notes would be anticipated to be significantly affected by, among other things, changes in the market value of the Portfolio Assets, changes in the distributions on the Portfolio Assets, defaults and recoveries on the Portfolio Assets, capital gains and losses on the Portfolio Assets, prepayments on the Portfolio Assets, the interest rates of the Portfolio Assets and other risks associated with the Portfolio as described herein at paragraph 4 (*Relating to the Portfolio Assets*). Accordingly, the Subordinated Notes may not be paid in full and may be subject to up to 100 per cent. loss. Furthermore, the leveraged nature of the Subordinated Notes may magnify the adverse impact on the Subordinated Notes of changes in the market value of the Portfolio Assets, changes in the distributions on the Portfolio Assets, defaults and recoveries on the Portfolio Assets, capital gains and losses on the Portfolio Assets, prepayments on the Portfolio Assets and interest rates of the Portfolio Assets.

3.11 The Portfolio may be insufficient to redeem the Notes following a Note Event of Default

It is anticipated that the proceeds received by the Issuer on the Issue Date from the issuance of the Notes, net of certain fees and expenses, will be less than the aggregate amount of Notes. Consequently, it is anticipated that on the Issue Date the Portfolio would be insufficient to redeem all of the Notes in full if a Note Event of Default under the Trust Deed occurs.

3.12 The Reinvestment Period may terminate early

The Reinvestment Period may terminate early if any of the following occur: (a) acceleration following a Note Event of Default, or (b) the Investment Manager reasonably determines that it can no longer reinvest in additional Portfolio Assets in accordance with the Reinvestment Criteria. Early termination of the Reinvestment Period could adversely affect returns to the Subordinated Notes and may also cause the Noteholders to receive principal payments earlier than anticipated.

3.13 The Investment Manager May Reinvest After the End of the Reinvestment Period

After the end of the Reinvestment Period, the Investment Manager may continue to reinvest Unscheduled Principal Proceeds received in respect of Portfolio Assets and the Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations, subject to certain conditions set forth in the Investment Management Agreement. See "*Description of the Portfolio – Management of the Portfolio – Following Expiry of the Reinvestment Period*" below. Reinvestment of Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations will likely have the effect of extending the Weighted Average Life of the Portfolio Assets and the average lives of the Notes.

3.14 The Conditions require mandatory redemption of the Notes for failure to satisfy Coverage Tests and if an Effective Date Rating Event occurs

If on (i) in respect of the Interest Coverage Tests, any relevant Interest Coverage Test Date or (ii) in respect of the Par Value Tests, any Measurement Date on and after the Effective Date any Coverage Test is not met with respect to any Class or Classes of Notes, or an Effective Date Rating Event has occurred and is continuing, Interest Proceeds that otherwise would have been paid or distributed to the Noteholders of each Class (other than Class X Notes, Class A Notes and Class B Notes) that is subordinated to such Class or Classes and, thereafter, Principal Proceeds will instead be used to redeem the Notes of the most senior Class or Classes then Outstanding, in each case in accordance with the Priorities of Payment, to the extent necessary to satisfy the applicable Coverage Tests or until such Effective Date Rating Event is no longer continuing.

This could result in an elimination, deferral or reduction in the payments of Interest Proceeds and Principal Proceeds to the holders of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and/or the Subordinated Notes, as the case may be.

3.15 Optional Redemption and Market Volatility

The market value of the Portfolio Assets may fluctuate, with, among other things, changes in prevailing interest rates, foreign exchange rates, general economic conditions, the conditions of financial markets (particularly the markets for senior and mezzanine loans and bonds and high yield bonds), European and international political events, events in the home countries of the issuers of the Portfolio Assets or the countries in which their assets and operations are based, developments or trends in any particular industry and the financial condition of such issuers. The secondary market for senior and mezzanine loans and high yield bonds is still limited. A decrease in

the market value of the Portfolio would adversely affect the amount of proceeds which could be realised upon liquidation of the Portfolio and ultimately the ability of the Issuer to redeem the Notes.

A form of liquidity for the Subordinated Notes is the optional redemption provision set out in Condition 7(b) (*Optional Redemption*). There can be no assurance, however, that such optional redemption provision will be capable of being exercised in accordance with the conditions set out in Condition 7(b) (*Optional Redemption*) which may in some cases require a determination that the amount realisable from the Portfolio in such circumstances is greater than the aggregate of all amounts which would be due and payable on redemption of the Rated Notes and to the other creditors of the Issuer pursuant to Condition 11 (*Enforcement*) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Priorities of Payment.

3.16 The Notes are subject to Optional Redemption in whole or in part by Class

A form of liquidity for the Subordinated Notes is the optional redemption provision set out in Condition 7(b) (*Optional Redemption*). There can be no assurance, however, that such optional redemption provision will be capable of being exercised in accordance with the conditions set out in Condition 7(b) (*Optional Redemption*) which may in some cases require a determination that the amount realisable from the Portfolio is greater than the aggregate of all amounts which would be due and payable on redemption of the Rated Notes and to the other creditors of the Issuer pursuant to Condition 10(c) (*Acceleration Priority of Payments*) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Priorities of Payment.

The Notes are subject to optional and mandatory redemption in a variety of circumstances (see Condition 7 (*Redemption and Purchase*)). Depending on which of the specific provisions of Condition 7 (*Redemption and Purchase*) are applicable, in some circumstances the Notes will be redeemed in whole and in others they will only be redeemed in part. In some instances the Notes may be redeemed at the option of the Subordinated Noteholders. In other instances, redemption will not depend on the exercise of a discretion. There are a variety of different tests, steps, criteria and thresholds that may need to be satisfied before any such redemption can occur. In this regard potential investors should consider the terms of Condition 7 (*Redemption and Purchase*) in detail.

In general terms, optional or mandatory redemption will give rise to a number of risks including the following:

(a) Noteholders may receive a repayment of some or all of their investment earlier than anticipated, and prior to the Maturity Date;

(b) where the Notes are redeemable upon the exercise of a discretion of a particular Class of the Noteholders, there is no obligation that in exercising such discretion the interests of any other party or Class of Noteholders be taken into account;

(c) where one or more Classes of Rated Notes are redeemed through a Refinancing, Noteholders should be aware that any such redemption would occur outside the Note Payment Sequence and the Priorities of Payment. In addition Noteholders of a Class of Rated Notes that are redeemed through a Refinancing should be aware that the Applicable Margin of any new notes will be equal to or lower than the Applicable Margin of such Rated Notes immediately prior to such Refinancing; and

(d) where the Notes are to be redeemed by liquidation solely, there can be no assurance that the Sale Proceeds realised and other Available Proceeds would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Rated Notes or, in certain circumstances, that losses would not be incurred on Rated Notes.

3.17 The Notes are subject to Special Redemption at the option of the Investment Manager

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Investment Manager (acting on behalf of the Issuer) certifies to the Trustee (upon which certificate the Trustee shall rely without enquiry or liability) that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Portfolio Assets that are deemed appropriate by the Investment Manager (acting on behalf of the Issuer) in its discretion and which would meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account or Unused Proceeds Account to be invested in additional Portfolio Assets. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Principal Priority of Payments. The application of funds in that manner could result in an

elimination, deferral or reduction of amounts available to make payments with respect to the Subordinated Notes.

3.18 A decrease in EURIBOR will lower the interest payable on the Rated Notes and an increase in EURIBOR may indirectly reduce the credit support to the Rated Notes

The Rated Notes accrue interest at EURIBOR. The interest rate may fluctuate from one interest period to another in response to changes in EURIBOR. The Subordinated Notes do not bear a stated rate of interest.

Several years ago, EURIBOR experienced historically high volatility and significant fluctuations. It is likely that EURIBOR will continue to fluctuate and the Issuer, the Collateral Administrator, the Investment Manager, the Initial Purchaser, the Arranger or any of their Affiliates make no representation as to what EURIBOR will be in the future.

Because the Rated Notes bear interest based upon three-month EURIBOR (at all times prior to the occurrence of a Frequency Switch Event, other than during the initial Interest Period) and six month EURIBOR (at all other times) as described in Condition 6(e) (*Interest on the Rated Notes*), there may be a basis mismatch between such Rated Notes and the underlying Portfolio Assets and Eligible Investments with interest rates based on an index other than EURIBOR, interest rates based on EURIBOR for a different period of time or even three-month or six-month EURIBOR for a different interest period. In addition, a portion of the Aggregate Collateral Balance is expected to consist of Fixed Rate Portfolio Assets.

It is possible that EURIBOR payable on the Rated Notes may rise (or fall) during periods in which EURIBOR (or another applicable index) with respect to the various Portfolio Assets and Eligible Investments is stable or falling (or rising but capped at a level lower than EURIBOR for such Rated Notes). No assurance can be given that the rate of interest applicable to the Floating Rate Portfolio Assets of the Issuer that bear interest based on indices other than EURIBOR will not decrease in the future (or that such portion of Floating Rate Portfolio Assets will not increase in the future). Some Portfolio Assets, however, may have EURIBOR floor arrangements that may help mitigate this risk, but there is no requirement for any Portfolio Asset to have a EURIBOR floor and there is no guarantee that any such EURIBOR floor will fully mitigate the risk of falling EURIBOR. If EURIBOR payable on such Rated Notes rises during periods in which EURIBOR (or another applicable index) with respect to the Portfolio Assets and Eligible Investments is stable or during periods in which the Issuer owns Portfolio Assets or Eligible Investments bearing interest at a fixed rate, is falling or is rising but is capped at a lower level, "excess spread" (i.e., the difference between the interest collected on the Portfolio Assets and the sum of the interest payable on such Rated Notes and certain transaction fees payable by the Issuer) that otherwise would be available as credit support may instead be used to pay interest on such Rated Notes.

There may also be a timing mismatch between the Rated Notes and the underlying Portfolio Assets as EURIBOR (or other applicable index) on such Portfolio Assets may adjust more frequently, less frequently or on different dates than EURIBOR on the Rated Notes. Such a mismatch could result in the Issuer not collecting sufficient Interest Proceeds to make interest payments on the Rated Notes.

The Issuer is not expected to enter into hedge transactions in order to hedge or reduce any interest rate or timing mismatch.

3.19 The average lives of the Notes may vary

The Maturity Date of the Notes is the Payment Date falling on 15 December 2030 (subject to adjustment for non-Business Days); however, the principal of the Notes of each Class is expected to be repaid in full prior to the Maturity Date. Average life refers to the average amount of time that will elapse from the date of delivery of a Note until each Euro of the principal of such Note will be paid to the investor. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Portfolio Assets (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Notes will be affected by the financial condition of the obligors of the underlying Portfolio Assets and the characteristics of such assets, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, any prepayment fees, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Portfolio Assets. Portfolio Assets may be subject to optional prepayment by the Obligor of such loans. Any disposition of

a Portfolio Assets may change the composition and characteristics of the remaining Portfolio and the rate of payment thereon and, accordingly, may affect the actual average lives of the Notes. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Obligations also will affect the maturity and average lives of the Notes.

3.20 Projections, forecasts and estimates are forward looking statements and are inherently uncertain

Estimates of the average lives of the Notes, together with any projections, forecasts and estimates provided to prospective purchasers of the Notes, are forward-looking statements. Projections are necessarily speculative in nature, and it should be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, actual results will vary from the projections, and such variations may be material. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates, exchange rates and default and recovery rates; market, financial or legal uncertainties; the timing of acquisitions of Portfolio Assets; differences in the actual allocation of Portfolio Assets among asset categories from those assumed; mismatches between the time of accrual and receipt of Interest Proceeds from the Portfolio Assets. None of the Issuer, the Initial Purchaser, the Arranger, the Retention Holder, the Investment Manager, the Trustee, the Collateral Administrator, the Agents or any other party to this transaction or any of their respective Affiliates has any obligation to update or otherwise revise any projections, forecasts or estimates, including any revisions to reflect changes in economic conditions or other circumstances arising after the date of this Offering Circular or to reflect the occurrence of unanticipated events.

3.21 Certain ERISA considerations

Under a regulation of the U.S. Department of Labor, as modified by Section 3(42) of ERISA, if certain employee benefit plans or other retirement arrangements subject to the fiduciary responsibility provisions of Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, ("**ERISA**") or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, (the "**Code**") or entities whose underlying assets are treated as assets of such plans or arrangements (collectively, "**Plans**") invest in a Class of Notes that is treated as equity under the regulation (which could include the Class E Notes, the Class F Notes or the Subordinated Notes), the assets of the Issuer could be considered to be assets of such Plans and certain of the transactions contemplated under such Notes could be considered "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code. See "*Certain Employee Benefit Plan Considerations*".

3.22 Irish Value Added Tax Treatment of the Collateral Management Fees

The Issuer has been advised that under current Irish law, the Investment Management Fees should be exempt from VAT in Ireland. This is on the basis that they should be treated as consideration paid for collective portfolio management services provided to a "qualifying company" for the purposes of section 110 of the Taxes Consolidation Act of Ireland 1997, as amended (TCA).

This exemption is based upon Article 135(1)(g) of Council Directive 2006/112/EC on the Common System of Value Added Tax (the VAT Directive), which provides that Member States shall exempt the management of "special investment funds" as defined by Member States.

The Value-Added Tax Consolidation Act 2010 of Ireland, in the provisions implementing Article 135(1)(g) of the VAT Directive, specifically lists, in the categories of undertakings to whom supplies of management services are exempt from VAT, undertakings which are "qualifying companies" for the purposes of section 110 of the TCA. The Issuer has been advised that it will be such a "qualifying company", therefore management services supplied to it are exempt from VAT in Ireland under current law.

On 9 December 2015 the European Court of Justice handed down its judgment in the case of *Staatssecretaris van Financiën v Fiscale Eenheid X NV cs* Case C-595/13 which concerned Dutch law on VAT, in particular the Dutch interpretation of the term "special investment fund" under the VAT Directive, and could suggest that the exemption had been enacted by some member states more broadly than is permitted by the VAT Directive. The Issuer is not, however, aware of any proposal to amend Irish domestic law to remove the exemption from VAT on Investment Management Fees for entities such as the Issuer.

3.23 Changes in tax law; no gross up

At the time when they are acquired by the Issuer, Portfolio Assets must provide, pursuant to the Eligibility Criteria, that payments in respect of the Portfolio Assets to the Issuer will not be subject to withholding or

deduction for or on account of tax imposed by any jurisdiction (other than U.S. withholding taxes on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or similar fees) unless either: (i) such withholding or deduction for or on account of tax can be eliminated by application being made under the applicable double tax treaty or any applicable domestic legislation, in each case, including by the provision of any relevant documentation; or (ii) the Obligor is required to make "gross up" payments to the Issuer that cover the full amount of any such withholding or deduction on an after-tax basis. However, there can be no assurance that, as a result of any change in any applicable law, rule or regulation or interpretation thereof, the payments on the Portfolio Assets might not in the future become subject to withholding tax or increased withholding rates in respect of which the relevant Obligor will not be obliged to make gross up payments to the Issuer. In such circumstances, the Issuer may be able to take advantage of (a) a double taxation treaty between Ireland and the jurisdiction from which the relevant payment is made, or (b) the current applicable law in the jurisdiction of the relevant Obligor. In the event that the Issuer receives any interest payments on any Portfolio Assets net of any applicable withholding tax, the Coverage Tests and Collateral Quality Tests will be determined by reference to such net receipts. Such tax would also reduce the amounts available to make payments on the Notes. There can be no assurance that remaining payments on the Portfolio Assets would be sufficient to make timely payments on the Notes. If payments in respect of Portfolio Assets to the Issuer become subject to withholding tax, this may also trigger a Collateral Tax Event and result in an optional redemption of the Rated Notes in accordance with Condition 7(b)(iii) (*Optional Redemption upon the occurrence of a Collateral Tax Event*).

3.24 UK Taxation of the Issuer

In the context of the activities to be carried out under the Transaction Documents, the Issuer will be subject to UK corporation tax if it is (i) tax resident in the UK or (ii) carries on a trade in the UK through a permanent establishment.

The Issuer will not be treated as being tax resident in the UK provided that the central management and control of the Issuer is not in the UK. The directors intend to conduct the affairs of the Issuer in such a manner so that it does not become resident in the UK for taxation purposes.

The Issuer will be regarded as having a permanent establishment in the UK if it has a fixed place of business in the UK or it has an agent in the UK who has and habitually exercises authority in the UK to do business on the Issuer's behalf. The Issuer does not intend to have a place of business in the UK. The Investment Manager will, however, have and is expected to exercise authority to do business on behalf of the Issuer in the UK.

The Issuer should not be subject to UK corporation tax in consequence of the activities which the Investment Manager carries out on its behalf provided that the Issuer's activities are regarded as investment activities rather than trading activities.

Even if the Issuer is regarded as carrying on a trade in the UK through the agency of the Investment Manager for the purposes of UK taxation, it will not be subject to UK corporation tax if the exemption in Article 5(6) of the UK-Ireland tax treaty applies. This exemption will apply if the Investment Manager is regarded as an independent agent acting in the ordinary course of its business for the purpose of the UK-Ireland tax treaty. It should be noted that the specific domestic UK tax exemption for profits generated in the UK by a Investment Manager on behalf of its non-resident clients (Section 1146 of the Corporation Tax Act 2010) may not be available in the context of this transaction if , amongst other conditions, the Investment Manager (or certain connected entities) has a beneficial entitlement to more than 20 per cent. of the Issuer's chargeable profit (as such term is defined in the relevant UK legislation relating to the investment manager exemption) arising from transactions carried out through the Investment Manager. However, the inapplicability of this domestic exemption should not have any effect on the UK tax position of the Issuer if the exemption in Article 5(6) of the UK-Ireland tax treaty, as referred to above, applies.

Should the Investment Manager be assessed to UK tax on behalf of the Issuer, it may be entitled to an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer. Administrative Expenses are payable by the Issuer on any Payment Date under the Priorities of Payment. It should be noted that UK tax legislation makes it possible for H.M. Revenue & Customs to seek to assess the Issuer to UK tax directly rather than through the Investment Manager as its UK representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay UK tax on its UK taxable profit attributable to its UK activities, such payment to be made subject to and in accordance with the Priorities of Payment. The Issuer would also be liable to pay UK tax on its UK taxable profits in the unlikely

event that it were treated as being tax resident in the UK, such payment to be made in accordance with the Priorities of Payment.

3.25 Diverted Profits Tax

The Finance Act 2015 introduced a new tax in the United Kingdom called the "diverted profits tax" which is charged at 25 per cent. of any "taxable diverted profits". The tax has effect from 1 April 2015 and may apply in circumstances including where arrangements are designed to ensure that a non-UK resident company does not carry on a trade in the United Kingdom through a permanent establishment, the non-resident company supplies goods, services or other property in the course of that non-resident company's trade and it is reasonable to assume that arrangements are in place the main purpose or one of the main purposes of which is to avoid United Kingdom corporation tax.

The basis upon which HM Revenue & Customs will apply the diverted profits tax in practice remains uncertain although it should be noted that there are specific exemptions for United Kingdom investment managers who enter into transactions on behalf of certain overseas persons and in respect of which the Investment Manager Exemption would apply and a general exemption where the activities of the non-UK resident company in the United Kingdom are carried out by an agent of independent status which is not connected to such non-UK resident company.

3.26 U.S. Tax Risks

Changes in tax law; imposition of tax on Non-U.S. Holders

Distributions on the Notes to a Non-U.S. Holder (as defined in "*Certain Tax Considerations – Certain U.S. Federal Income Tax Considerations*") that provides appropriate tax certifications to the Issuer and gain recognised on the sale, exchange or retirement of the Notes by the Non-U.S. Holder will not be subject to U.S. federal income tax unless the payments or gain are effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States or, in the case of gain, the Non-U.S. Holder is a non-resident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale, and certain other conditions are satisfied. However, no assurance can be given that Non-U.S. Holders will not in the future be subject to tax imposed by the United States.

U.S. trade or business

Upon the issuance of the Notes, Milbank, Tweed, Hadley & McCloy LLP will deliver an opinion generally to the effect that, under current law, assuming compliance with the Transaction Documents and based upon certain factual representations made by the Issuer and/or the Investment Manager, although the matter is not free from doubt, the Issuer will not be treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes. The opinion of Milbank, Tweed, Hadley & McCloy LLP will be based on certain factual assumptions, covenants and representations as to the Issuer's contemplated activities. The Issuer intends to conduct its affairs in accordance with such assumptions and representations. In addition, the opinion referred to above will be predicated upon the Investment Manager's compliance with the U.S. Tax Guidelines, which are intended to prevent the Issuer from engaging in activities which could give rise to a trade or business within the United States. Although the Investment Manager has generally undertaken to comply with the U.S. Tax Guidelines, the Investment Manager may deviate from the U.S. Tax Guidelines if the Investment Manager receives written advice of Allen & Overy LLP or Milbank, Tweed, Hadley & McCloy LLP, or an opinion from other U.S. tax counsel of nationally recognized standing in the United States experienced in such matters, that the failure to comply with one or more of the U.S. Tax Guidelines will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise to be subject to U.S. federal income tax on a net income basis. Any such deviation would not be covered by the opinion of Milbank, Tweed, Hadley & McCloy LLP referred to above. Furthermore, the Investment Manager is not obligated to monitor changes in law, and accordingly, any such changes could adversely affect whether the Issuer is treated as engaged in a U.S. trade or business. The opinion of Milbank, Tweed, Hadley & McCloy LLP will be based on the documents as of the Issue Date, and accordingly, will not address any potential U.S. federal income tax effect of any supplemental indenture. The opinion of Milbank, Tweed, Hadley & McCloy LLP and any such other advice or opinions are not binding on the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Issuer. Accordingly, in the absence of authority on point, the U.S. federal income tax treatment of the Issuer is not entirely free from doubt, and there can be no assurance that positions contrary to those stated in the opinion of

Milbank, Tweed, Hadley & McCloy LLP or any such other advice or opinions may not be asserted successfully by the IRS.

If the IRS were to successfully assert that the Issuer is engaged in a U.S. trade or business, however, there could be material adverse financial consequences to the Issuer and to persons who hold the Notes. There can be no assurance, that the Issuer's net income will not become subject to U.S. federal net income tax as a result of unanticipated activities by the Issuer, changes in law, contrary conclusions by U.S. tax authorities or other causes. In such a case, the Issuer would be potentially subject to substantial U.S. federal income tax and, in certain circumstances interest payments by the Issuer under the Notes could be subject to U.S. withholding tax. The imposition of any of the foregoing taxes would materially affect the Issuer's ability to make payments owing in respect of the Notes.

FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income, and on the gross proceeds from the sale, maturity, or other disposition of certain of its assets. Under an intergovernmental agreement entered into between the United States and Ireland (the "**Irish IGA**"), the Issuer will not be subject to withholding under FATCA if it complies with Irish implementing regulations (the "**Irish FATCA Legislation**") that require the Issuer to provide the name, address, and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to the Office of the Revenue Commissioners of Ireland, which would then provide this information to the IRS. The Issuer expects to comply with the Irish IGA and the Irish FATCA Legislation; however there can be no assurance that the Issuer will be able to comply with these regulations. Moreover, the intergovernmental agreement or the Irish regulations could be amended to require the Issuer to withhold on "passthru" payments to holders that fail to provide certain information to the Issuer or are certain "foreign financial institutions" that do not comply with FATCA.

If a Noteholder fails to provide the Issuer or its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the Noteholder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Noteholder, to compel the Noteholder to sell its Notes (other than the Retention Notes), and, if the Noteholder does not sell its Notes (other than the Retention Notes) within 10 business days after notice from the Issuer, to sell the Noteholder's Notes on behalf of the Noteholder.

Possible treatment of the Class E Notes and Class F Notes as equity in the Issuer for U.S. federal income tax purposes

The Class E Notes and Class F Notes (or any other Class of Rated Notes) could be treated as representing equity in the Issuer for U.S. federal income tax purposes. If any Rated Notes are so treated, gain on the sale of such Rated Notes could be treated as ordinary income and subject to an additional tax in the nature of interest, and interest on such Class of Rated Notes could be subject to the additional tax. U.S. Holders (as defined in "*Certain Tax Considerations – Certain U.S. Federal Income Tax Considerations*") may be able to avoid these adverse consequences by filing a "protective" qualified electing fund ("**QEF**") election with respect to their Class E Notes and Class F Notes. See "*Certain Tax Considerations – Certain U.S. Federal Income Tax Considerations – U.S. Federal Tax Treatment of U.S. Holders of Rated Notes – Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*".

The Issuer will be a "Passive Foreign Investment Company," and may be a "Controlled Foreign Corporation," for U.S. federal income tax purposes

The Issuer will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes, which means that a U.S. Holder of Subordinated Notes, and any Class of Rated Notes recharacterised as equity for U.S. federal income tax purposes (collectively "**Equity Notes**") may be subject to adverse tax consequences unless the U.S. Holder elects to treat the Issuer as a QEF and to recognise currently its proportionate share of the Issuer's income whether or not distributed to such U.S. Holder. Alternatively, depending on the overall ownership of the Equity Notes and certain other factors, a U.S. Holder of more than 10 per cent. of the Equity Notes may be treated as a "United States shareholder" in a controlled foreign corporation (a "**CFC**") and required to recognise currently its proportionate share of the "subpart F income" of the Issuer whether or not distributed to such U.S. Holder. A U.S. Holder that makes a QEF election, or that is required to recognise currently its proportionate share of the subpart F income of the Issuer in the event that the Issuer is

treated as a controlled foreign corporation will be required to include in current income its pro rata share of such earnings, income or amounts whether or not the Issuer actually makes any payments to such holder. Further, a U.S. Holder that makes a QEF election, or that is required to include subpart F income in respect of the Issuer, may recognise income in amounts significantly greater than the payments received from the Issuer. Taxable income may exceed cash payments when, for example, the Issuer uses earnings to repay principal on the Notes or accrues income on the Portfolio Assets prior to the receipt of cash or the Issuer discharges its debt at a discount.

U.S. federal income tax consequences of an investment in the Notes are uncertain

The U.S. federal income tax consequences of an investment in the Notes are uncertain, as to both the timing and character of any inclusion in income in respect of the Notes. Because of this uncertainty, prospective investors are urged to consult their tax advisors as to the tax consequences of an investment in a Note. For a more complete discussion of the U.S. federal income tax consequences of an investment in a Note, please see the summary under "*Certain Tax Considerations – Certain U.S. Federal Income Tax Considerations*" below.

3.27 Forced transfer

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is both a QIB and a QP. In addition each Noteholder will be deemed or in some cases required to make certain representations in respect of ERISA. The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines that any holder of an interest in a Rule 144A Note is a U.S. person as defined under Regulation S under the Securities Act (a "**U.S. Person**") and is not both a QIB and a QP at the time it acquires an interest in a Rule 144A Note (any such person, a "**Non-Permitted Holder**") or a Noteholder is a Non-Permitted ERISA Holder, the Issuer shall, promptly after determination that such person is a Non-Permitted Holder or Non-Permitted ERISA Holder by the Issuer, send notice to such Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) demanding that such Noteholder transfer its interest outside the United States to a non-U.S. Person or to a person that is not a Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) within 30 days (or 10 days in the case of a Non-Permitted ERISA Holder) of the date of such notice. If such Noteholder fails to effect the transfer required within such 30-day period (or 10-day period in the case of a Non-Permitted ERISA Holder), (a) upon direction from the Issuer or the Investment Manager on its behalf, a Transfer Agent, on behalf of and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a commercially reasonable sale to a person or entity that certifies to such Transfer Agent and the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB and a QP and is not a Non-Permitted ERISA Holder (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

In addition, the Trust Deed generally provides that, if a Noteholder fails to provide the Issuer or its agents with any correct, complete and accurate information that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the Noteholder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Noteholder, to compel the Noteholder to sell its Notes, and, if the Noteholder does not sell its Notes within 10 business days after notice from the Issuer, to sell the Noteholder's Notes on behalf of the Noteholder.

3.28 The Issuer is subject to risks, including the location of its centre of main interest, the appointment of examiners, claims of preferred creditors and floating charges

Centre of main interest

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its centre of main interest ("**COMI**") is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the European Court of Justice ("**ECJ**") in relation to Eurofood IFSC Limited, the ECJ restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Ireland, currently has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the

relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland.

Examinership

Examinership is a court procedure available under the Irish Companies Act 2014 (as amended) to facilitate the survival of Irish companies in financial difficulties. The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to halt, prevent or rectify acts or omissions, by or on behalf of the company after his appointment and, in certain circumstances, negative pledges given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the relevant Irish court when a minimum of one class of creditors, whose interests are impaired under the proposals, has voted in favour of the proposals and the relevant Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and the proposals are not unfairly prejudicial to any interested party.

The fact that the Issuer is a special purpose entity and that all its liabilities are of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Issuer.

If however, for any reason, an examiner were appointed while any amounts due by the Issuer under the Notes were unpaid, the primary risks to the Noteholders are as follows:

(a) the Trustee, acting on behalf of the Noteholders, would not be able to enforce rights against the Issuer during the period of examinership;

(b) a scheme of arrangement may be approved involving the writing down of the debt owed by the Issuer to the Noteholders irrespective of the Noteholders' views;

(c) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and

(d) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the relevant Irish court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the creditors under the Notes or the Transaction Documents.

Preferred Creditors

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular:

(a) under the terms of the Trust Deed, the Notes will be secured in favour of the Trustee for the benefit of itself and the other Secured Parties by security over a portfolio of Portfolio Assets and assignments of various of the Issuer's rights under the Transaction Documents. Under Irish law, the claims of creditors holding fixed charges may rank behind other creditors (namely fees, costs and expenses of any examiner appointed and certain capital gains tax liabilities) and, in the case of fixed charges over book debts, may rank behind claims of the Irish Revenue Commissioners for PAYE, local property tax and VAT;

(b) under Irish law, for a charge to be characterised as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. There is a risk therefore that even a charge which purports to be taken as a fixed charge may take effect as a floating charge if a court deems that the requisite level of control was not exercised; and

(c) in an insolvency of the Issuer, the claims of certain other creditors (including the Irish Revenue Commissioners for certain unpaid taxes), as well as those of creditors mentioned above, will rank in priority to claims of unsecured creditors and claims of creditors holding floating charges.

3.29 Withholding tax on the Notes

Although no withholding tax is currently imposed on payments of interest on the Notes, there can be no assurance that the law will not change. In addition, as described under Condition 9 (*Taxation*), the Issuer is authorised to withhold amounts otherwise distributable to a holder if the holder fails to provide the Issuer or its agents with any correct, complete and accurate information that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the holder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA.

If any withholding or deduction for or on account of tax is made on payments on the Notes, the holders of the Notes will not be entitled to receive additional amounts to compensate them for such withholding or deduction and no Note Event of Default shall occur as a result of that withholding or deduction.

In the event of the occurrence of a Note Tax Event pursuant to which any payment on the Notes of any Class becomes properly subject to any withholding tax or deduction on account of tax, the Notes may be redeemed in whole but not in part at the direction of the holders of each of the Controlling Class or the Subordinated Notes, in each case acting by way of Ordinary Resolution, subject to certain conditions including a threshold test pursuant to which determination is made as to whether the anticipated proceeds of liquidation of the security over the Collateral would be sufficient to pay all amounts due and payable on the Rated Notes in such circumstances in accordance with the Priorities of Payment.

3.30 Non-compliance with restrictions on ownership of the Notes and the Investment Company Act could adversely affect the Issuer

The Issuer has not registered with the SEC as an investment company pursuant to the Investment Company Act, in reliance on an exclusion from the definition of investment company for certain asset backed issuers that meet the conditions of Rule 3a-7 under the Investment Company Act. Except in the limited circumstances described herein, the Issuer will not acquire any Portfolio Assets after the Issue Date and, in any event, its ability to dispose of Portfolio Assets will be limited, which could adversely affect its ability to mitigate losses. In 2011, the SEC published an advance notice of proposed rulemaking to potentially consider proposing amendments to Rule 3a-7. Any guidance from the SEC or its staff regarding Rule 3a-7, including changes that the SEC may ultimately adopt to Rule 3a-7, that narrow the scope of Rule 3a-7, could further inhibit the business activities of the Issuer and adversely affect the holders of the Notes.

No opinion or no-action position has been requested of the SEC with respect to the status of the Issuer as an investment company under the Investment Company Act. If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the Investment Company Act had failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. In addition, such a finding would constitute a Note Event of Default under the Trust Deed. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

3.31 Characterisation of Notes

No representation is made as to the proper characterisation of the Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Notes for such purposes or under such restrictions. Certain regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire the Notes, which in turn may adversely affect the ability of investors in the Notes who are not subject to those provisions to resell their Notes in the secondary market.

3.32 Financial Transaction Tax

In February 2013 the European Commission published a proposal for a Council Directive implementing enhanced cooperation for a financial transaction tax ("**FTT**") requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). However, on 16 March 2016, Estonia completed the formalities required to cease participation in the enhanced cooperation on FTT.

Under the Commission Proposal, the proposed FTT would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State or the financial instrument in which the parties are dealing is issued in a Participating Member State. The FTT may apply to both transaction parties where one of these circumstances applies. The FTT may also apply to dealings in the Collateral to the extent the Collateral constitutes financial instruments within its scope, such as bonds. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. In such circumstances, it is not possible to predict with certainty what effect the proposed FTT might have on the business of the Issuer, and amounts due to Noteholders may be adversely affected.

However, the FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may also decide to participate in the FTT. Prospective holders of the Notes are advised to seek their own professional advice in relation to any FTT and its potential impact on their dealings in the Notes before investing.

3.33 Book-entry holders are not considered Noteholders under the Trust Deed and may delay receipt of payments on the Notes

Holders of beneficial interests in any Notes held in global form will not be considered holders of such Notes under the Trust Deed. After payment of any interest, principal or other amount to the applicable Clearing System, the Issuer will have no responsibility or liability for the payment of such amount by the applicable Clearing System or to any holder of a beneficial interest in a Note. The applicable Clearing System or its nominee will be the sole holder for any Notes held in global form, and therefore each Person owning a beneficial interest in a Note held in global form must rely on the procedures of such Clearing System (and if such Person is not a participant in the applicable Clearing System on the procedures of the participant through which such Person holds such interest) with respect to the exercise of any rights of a Noteholder under the Trust Deed.

Noteholders owning a book-entry Note may experience some delay in their receipt of distributions of interest and principal on such Note since distributions are required to be forwarded by the Principal Paying Agent to the applicable Clearing System, and the applicable Clearing System will be required to credit such distributions to the accounts of its participants which thereafter will be required to credit them to the accounts of the applicable Noteholders, either directly or indirectly through indirect participants. See "*Form of the Notes*".

3.34 Security

Clearing Systems

Portfolio Assets forming part of the Collateral which are in the form of securities (if any) will be held by the Custodian on behalf of the Issuer pursuant to the Collateral Administration and Agency Agreement. The Custodian will hold such assets which can be cleared through Euroclear in an account with Euroclear unless the Trustee otherwise consents and will hold the other securities comprising the Portfolio which cannot be so cleared (i) through its accounts with Clearstream, Luxembourg and The Depository Trust Company ("**DTC**"), as appropriate, and (ii) through its sub-custodians who will in turn hold such assets which are securities both directly and through any appropriate clearing system. Those assets held in clearing systems will not be held in

special purpose accounts and will be fungible with other securities from the same issue held in the same accounts on behalf of the other customers of the Custodian or its sub custodian, as the case may be. A first fixed charge over the Portfolio will be created under English law pursuant to the Trust Deed on the Issue Date which will, in relation to the Portfolio Assets that are held through the Custodian, take effect as a security interest over (i) the beneficial interest of the Issuer in its share of the pool of securities fungible with the relevant Portfolio Assets held in the accounts of the Custodian for the benefit of the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Collateral Administration and Agency Agreement which may expose the Secured Parties to the risk of loss in the case of a shortfall of such securities in the event of insolvency of the Custodian or its sub-custodian.

In addition, custody and clearance risks may be associated with Portfolio Assets comprising the Portfolio which are securities that do not clear through DTC, Euroclear or Clearstream, Luxembourg. There is a risk, for example, that such securities could be counterfeit, or subject to a defect in title or claims to ownership by other parties, including custody liens imposed by standard custody terms at various stages in the chain of intermediary ownership of such Portfolio Assets.

Any risk of loss arising from any insufficiency or ineffectiveness of the security for the Notes or the custody and clearance risks which may be associated with assets comprising the Portfolio will be borne by the Noteholders without recourse to the Issuer, the Initial Purchaser, the Arranger, the Trustee, the Investment Manager, any Hedge Counterparty, the Agents, the Collateral Administrator or any other party.

Fixed Security

Although the security constituted by the Trust Deed over the Collateral held from time to time, including the security over the Accounts, is expressed to take effect as a fixed charge, it may (as a result of, among other things, the substitutions of Eligible Investments contemplated by the Investment Management Agreement and the payments to be made from the Accounts in accordance with the Conditions and the Trust Deed) take effect as a floating charge which, in particular, would rank after a subsequently created fixed charge. However, the Issuer has covenanted in the Trust Deed not to create any such subsequent security interests (other than those permitted under the Trust Deed) without the consent of the Trustee.

3.35 Actions of any Rating Agency can adversely affect the market value or liquidity of the Notes

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by any Rating Agency at any time. Credit ratings represent a rating agency's opinion regarding the credit quality of an asset but are not a guarantee of such quality. There is no assurance that a rating accorded to any of the Notes will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a Rating Agency if, in its judgement, circumstances in the future so warrant. If a rating initially assigned to any of the Notes is subsequently lowered for any reason, no person or entity is required to provide any additional support or credit enhancement with respect to any such Notes and the market value of such Notes is likely to be adversely affected.

The Rating Agencies may change their published ratings criteria or methodologies for securities such as the Rated Notes at any time in the future. Further, the Rating Agencies may retroactively apply any such new standards to the ratings of the Rated Notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any Rated Note, despite the fact that such Rated Note might still be performing fully to the specifications set out for such Rated Note in this Offering Circular and the Transaction Documents. Additionally, any Rating Agency may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any Class of Rated Notes. If any rating initially assigned to any Rated Note is subsequently lowered or withdrawn for any reason, Noteholders may not be able to resell their Notes without a substantial discount. Any reduction or withdrawal to the ratings on any Class of Rated Notes may significantly reduce the liquidity of the Notes and may adversely affect the Issuer's ability to make certain changes to the composition of the Portfolio Assets.

In addition to the ratings assigned to the Rated Notes by the Rating Agencies, the Issuer will be utilising ratings assigned by rating agencies to Obligors of individual Portfolio Assets. The Coverage Tests are sensitive to variations in the ratings applicable to the underlying Portfolio Assets. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Fitch CCC Obligation, Moody's Caa Obligation or a Defaulted Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests and the Reinvestment Test and restriction in the Portfolio Profile Tests). The Investment Management

Agreement contains detailed provisions for determining the Fitch Rating and the Moody's Rating. In most instances, the Moody's Rating and the Fitch Rating will not be based on or derived from a public rating of the Obligor or the actual Portfolio Asset. In most cases, the Moody's Rating and the Fitch Rating in respect of a Portfolio Asset will be based on a confidential credit estimate determined separately by Moody's and Fitch. Such confidential credit estimates are private and therefore not capable of being disclosed to Noteholders. In addition, some ratings will be derived by the Investment Manager based on, among other things, Obligor group or affiliate ratings, comparable ratings provided by a different rating agency and, in certain circumstances, temporary ratings applied by the Investment Manager. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Portfolio Asset and may reflect a more or less conservative view of the actual credit risk of such Portfolio Asset than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Coverage Tests) without necessarily reflecting comparable variation in the actual credit quality of the Portfolio Asset in question. Please see "*Description of the Portfolio*" and "*Ratings of the Notes*".

There can be no assurance that rating agencies will continue to assign such ratings utilising the same methods and standards utilised today despite the fact that such Portfolio Asset might still be performing fully to the specifications set out in its Underlying Instrument. Any change in such methods and standards could result in a significant rise in the number of Fitch CCC Obligations or Moody's Caa Obligations in the Portfolio, which could cause the Issuer to fail to satisfy the Par Value Tests on subsequent Determination Dates, which failure could lead to the early amortisation of some or all of one or more Classes of the Notes. See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

Rating Agencies may refuse to give rating agency confirmations

Historically, many actions by issuers of collateralised loan obligation vehicles (including but not limited to issuing additional securities and amending relevant agreements) have been conditioned on receipt of confirmation from the applicable rating agencies that such action would not cause the ratings on the applicable securities to be reduced or withdrawn. Recently, certain rating agencies have changed the manner and the circumstances under which they are willing to provide such confirmation and have indicated reluctance to provide confirmation in the future, regardless of the requirements of the Trust Deed and the other Transaction Documents. If the Transaction Documents require that written confirmation from a Rating Agency be obtained before certain actions may be taken and an applicable Rating Agency is unwilling to provide the required confirmation, it may be impossible to effect such action, which could result in losses being realised by the Issuer and, indirectly, by holders of the Notes.

If a Rating Agency announces or informs the Trustee, the Investment Manager or the Issuer that confirmation from such Rating Agency is not required for a certain action or that its practice is to not give such confirmations for certain types of actions, the requirement for confirmation from such Rating Agency will not apply. Further, in connection with the Effective Date, if an Effective Date Rating Event shall have occurred, the applicable Rated Notes will be subject to redemption in part in an amount and in the manner described under Condition 7(d) (*Redemption upon Effective Date Rating Event*). There can be no assurance that a Rating Agency will provide such rating confirmations upon request, regardless of the terms agreed to among transaction participants, or not subsequently withdraw or downgrade its ratings on one or more Classes of Rated Notes, which could materially adversely affect the value or liquidity of the Notes.

Requirements imposed on Rating Agencies could result in withdrawal of ratings if certain actions are not taken by the arranger

On 2 June 2010, certain amendments to Rule 17g-5 under the Exchange Act promulgated by the SEC became effective. Amended Rule 17g-5 requires each rating agency providing a rating of a structured finance instrument where the rating is paid for by the "arranger" (defined as the issuer, the underwriter or the sponsor) to obtain an undertaking from the arranger to (i) create a password protected website, (ii) post on that website all information provided to the rating agency in connection with the initial rating of any Class of Rated Notes and all information provided to the rating agency in connection with the surveillance of such rating, in each case, contemporaneous with the provision of such information to the applicable rating agency and (iii) provide access to such website to other rating agencies that have made certain certifications to the arranger regarding their use of the information. In this transaction, the "arranger" is the Issuer.

Each Rating Agency must be able to reasonably rely on the arranger's certifications. If the arranger does not comply with its undertakings to any Rating Agency with respect to this transaction, such Rating Agency may withdraw its ratings of the Rated Notes. In such case, the withdrawal of ratings by any Rating Agency may

adversely affect the price or transferability of the Rated Notes and may adversely affect any beneficial owner that relies on ratings of securities for regulatory or other compliance purposes.

Under Rule 17g-5, rating agencies providing the requisite certifications described above may issue unsolicited ratings of the Rated Notes which may be lower and, in some cases, significantly lower than the ratings provided by the Rating Agencies. The unsolicited ratings may be issued prior to, on or after the Issue Date and will not be reflected herein. Issuance of any unsolicited rating will not affect the issuance of the Notes. Such unsolicited ratings could have a material adverse effect on the price and liquidity of the Rated Notes and, for regulated entities, could adversely affect the value of the Rated Notes as a legal investment or the capital treatment of the Rated Notes.

The SEC may determine that one or both of the Rating Agencies no longer qualifies as a nationally recognised statistical rating organisation (an "**NRSRO**") for purposes of the federal securities laws and that determination may also have an adverse effect on the market prices and liquidity of the Rated Notes.

3.36 Financial information provided to Noteholders in the Monthly Report and the Payment Date Report will be unaudited

The Issuer will, or will procure that, certain information will be made available via a secured website at https://gctinvestorreporting.bnymellon.com to Noteholders (and other participants in the transaction) pursuant to the Monthly Reports and the Payment Date Reports (see "*Description of the Reports*"). In preparing and furnishing these reports, the Issuer will rely conclusively on the accuracy and completeness of the information or data regarding the Portfolio Assets that has been provided to it by the Collateral Administrator (which will rely conclusively, in turn, on the accuracy and completeness of certain information provided to it by the Investment Manager), and the Issuer will not verify, recompute, reconcile or recalculate any such information or data. Neither such information nor any other financial information furnished to Noteholders will be audited and reported upon, and an opinion will not be expressed, by an independent public accountant.

3.37 Money laundering prevention laws may require certain actions or disclosures

The Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA PATRIOT Act**"), signed into law on and effective as of 26 October 2001, requires that financial institutions, a term that includes banks, broker-dealers and investment companies, establish and maintain compliance programs to guard against money laundering activities. The USA PATRIOT Act requires the U.S. Department of the Treasury to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Financial Crimes Enforcement Network ("**FinCEN**"), an agency of the U.S. Department of the Treasury, has announced that it is likely that such regulations would require pooled investment vehicles such as the Issuer to enact anti-money laundering policies. It is possible that there could be promulgated legislation or regulations that would require the Issuer, the Initial Purchaser, the Arranger or other service providers to the Issuer, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Notes. Such legislation and/or regulations could require the Issuer to implement additional restrictions on the transfer of the Notes. The Issuer reserves the right to request such information as is necessary to verify the identity of a Noteholder and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs required by FinCEN and/or the SEC. If there is a delay or failure by the applicant to produce any information required for verification purposes, an application for or transfer of Notes and the subscription monies relating thereto may be refused.

3.38 Resolutions, Amendments and Waivers

The Terms and Conditions of the Notes and the Trust Deed contain detailed provisions governing modification of the Conditions and the Transaction Documents and the convening of meetings and passing of Resolutions by the Noteholders. Certain key risks relating to these provisions are summarised below.

Decisions may be taken by Noteholders by way of Ordinary Resolution or Extraordinary Resolution, in each case, either acting together or, to the extent specified in any applicable Transaction Document, as a Class of Noteholders acting independently. Such Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing. Meetings of the Noteholders may be convened by the Issuer, the Trustee or by one or more Noteholders holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes of a particular Class, subject to certain conditions including minimum notice periods.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects only the holders of one or more Classes of Notes in which event the required quorum and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution may be determined by reference only to the holders of that Class or Classes of Notes.

If a meeting of Noteholders is called to consider a Resolution, determination as to whether the requisite number of Notes has been voted in favour of such Resolution will be determined by reference to the percentage which the Notes voted in favour represent of the total amount of Notes held or represented by any person or persons entitled to vote which are present at such meeting and are voted and not by the aggregate Principal Amount Outstanding of all such Notes which are entitled to be voted in respect of such Resolution. The voting threshold at any Noteholders' meeting in respect of an Ordinary Resolution or an Extraordinary Resolution of all Noteholders is, respectively, more than 50 per cent. or at least 66⅔ per cent. of the votes cast on such Resolution. This means that a lower percentage of Noteholders may pass a Resolution which is put to a meeting of Noteholders than would be required for a Written Resolution in respect of the same matter, which would be determined by reference to the aggregate Principal Amount Outstanding of the relevant Class of Notes. See Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*). There are however quorum provisions which provide that a minimum number of Noteholders representing a minimum amount of the aggregate Principal Amount Outstanding of the applicable Class or Classes of Notes be present at any meeting to consider an Extraordinary Resolution or Ordinary Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than 66⅔ per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable) and in the case of an Ordinary Resolution this is one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable). Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution. In addition, if a quorum requirement is not satisfied at any meeting, a lower quorum threshold (when a quorum will be satisfied by any one or more persons holding not less than 50 per cent. of the aggregate Principal Amount Outstanding of any Class of Notes) will apply at any meeting previously adjourned for want of quorum, as set out in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and in the Trust Deed. Any such Resolution may be adverse to any Class of Noteholders or to any group of Noteholders or individual Noteholders within any Class.

Notes constituting the Controlling Class that are in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes will have no right to vote in connection with and will not be counted for the purposes of determining a quorum or the result of voting on any IM Removal Resolution or any IM Replacement Resolution. As a result, for so long as the Class A Notes, Class B-1 Notes, Class B-2 Notes, Class C Notes and Class D constitute the Controlling Class, only Notes that are in the form of IM Removal and Replacement Voting Notes may vote and be counted in respect of an IM Removal Resolution or an IM Replacement Resolution.

Notes in the form of IM Removal and Replacement Voting Notes may form a small percentage of the Controlling Class and/or be held by a concentrated group of Noteholders. Investors should be aware that such IM Removal and Replacement Voting Notes will be entitled to vote to pass an IM Removal Resolution or an IM Replacement Resolution and the remaining percentage of the Controlling Class held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes and/or IM Removal and Replacement Exchangeable Non-Voting Notes will be bound by such Resolution.

Holders of the IM Removal and Replacement Voting Notes may have interests that differ from other holders of the Class A Notes, the Class B-1 Notes, Class B-2 Notes, Class C Notes and Class D Notes and may seek to profit or seek direct benefits from their voting rights. The Subordinated Notes may also be held by a concentrated group of Noteholders. Investors should also be aware that such group of Noteholders would in such circumstances exercise effective control over the exercise of rights granted to Subordinated Noteholders as a Class pursuant to the Conditions and the Trust Deed and may have interests that differ from other Noteholders and may seek to profit or seek direct benefits from their effective control over the exercise of such rights.

Investors in the Class A Notes should be aware that for so long as the Class A Notes have not been redeemed and paid in full, if no Class A Notes are held in the form of IM Removal and Replacement Voting Notes, the Class A Notes will not be entitled to vote in respect of such IM Removal Resolution or IM Replacement Resolution and such right shall pass to a more junior Class of Notes in accordance with the definition of Controlling Class.

Similarly, investors in the other Classes of Notes should be aware that if there are no Notes in their Class that would be entitled to vote and be counted in respect of a IM Removal Resolution or IM Replacement Resolution such right shall pass to a more junior Class of Notes.

Certain entrenched rights relating to the Terms and Conditions of the Notes including the currency thereof, Payment Dates applicable thereto, the Priorities of Payment, the provisions relating to quorums and the percentages of votes required for the passing of an Extraordinary Resolution, cannot be amended or waived by Ordinary Resolution but require an Extraordinary Resolution of each Class of Noteholder. It should however be noted that amendments may still be effected and waivers may still be granted in respect of such provisions in circumstances where not all Noteholders agree with the terms thereof and any amendments or waivers once passed in accordance with the provisions of the Terms and Conditions of the Notes and the provisions of the Trust Deed will be binding on all such dissenting Noteholders.

Each Hedge Counterparty may also need to be notified and its consent required to the extent provided for in the applicable Hedge Agreement in respect of a modification, amendment or supplement to any provision of the Transaction Documents. Any such consent, if withheld, may prevent the modification, amendment or supplement of the Transaction Documents in a manner which may be beneficial to or in the best interests of the Noteholders or alternatively trigger a termination event under the relevant Hedge Agreement.

3.39 Modification of Transaction Documents without consent of Noteholders

Certain amendments and modifications to the Transaction Documents may be made without the consent of any Noteholders and the Trustee (subject to the receipt of prior written notice and certain other conditions) will be obliged to consent to such changes. See Condition 14(c) (*Modification and Waiver*). Any such amendment or modification could be adverse to certain Noteholders.

3.40 Enforcement rights following a Note Event of Default

If a Note Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by Extraordinary Resolution (subject, in each case, to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith), give notice to the Issuer that all the Notes are immediately due and repayable following which the security over the Collateral shall become enforceable.

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion (but, subject always to Condition 4(c) (*Limited Recourse and Non-Petition*)), and shall, if so directed by the Controlling Class acting by Ordinary Resolution (subject, in each case, to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) institute such proceedings against the Issuer or take any other action or steps as it may think fit to enforce the terms of the Trust Deed and the Notes and, pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral **provided that** no such enforcement action may be taken by the Trustee unless: (a) the Trustee or an Appointee on its behalf determines that the anticipated proceeds realised from such enforcement action (after deducting any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) other than the Subordinated Notes and all amounts payable in priority thereto pursuant to the Acceleration Priority of Payments; or (b)(i) in the case of a Note Event of Default specified in sub-paragraph (i), (ii), (v), (vii) or (viii) of Condition 10(a) (*Note Events of Default*), the Controlling Class acting by way of Ordinary Resolution directs the Trustee to take such enforcement action; or (ii) in the case of any other Note Event of Default, the Noteholders of each Class of Rated Notes, voting separately and acting by way of Extraordinary Resolution direct the Trustee to take such enforcement action. A failure to pay interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or, with respect to the Subordinated Notes, Interest Proceeds or Principal Proceeds shall at no time constitute a Note Event of Default even if such Class is the Controlling Class.

The requirements described above could result in the Controlling Class being unable to procure enforcement of the security over the Collateral in circumstances in which they desire such enforcement and may also result in enforcement of such security in circumstances where the proceeds of liquidation thereof would be insufficient to ensure payment in full of all amounts due and payable in respect of all the Notes in accordance with the

Acceleration Priority of Payments and/or at a time when enforcement thereof may be adverse to the interests to certain Classes of Notes and, in particular, the Subordinated Notes.

3.41 Certain actions may have the effect of preventing the failure of the Coverage Tests and the occurrence of a Note Event of Default

Investors should note that, pursuant to the Transaction Documents and subject to certain conditions:

(a) the Issuer may issue further Notes pursuant to Condition 17 (*Additional Issuances*);

(b) the Investment Manager may, pursuant to the Priorities of Payment, redirect funds (including by deferring or waiving payment of some or all of its Investment Management Fees) to be applied toward the acquisition of additional Portfolio Assets or other Permitted Uses;

(c) the Investment Manager or its Affiliate or designee may make Investment Manager Advances from time to time to be credited to the Collateral Enhancement Account, the Interest Account or the Principal Account. Each Investment Manager Advance shall be in a minimum amount of €1,000,000 and shall accrue interest at a rate equal to EURIBOR plus a margin of 2.0 per cent. per annum. The aggregate amount outstanding of all Investment Manager Advances shall not, at any time, exceed €3,000,000. Repayment by the Issuer of any Investment Manager Advance will only be made subject to and in accordance with the Priorities of Payment. See "*Description of the Portfolio – Investment Manager Advances";* and/or

(d) the Investment Manager may, pursuant to the Priorities of Payment, defer all or a portion the Investment Management Fees which it would otherwise be entitled to receive,

in each case with the resulting funds being designated as Interest Proceeds or applied to a Permitted Use.

Any of the above actions could result in satisfaction of a Coverage Test that would otherwise be failing and therefore potentially decrease the occurrence of principal prepayments of the highest ranking Class of Notes. Likewise, any such action could prevent a Note Event of Default which would otherwise have occurred and therefore potentially result in the Notes continuing to be outstanding in circumstances where the Controlling Class may otherwise have had the right to direct the Trustee to accelerate the Notes. Consequentially, the average life of the Notes may be longer than it would otherwise be.

3.42 Additional issuances of Subordinated Notes not subject to anti-dilution rights or Noteholder approval

The Issuer may issue and sell Further Subordinated Notes, subject to the satisfaction of a number of conditions, including but not limited to the consent of the Subordinated Noteholders acting by way of Ordinary Resolution. However, the consent of the Subordinated Noteholders (other than the Retention Holder) to any additional issuance of Subordinated Notes if such issuance is required in order to prevent or cure a Retention Deficiency for any reason shall not be required. In addition, the holders of the Subordinated Notes shall be afforded the opportunity to purchase Further Subordinated Notes in an amount not to exceed the percentage of the Subordinated Notes each holder held immediately prior to the issuance of such Further Subordinated Notes and on the same terms offered to investors generally. However, this requirement does not apply to any additional issuance of Subordinated Notes if such issuance is required in order to prevent or cure a Retention Deficiency for any reason. To the extent an existing Subordinated Noteholder determines not to purchase Further Subordinated Notes, or purchases only a portion of its entitlement thereof, or to the extent Further Subordinated Notes are issued to prevent or cure a Retention Deficiency, the proportion of Subordinated Notes held by a Subordinated Noteholder may be diluted following such additional issuance. See Condition 17 (*Additional Issuances*).

There can be no assurance as to whether such additional issuance of Subordinated Notes will affect the secondary market price or liquidity of the Subordinated Notes.

3.43 Concentrated Ownership of one or more Classes of Notes

On the Issue Date, one or more related investors are expected to purchase a majority of the Subordinated Notes and a single investor or related group of investors may hold a majority or supermajority of any Class of Notes at any time. The interests and incentives of any such holder will not necessarily be aligned with those of other holders of any particular Class of Notes. In addition, the holders of any Class of Notes will have no duty or obligation to consider the interests of any other holders when exercising any rights given to such Notes under

the Transaction Documents, and will have no fiduciary duties to the Issuer, other holders or any other party. At any time that one or more related investors hold a majority of any Class of Notes, it may be more difficult for other holders to take (or avoid taking) certain actions that require consent of any such Classes of Notes. For example, optional redemption and the removal of the Investment Manager and appointment of a successor involve the direction of holders of specified percentages of Subordinated Notes or the Controlling Class. The actions pursued by such Noteholders may be adverse to interests of holders of other Classes of Notes.

3.44 Action Plan on Base Erosion and Profit Shifting

At a meeting in Paris on 29 May 2013, the Organisation for Economic Co-operation and Development ("**OECD**") Council at Ministerial Level adopted a declaration on base erosion and profit shifting urging the OECD's Committee on Fiscal Affairs to develop an action plan to address base erosion and profit shifting in a comprehensive manner.

In July 2013, the OECD launched an Action Plan on Base Erosion and Profit Shifting ("**BEPS**"), identifying fifteen specific actions to achieve this. Subsequently, the OECD published discussion papers and held public consultations in relation to those actions, also publishing interim reports, analyses and sets of recommendations in September 2014 for seven of the actions.

On 5 October 2015, the OECD published final reports, analyses and sets of recommendations for all of the fifteen actions it identified as part of its Action Plan, which G20 finance ministers then endorsed during a meeting on 8 October 2015 in Lima, Peru (the "**Final Report**"). The Final Report was endorsed by G20 Leaders during their annual summit on 15-16 November 2015 in Antalya, Turkey.

Investors should note that other action points (such as Action 4, which can deny deductions for financing costs) may be implemented in a manner which affects the tax position of the Issuer.

Action 6

The focus of one of the actions (Action 6) is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. The Final Report recommends, as a minimum, that countries should include in their tax treaties: (i) an express statement that the common intention of each contracting state which is party to such treaties is to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance; and one, or both, of (ii) a "limitation-on-benefits" ("**LOB**") rule; and (iii) a "principal purposes test" ("**PPT**") rule. As noted above, whether the Issuer will be subject to United Kingdom corporation tax may depend on whether it can benefit from Articles 5 and 8 of the UK-Ireland double tax treaty. Further, it is expected that the Issuer will rely on the interest and other articles of treaties entered into by Ireland to be able to receive payments from some Obligors free from withholding taxes that might otherwise apply.

The PPT rule could deny a treaty benefit if it is reasonable to conclude, having regard to all facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is unclear how a PPT, if adopted, would be applied by the tax authorities of those jurisdictions from which payments are made to the Issuer.

In contrast, the LOB rule has a more objective focus. More particularly, the OECD has included both a detailed and simplified version of the LOB rule in its Final Report relating to Action 6, albeit recommending in the related commentary to the LOB rule that the simplified version of the LOB rule should be included in a double tax treaty in combination with a PPT rule. The more detailed version of the LOB provision would limit the benefits of treaties, in the case of companies and in broad terms, to: (i) certain publicly listed companies and their affiliates; (ii) certain not-for-profit organisations and companies which carry on a pensions business; (iii) companies owned by a majority of persons who would be eligible for treaty benefits provided that the majority of the company's gross income is not paid to a third country in a tax deductible form; (iv) companies engaged in the active conduct of a trade or business (other than of making or managing investments); (v) companies which were not established in a particular jurisdiction with a principal purpose of obtaining treaty benefits; and (vi) certain collective investment vehicles ("**CIVs**"). The simplified version of the LOB provision would limit these benefits to companies in similar but, generally speaking, less prescriptive circumstances. The ability to claim treaty benefits under (v) above, however, would be included in both versions, albeit that it would require a company to apply to the tax authorities of the other contracting state for the granting of that benefit.

Whilst the Final Report makes provision for the inclusion of a CIV as a "qualified person" for the purposes of the LOB rule, the Final Report does not include specific provision for non-CIVs, such as the Issuer. In the Final Report, the OECD acknowledges the economic importance of non-CIV funds and the need to grant such vehicles treaty benefits where appropriate. Further work on the treaty benefits to be afforded to non-CIV funds has continued to be undertaken including the publication on 24 March 2016 by OECD of a public discussion draft document on the entitlement of non-CIV funds to treaty benefits and the publication on 6 January 2017 of a further discussion document detailing examples of transactions featuring non-CIVs. These examples were subsequently incorporated in the 2017 update to the OECD Model Treaty and associated commentary published on 16 December 2017. This work may be relevant to the treaty entitlement of the Issuer.

The Multilateral Instrument (see further below) presents the PPT rule as the default option for countries wishing to modify their tax treaties to comply with the minimum standard of Action 6, while also permitting countries to supplement the PPT rule by choosing to apply a simplified LOB rule. The Multilateral Instrument does not include a detailed LOB rule but rather allows relevant countries who wish to incorporate a detailed LOB rule to opt out of the PPT rule and instead agree to endeavour to reach a bilateral agreement on such a detailed LOB rule. The Multilateral Instrument does not, however, address non-CIV funds and their access to treaty benefits in the context of a LOB rule.

Upon signing the Multilateral Instrument (see further below) the United Kingdom and Ireland provided a provisional list of expected reservations and notifications to be made pursuant to it. In the United Kingdom list (the "**UK Notification**") the United Kingdom has not elected to apply the simplified limitation of benefits rule or to allow other jurisdictions to apply it to its treaties. In the equivalent document provided by Ireland it also did not elect to apply the simplified limitation of benefits rule or permit it to be applied by other jurisdictions to its treaties. As a result, the double tax treaties Ireland has entered into with the United Kingdom and other jurisdictions are expected to only apply a principal purpose test. It is not clear, however, how this test would be interpreted by the relevant tax authorities.

Action 7

The focus of another action point (Action 7) was to develop changes to the treaty definition of a permanent establishment and the scope of the exemption for an "agent of independent status" to prevent the artificial avoidance of having a permanent establishment in a particular jurisdiction. The Final Report on Action 7 sets out the changes that will be made to the definition of a "permanent establishment" in Article 5 of the OECD Model Convention and the OECD Model Commentary. Among other recommendations, the Final Report on Action 7 recommended two specific changes to the OECD Model Convention: (i) the expansion of the circumstances in which a "permanent establishment" is created to include the negotiation of contracts where certain conditions are satisfied; and (ii) narrowing the exemption for agents of independent status where contracts are concluded by an "independent agent" and that agent is connected to the foreign enterprise on behalf of which it is acting.

As noted above, whether the Issuer will be subject to UK corporation tax may depend on, among other things, whether the Investment Manager is regarded as an agent of independent status acting in the ordinary course of its business for the purpose of Article 5(6) of the UK/Ireland double tax treaty. As at the date of this Offering Circular, it is expected that, taking into account the nature of the Investment Manager's business and the terms of its appointment and its role under the Investment Management Agreement, the Investment Manager will be regarded as an agent of independent status, acting in the ordinary course of its business, or be able to rely on the UK's investment manager exemption for these purposes. However, it is not clear what impact the Final Report relating to Action 7 will have on the UK/Ireland double tax treaty and the above analysis, principally because it is not clear to what extent (and on what timeframe) particular jurisdictions (such as the UK and Ireland) will decide to adopt any of the Final Report's recommendations. The recommendations of the Final Report on Action 7 described above do not represent a BEPS "minimum standard" and, accordingly, even where countries do sign the Multilateral Instrument (see further below), they will not be required, but may opt, to amend their existing tax treaties to include the recommendations of the Final Report.

In the UK Notification the United Kingdom reserved against the adoption of this Action 7 recommendation in all of its double tax treaties.

Implementation of the recommendations in the Final Report

The OECD Action Plan noted the need for a swift implementation of any measures which are finally decided upon and suggested that Actions 6 and 7, among others, could be implemented by way of multilateral instrument, rather than by way of negotiation and amendment of individual tax treaties.

Subsequently, therefore, on 24 November 2016, the OECD published the text and explanatory statement of the "Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting", developed by an ad hoc group of 99 countries which included Ireland and the UK (the "**Multilateral Instrument**"). The Multilateral Instrument is to be applied alongside existing tax treaties (rather than amending them directly), modifying the application of those existing treaties in order to implement BEPS measures. The first "high-level" signing ceremony for the Multilateral Instrument took place on 5 June 2017. The United Kingdom and Ireland signed the Multilateral Instrument with both countries indicating that the double tax treaty entered into between the United Kingdom and Ireland is to be designated as a Covered Tax Agreement ("**CTA**"), being a tax treaty that is to be modified by the Multilateral Instrument. The United Kingdom and Ireland have submitted their preliminary lists of reservations and notifications. However, the definitive positions of the United Kingdom and Ireland will be provided upon the deposit of its instrument of ratification, acceptance or approval of the Multilateral Instrument. The OECD Frequently Asked Question on the Multilateral Instrument dated June 2017 notes that the PPT is expected to apply to all treaties covered by the Multilateral Instrument.

Accordingly, at least some of the recommendations of the Final Reports on Actions 6 and 7 may be applied to existing tax treaties in a relatively short time. However, the Multilateral Instrument generally allows participating countries to opt in or out of various measures which are not a BEPS "minimum standard". It remains to be seen, therefore, precisely which options participating countries will choose and, as the Final Report on Action 6 observed, there are various reasons why countries may not implement the proposed amendments in an identical manner and/or to the same extent.

In particular it remains to be seen what specific changes will be made to the UK/Ireland double tax treaty and any other double tax treaty on which the Issuer may rely (for example, in receiving interest from an overseas borrower at a potentially reduced rate of withholding tax under an applicable double tax treaty). A change in the application or interpretation of these double tax treaties (as a result of the adoption of the recommendations of the Final Report by way of the Multilateral Instrument or otherwise) might result in the Issuer being treated as having a taxable permanent establishment outside of Ireland, in denying the Issuer the benefit of Ireland's network of double tax treaties or in other tax consequences for the Issuer. In each case, this could have a material adverse effect on the Issuer's business, tax and financial position.

EU Anti-Tax Avoidance Directive

As part of its anti-tax avoidance package the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive**"). The Anti-Tax Avoidance Directive must be implemented by each Member State by 2019, subject to derogations for Member States which have equivalent measures in their domestic law. It is anticipated that Ireland will seek to avail itself of such a derogation delaying implementation until 1 January 2024. Amongst the measures contained in the Anti-Tax Avoidance Directive is an interest deductibility limitation rule similar to the recommendation contained in the BEPS Action 4 proposals. The Anti-Tax Avoidance Directive provides that interest costs in excess of the higher of (a) EUR 3,000,000 or (b) 30% of an entity's earnings before interest, tax, depreciation and amortisation will not be deductible in the year in which they are incurred but would remain available for carry forward. However, the restriction on interest deductibility would only be in respect of the amount by which the borrowing costs exceed "interest revenues and other equivalent taxable revenues from financial assets". Accordingly, as the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under Portfolio Assets (that is such that the Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if the Anti-Tax Avoidance Directive were implemented as originally published. There is also a carve out in the Anti-Tax Avoidance Directive for financial undertakings, although as currently drafted the Issuer would not be treated as a financial undertaking. The European Commission is also pursuing other initiatives, such as the introduction of a common corporate tax base, the impact of which, if implemented, is uncertain.

On 21 February 2017, the Economic and Financial Affairs Council of the European Union agreed an amendment to the Anti-Tax Avoidance Directive to provide for minimum standards for counteracting hybrid mismatches involving EU Member States and third countries ("**Anti-Tax Avoidance Directive 2**"). Anti-Tax

Avoidance Directive 2 requires EU Member States to either delay deduction of payments, expenses or losses or include payments as taxable income, in case of hybrid mismatches. Anti-Tax Avoidance Directive 2 needs to be implemented in the EU Member Sates' national laws and regulations by 31 December 2019 and will have to apply as of 1 January 2020, except for the provision on reverse hybrid mismatches for which implementation can be postponed to 31 December 2021, and will apply as of 1 January 2022.

4. RELATING TO THE PORTFOLIO ASSETS

4.1 The Portfolio

The decision by any prospective Noteholder to invest in the Notes should be based on, among other things, its own review and analysis of the Portfolio set out in the "*Description of the Portfolio*"; the description of the Portfolio Profile Tests and the Collateral Quality Tests; the Eligibility Criteria (and Reinvestment Criteria when applicable) which each Portfolio Asset is required to satisfy as described in this Offering Circular; and the Coverage Tests and Target Par Amount that the Portfolio is expected to satisfy as at the Effective Date (other than in respect of the Interest Coverage Tests, which are only required to be satisfied on each Interest Coverage Test Date). This Offering Circular does not contain any information regarding the individual Portfolio Assets on which the Notes will be secured from time to time.

The Monthly Report will set out details of the Portfolio Profile Tests and the Collateral Quality Tests as at each Determination Date but following the Reinvestment Period such information will be purely factual, for descriptive purposes only and without any legal or contractual consequences. There can be no assurance that the Portfolio Profile Tests and the Collateral Quality Tests will continue to have the values measured as at the Effective Date.

None of the Issuer, the Initial Purchaser or the Arranger has made or will make any investigation into the Obligors of the Portfolio Assets. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Initial Purchaser, the Arranger, the Retention Holder, any Hedge Counterparty, the Agents, the Investment Manager, the Collateral Administrator or any of their Affiliates is under any obligation to maintain the value of the Portfolio Assets at any particular level. None of the Issuer, the Trustee, the Investment Manager, the Collateral Administrator, any Hedge Counterparty, the Agents, the Retention Holder, the Initial Purchaser, the Arranger or any of their Affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Portfolio Assets from time to time.

Furthermore, pursuant to the Investment Management Agreement, the Investment Manager is required to carry out due diligence in accordance with the Standard of Care specified in the Investment Management Agreement, to ensure the Eligibility Criteria will be satisfied prior to the entry by the Issuer (or the Investment Manager (acting on behalf of the Issuer)) into a commitment to purchase an asset intended to constitute a Portfolio Assets and that the Issuer will, upon the settlement of such purchase, become the legal and beneficial holder of such Portfolio Assets in accordance with the terms of the relevant Underlying Instrument and all applicable laws. Noteholders are reliant on the Investment Manager conducting such due diligence in a manner which ensures that the Portfolio Assets are properly and effectively transferred and satisfy each of the Eligibility Criteria.

4.2 Nature of Collateral; defaults

The Issuer will invest in a portfolio of Portfolio Assets consisting of predominantly Senior Secured Loans, Senior Secured Bonds, Unsecured Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds, as well as certain other investments, all of which will have greater credit and liquidity risk than investment grade sovereign or corporate loans. The Collateral is subject to credit, liquidity and interest rate risks.

The lower rating of below investment grade collateral reflects a greater possibility that adverse changes in the financial condition of an issuer or borrower or in general economic conditions or both may impair the ability of the relevant borrower or issuer, as the case may be, to make payments of principal or interest. Such investments may be speculative. See "*Description of the Portfolio*".

The offering of the Notes has been structured so that the Notes are assumed to be able to withstand certain assumed losses relating to defaults on the underlying Portfolio Assets. See "*Ratings of the Notes*". There is no assurance that actual losses will not exceed such assumed losses. If any losses exceed such assumed levels, payments on the Notes could be adversely affected by such defaults. To the extent that a default occurs with respect to any Portfolio Asset securing the Notes and the Issuer sells or otherwise disposes of such Portfolio

Asset, it is likely that the proceeds of such sale or disposition will be less than the unpaid principal and interest thereon.

The financial markets periodically experience substantial fluctuations in prices for obligations of the types that may be Portfolio Assets and limited liquidity for such obligations. No assurance can be made that the conditions giving rise to such price fluctuations and limited liquidity will not occur, subsist or become more acute following the Issue Date. A decrease in the Market Value of the Portfolio Assets would adversely affect the proceeds of sale that could be obtained upon the sale of the Portfolio Assets and could ultimately affect the ability of the Issuer to pay in full or redeem the Notes. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such Portfolio Assets at any time, or that the proceeds of any such sale or disposition would be sufficient to repay a corresponding par amount of principal of and interest on the Notes after, in each case, paying all amounts payable prior thereto pursuant to the Priorities of Payment. Moreover, there can be no assurance as to the amount or timing of any recoveries received in respect of Defaulted Obligations.

4.3 Acquisition of Portfolio Assets Prior to the Issue Date

On or prior to the Issue Date, the Issuer will have purchased, and/or entered into agreements to purchase, a substantial portion of the Portfolio Assets to form the initial Portfolio on the Issue Date under the arrangements set out below. Further, the Issuer may only acquire a Portfolio Asset that is not an Originated Portfolio Asset if, immediately following such purchase, the Originator Requirement is satisfied. See further "*Description of the Originator and its Business*" below for a discussion on the Originator's origination activities and related financing arrangements. See also "certain conflicts of interest" below in respect of certain potential conflicts of interest related to the Investment Manager's relationship with the Originator.

Some of the Portfolio Assets purchased by the Originator, whether subsequently sold to the Issuer or otherwise, have been or will be financed by way of certain financing arrangements (the "**Originator Financing**") provided (directly or indirectly) to the Originator (the "**Originator Assets**"). The interests of the participants in the Originator Financing in respect of the Originator Assets may not necessarily align with, and may be directly contrary to, those of the investors in the Notes.

Furthermore, the requirement to satisfy the Originator Requirement may have an effect on the ability of the Issuer (and the Investment Manager on its behalf) to identify and acquire appropriate Portfolio Assets either during the Ramp-up Period or after (see further "*Considerations Relating to the Ramp-up Period*" below) or for reinvestment (see further "*Reinvestment Risk/Uninvested Cash Balances*" below).

The Issuer has purchased or entered into an agreement to purchase a substantial portion of the Portfolio on or prior to the Issue Date pursuant to certain financing arrangements (the "**Warehouse Arrangements**"). The Warehouse Arrangements were provided by a senior creditor (being the Arranger) and certain other subordinated investors (including the Originator) (the "**Warehouse Providers**"). The Issuer will apply part of the proceeds of the issuance of the Notes to repay the Warehouse Providers under the Warehouse Arrangements in respect of the funding provided by it to finance the purchase of Portfolio Assets prior to the Issue Date, and the Warehouse Arrangements will be terminated on the Issue Date.

The prices paid by the Issuer for Portfolio Assets for which it entered into a commitment to purchase prior to the Issue Date will be the prevailing prices at the time of the execution of the applicable trades given the market circumstances applicable on the date the Issuer entered into the commitment to purchase, which may be greater or less than the market value thereof on the Issue Date. Events occurring between the date of the Issuer first acquiring, or committing to acquire, such Portfolio Assets and the Issue Date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the Obligors of such Portfolio Assets, the timing of purchases prior to the Issue Date and a number of other factors beyond the Issuer's control, including the condition of certain financial markets, general economic conditions and international political events, could adversely affect the market value of such Portfolio Assets. Investors in the Notes will be assuming the risk of market value and credit quality changes in such Portfolio Assets from the date the Issuer enters into a commitment to acquire such Portfolio Assets, including during the period prior to the Issue Date, but will not receive the benefit of interest earned on such Portfolio Assets during such period.

4.4 Considerations Relating to the Ramp-up Period

During the Ramp-up Period, the Investment Manager on behalf of the Issuer, will seek to acquire additional Portfolio Assets in order to satisfy, as at the Effective Date, the Target Par Amount and each of the Coverage Tests (other than in respect of the Interest Coverage Tests) and Collateral Quality Tests. See "*Description of the Portfolio*". The ability to satisfy such tests and requirement will depend on a number of factors beyond the control of the Issuer and the Investment Manager, including the availability of obligations that satisfy the Eligibility Criteria and other Portfolio related requirements in the primary and secondary loan markets, the condition of the financial markets, general economic conditions and international political events. Therefore, there can be no assurance that such tests and requirements will be met. In addition, the ability of the Issuer to enter into Asset Swap Transactions upon the acquisition of Non-Euro Obligations will depend upon a number of factors outside the control of the Investment Manager, including its ability to identify a suitable Asset Swap Counterparty with whom the Issuer (or the Investment Manager on its behalf) may enter into Asset Swap Transactions. See also paragraph 2.4 (*European Market Infrastructure Regulation (EMIR)*) above. To the extent it is not possible to purchase such additional Portfolio Assets, the level of income receivable by the Issuer on the Collateral, and therefore its ability to meet its interest payment obligations under the Notes, may be adversely affected. Such inability to invest may also shorten the weighted average lives of the Notes as it may lead to early redemption of the Notes. To the extent such additional Portfolio Assets are not purchased, the level of income receivable by the Issuer on the Collateral and therefore its ability to meet its interest payment obligations under the Notes, together with the weighted average lives of the Notes, may be adversely affected. Any failure by the Investment Manager (on behalf of the Issuer) to acquire such additional Portfolio Assets and/or enter into required Asset Swap Transactions during such period could result in the non-confirmation or downgrade or withdrawal by any Rating Agency of its Initial Rating of any Class of Notes. Such non-confirmation, downgrade or withdrawal may result in the redemption of the Notes, shortening their weighted average life and reducing the leverage ratio of the Subordinated Notes to the other Classes of Notes which could adversely affect the level of returns to the holders of the Subordinated Notes. Any such redemption of the Notes may also adversely affect the risk profile of Classes of Notes in addition to the Subordinated Notes to the extent that the amount of excess spread capable of being generated in the transaction reduces as the result of redemption of the most senior ranking Classes of Notes in accordance with the Note Payment Sequence which bear a lower rate of interest than the remaining Classes of Notes.

Investors should note that, during the Ramp-Up, the Investment Manager may apply some or all amounts standing to the credit of the First Period Reserve Account to be applied for the purchase of additional Portfolio Assets. Such application may affect the amounts which would otherwise have been payable to Noteholders and, in particular, may reduce amounts available for distribution to the Subordinated Noteholders.

4.5 Early Redemption and Prepayment Risk

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued and unpaid interest thereon. Senior Secured Bonds may include obligor call or prepayment features, with or without a premium or makewhole. Prepayments on loans and bonds may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans or bonds purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, Principal Proceeds received upon such a prepayment are subject to reinvestment risk. Any inability of the Issuer to reinvest payments or other proceeds in Portfolio Assets with comparable interest rates in compliance with the Reinvestment Criteria may adversely affect the timing and amount of payments and distributions received by the Noteholders and the yield to maturity of the Notes. There can be no assurance that the Issuer will be able to reinvest proceeds in Portfolio Assets with comparable interest rates in compliance with the Reinvestment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

4.6 Defaults and Recoveries

There is limited historical data available as to the levels of defaults and/or recoveries that may be experienced on Senior Obligations, Second Lien Loans and Mezzanine Obligations and no assurance can be given as to the levels of default and/or recoveries that may apply to any Senior Obligations, Second Lien Loans and Mezzanine Obligations purchased by the Issuer. As referred to above, although any particular Senior Obligations, Second Lien Loans and Mezzanine Obligations often will share many similar features with other loans and obligations of its type, the actual terms of any particular Senior Obligations, Second Lien Loans and Mezzanine Obligations will have been a matter of negotiation and will thus be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on Senior Obligations, Second Lien Loans and Mezzanine Obligations may also be affected by the different bankruptcy regimes applicable in different

jurisdictions, the availability of comprehensive security packages in different jurisdictions and the enforceability of claims against the Obligors thereunder.

The effect of an economic downturn on default rates and the ability of finance providers to protect their investment in a default situation is uncertain. Furthermore, the holders of Senior Obligations, Second Lien Loans and Mezzanine Obligations are more diverse than ever before, including not only banks and specialist finance providers but also alternative investment managers, specialist debt and distressed debt investors and other financial institutions. The increasing diversification of the investor base has also been accompanied by an increase in the use of hedges, swaps and other derivative instruments to protect against or spread the economic risk of defaults. All of these developments may further increase the risk that historic recovery levels will not be realised. The returns on Senior Obligations, Second Lien Loans and/or Mezzanine Obligations therefore may not adequately reflect the risk of future defaults and the ultimate recovery rates.

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Portfolio Asset becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial change in the interest rate, a substantial write-down of principal, a conversion of some or all of the principal debt into equity, and a substantial change in the terms, conditions and covenants with respect to such Defaulted Obligation. Junior creditors may find that a restructuring leads to the total eradication of their debt whilst the borrower continues to service more senior tranches of debt on improved terms for the senior lenders. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in uncertainty with respect to the ultimate recovery on such Defaulted Obligation. Forum shopping for a favourable legal regime for a restructuring is not uncommon, English law schemes of arrangement having become a popular tool for European incorporated companies, even for borrowers with little connection to the UK. In such instance, a lender may be forced by a court to accept restructuring terms. The liquidity for Defaulted Obligations may be limited, and to the extent that Defaulted Obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any Defaulted Obligation will be at least equal either to the minimum recovery rate assumed by the Rating Agencies in rating the Notes or any recovery rate used in the analysis of the Notes by investors in determining whether to purchase the Notes.

Recoveries on Senior Obligations, Second Lien Loans and Mezzanine Obligations will also be affected by the different bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the Obligor thereunder. See paragraph 4.20 (*Insolvency Considerations relating to Portfolio Assets).*

For the purpose of the foregoing "**Senior Obligations**" means Senior Secured Loans, Senior Secured Bonds and Unsecured Obligations (other than Mezzanine Obligations and High Yield Bonds).

4.7 Underlying Portfolio

Characteristics of Senior Obligations, Second Lien Loans and Mezzanine Obligations

The Portfolio Profile Tests provide that as of the Effective Date, at least 90 per cent. of the Aggregate Collateral Balance must consist of Senior Secured Loans and Senior Secured Bonds in aggregate (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Senior Secured Loans and Senior Secured Bonds and the balances standing to the credit of the Principal Account and the Unused Proceeds Account, in each case as at the relevant Measurement Date). Senior Obligations, Second Lien Loans and Mezzanine Obligations are of a type generally incurred by the Obligors thereunder in connection with highly leveraged transactions, often (although not exclusively) to finance internal growth, pay dividends or other distributions to the equity holders in the Obligor, or finance acquisitions, mergers, and/or stock purchases. As a result of the additional debt incurred by the borrower in the course of such a transaction, the Obligor's creditworthiness is typically judged by the rating agencies to be below investment grade. Senior Obligations and Second Lien Loans are typically at the most senior level of the capital structure with Second Lien Loans and Mezzanine Obligations being subordinated to any Senior Obligations or to any other senior debt of the Obligor. Senior Secured Loans and Senior Secured Bonds are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the Obligor and its subsidiaries and any applicable associated liens relating thereto. In continental Europe, security is often limited to shares in certain group companies, accounts receivable, bank account balances and intellectual property rights. Second Lien Loans and Mezzanine Obligations may have the benefit of a second priority charge over such assets. Unsecured Obligations do not have the benefit of such

security. Senior Obligations usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flows, asset dispositions and offerings of debt and/or equity securities.

Senior Secured Bonds typically contain bondholder collective action clauses permitting specified majorities of bondholders to approve matters which, in a typical Senior Loan, would require unanimous lender consent. The Obligor under a Senior Secured Bond may therefore be able to amend the terms of the bond, including terms as to the amount and timing of payments, with the consent of a specified majority of bondholders, either voting by written resolution or as a majority of those attending and voting at a meeting, and the Issuer is unlikely to have a blocking minority position in respect of any such resolution. The Issuer may further be restricted by the Investment Management Agreement from voting on certain matters, particularly extensions of maturity, which may be considered at a bondholder meeting. Consequently, material terms of a Senior Secured Bond may be varied without the consent of the Issuer.

Mezzanine Obligations generally take the form of medium term loans repayable shortly (perhaps six months or one year) after the senior loans of the obligor thereunder are repaid. Because Mezzanine Obligations are only repayable after the senior debt (and interest payments may be blocked to protect the position of senior debt interest in certain circumstances), it will carry a higher rate of interest to reflect the greater risk of it not being repaid. Due to the greater risk associated with Mezzanine Obligations as a result of their subordination below senior loans of the Obligor, mezzanine lenders may be granted share options, warrants or higher cash paying instruments or payment in kind in the Obligor which can be exercised in certain circumstances, principally being immediately prior to the Obligor's shares being sold or floated in an initial public offering.

Some Portfolio Assets may bear interest at a fixed rate, for example high yield bonds. Risks associated with fixed rate obligations are discussed at paragraph 4.16 (*Interest Rate Risk*) below.

The majority of Senior Obligations and Mezzanine Obligations bear interest based on a floating rate index, for example EURIBOR, a certificate of deposit rate, a prime or base rate (each as defined in the applicable loan agreement) or other index, which may reset daily (as most prime or base rate indices do) or offer the borrower a choice of one, two, three, six, nine or twelve month interest and rate reset periods. The purchaser of an interest in a Senior Obligation or Mezzanine Obligation may receive certain syndication or participation fees in connection with its purchase. Other fees payable in respect of a Senior Obligation or Mezzanine Obligation, which are separate from interest payments on such loan, may include facility, commitment, amendment and prepayment fees.

Senior Obligations and Mezzanine Obligations also generally provide for restrictive covenants designed to limit the activities of the Obligors thereunder in an effort to protect the rights of lenders to receive timely payments of interest on, and repayment of principal of the loans. Such covenants may include restrictions on dividend payments, specific mandatory minimum financial ratios, limits on total debt and other financial tests. A breach of covenant (after giving effect to any cure period) under a Senior Obligation or Mezzanine Obligation which is not waived by the lending syndicate normally is an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. However, although any particular Senior Obligation may share many similar features with other loans and obligations of its type, the actual term of any Senior Obligation or Mezzanine Obligation will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees.

Limited Liquidity, Prepayment and Default Risk in relation to Senior Obligations, Second Lien Loans and Mezzanine Obligations

In order to induce banks and institutional investors to invest in a Senior Obligation, Second Lien Loan or Mezzanine Obligation, and to obtain a favourable rate of interest, an Obligor under such an obligation often provides the investors therein with extensive information about its business, which is not generally available to the public. Because of the provision of confidential information, the unique and customised nature of the loan agreement relating to such Senior Obligation, Second Lien Loan or Mezzanine Obligation, and the private syndication of the Senior Obligations, Second Lien Loans and Mezzanine Obligations are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to, for example, the high yield bond market. Historically, investors in or lenders under European Senior Obligations, Second Lien Loans and Mezzanine Obligations have been predominantly commercial banks and investment banks. The range of investors for such loans has broadened significantly to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and investment managers of trusts or special purpose companies issuing collateralised bond and

loan obligations. As secondary market trading volumes increase, new loans are frequently adopting more standardised documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. This means that such assets will be subject to greater disposal risk if such assets are sold following enforcement of the security over the Collateral or otherwise. The European market for Mezzanine Obligations is also generally less liquid than that for Senior Obligations, resulting in increased disposal risk for such obligations.

Senior Secured Bonds are generally freely transferable negotiable instruments (subject to standard selling and transfer restrictions to ensure compliance with applicable law, and subject to minimum denominations) and may be listed and admitted to trading on a regulated or an exchange regulated market; however there is currently no liquid market for them to any materially greater extent than there is for Senior Obligations which are loans. Additionally, as a consequence of the disclosure and transparency requirements associated with such listing, the information supplied by the Obligors to its debtholders may typically be less than would be provided on Senior Obligations which are loans.

Increased Risks for Mezzanine Obligations

The fact that Mezzanine Obligations are generally subordinated to any Senior Obligations and potentially other indebtedness of the relevant Obligor thereunder, may have a longer maturity than such other indebtedness and will generally only have a second ranking security interest over any security granted in respect thereof, increases the risk of non-payment thereunder of such Mezzanine Obligations in an enforcement situation.

Mezzanine Obligations may provide that all or part of the interest accruing thereon will not be paid on a current basis but will be deferred. Mezzanine Obligations also generally involve greater credit and liquidity risks than those associated with investment grade corporate obligations and Senior Obligations. They are often entered into in connection with leveraged acquisitions or recapitalisations in which the Obligors thereunder incur a substantially higher amount of indebtedness than the level at which they previously operated and, as referred to above, sit at a subordinated level in the capital structure of such companies.

Investing in Cov-Lite Loans involves certain risks

The Issuer or the Investment Manager acting on its behalf may purchase Portfolio Assets which are Cov-Lite Loans. Cov-Lite Loans typically do not have Maintenance Covenants. Ownership of Cov-Lite Loans may expose the Issuer to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have Maintenance Covenants. In addition, the lack of Maintenance Covenants may make it more difficult for lenders to trigger a default in respect of such obligations. This may make it more likely that any default arising under a Cov-Lite Loan will arise at a time when the relevant Obligor is in a greater degree of financial stress. Such a delay may make a successful restructuring more difficult to achieve and/or result in a greater reduction in the value of the Cov-Lite Loans as a consequence of any restructuring effected in such circumstances.

Characteristics of High Yield Bonds

High Yield Bonds are generally unsecured, may be subordinated to other obligations of the applicable obligor and generally involve greater credit and liquidity risks than those associated with investment grade corporate obligations. They are often issued in connection with leveraged acquisitions or recapitalisations in which the obligors thereunder incur a substantially higher amount of indebtedness than the level at which they previously operated.

High Yield Bonds have historically experienced greater default rates than investment grade securities. Although several studies have been made of historical default rates in the U.S. high yield market, such studies do not necessarily provide a basis for drawing definitive conclusions with respect to default rates and, in any event, do not necessarily provide a basis for predicting future default rates in either the European or the U.S. high yield markets which may exceed the hypothetical default rates assumed by investors in determining whether to purchase the Notes or by the Rating Agencies in rating the Notes.

The lower rating of securities in the high yield sector reflects a greater possibility that adverse changes in the financial condition of an issuer thereof, or in general economic conditions (including a sustained period of rising interest rates or an economic downturn), or both, may affect the ability of such issuer to make payments of principal and interest on its debt. Many issuers of High Yield Bonds are highly leveraged, and specific

developments affecting such issuers, including reduced cash flow from operations or inability to refinance debt at maturity, may also adversely affect such issuers' ability to meet their debt service obligations. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on the High Yield Bonds in the Portfolio.

European High Yield Bonds are generally subordinated structurally, as opposed to contractually, to senior secured debtholders. Structural subordination is when a high yield security investor lends to a holding company whose primary asset is ownership of a cash- generating operating company or companies. The debt investment of the high yield investor is serviced by passing the revenues and tangible assets from the operating companies upstream through the holding company (which typically has no revenue- generating capacity of its own) to the security holders. In the absence of upstream guarantees from operating or asset owning companies in the group, such a process leaves the High Yield Bond investors deeply subordinated to secured and unsecured creditors of the operating companies and means that investors therein will not necessarily have access to the same security package as the senior lenders (even on a second priority charge basis) or be able to participate directly in insolvency proceedings or pre-insolvency discussions relating to the operating companies within the group. This facet of the European high yield market differs from the U.S. high yield market, where structural subordination is markedly less prevalent.

In the case of High Yield Bonds issued by issuers with their principal place of business in Europe, structural subordination of High Yield Bonds, coupled with the relatively shallow depth of the European high yield market, leads European high yield defaults to realise lower average recoveries than their U.S. counterparts. Another factor affecting recovery rates for European high yield bonds is the bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the high yield bond issuer. See 4.20 (*Insolvency Considerations relating to Portfolio Assets*) below. It must be noted, however, that the overall probability of default (based on credit rating) remains similar for both U.S. and European credits; it is the severity of the effect of any default that differs between the two markets as a result of the aforementioned factors.

In addition to the characteristics described above, high yield securities frequently have call or redemption features that permit the issuer to redeem such obligations prior to their final maturity date. If such a call or redemption were exercised by an issuer during a period of declining interest rates, the Investment Manager, acting on behalf of the Issuer, may only be able to replace such called obligation with a lower yielding obligation, thus decreasing the net investment income from the Portfolio.

Investing in Second Lien Loans involves certain risks

The Portfolio Assets may include Second Lien Loans, each of which will be secured by a collateral, but which is subordinated (with respect to liquidation preferences with respect to pledged collateral) to other secured obligations of the Obligors secured by all or a portion of the collateral securing such secured loan. Second Lien Loans are typically subject to intercreditor arrangements, the provisions of which may prohibit or restrict the ability of the holder of a Second Lien Loan to (i) exercise remedies against the collateral with respect to their second liens; (ii) challenge any exercise of remedies against the collateral by the first lien lenders with respect to their first liens; (iii) challenge the enforceability or priority of the first liens on the collateral; and (iv) exercise certain other secured creditor rights, both before and during a bankruptcy of the borrower. In addition, during a bankruptcy of the Obligor, the holder of a Second Lien Loan may be required to give advance consent to (a) any use of cash collateral approved by the first lien creditors; (b) sales of collateral approved by the first lien lenders and the bankruptcy court, so long as the second liens continue to attach to the sale proceeds; and (c) "debtor-in-possession" financings.

Liens arising by operation of law may take priority over the Issuer's liens on an Obligor's underlying collateral and impair the Issuer's recovery on a Portfolio Asset if a default or foreclosure on that Portfolio Asset occurs.

Liens on the collateral (if any) securing a Portfolio Asset may arise at law that have priority over the Issuer's interest. An example of a lien arising under law is a tax or other government lien on property of an Obligor. A tax lien may have priority over the Issuer's lien on such collateral. To the extent a lien having priority over the Issuer's lien exists with respect to the collateral related to any Portfolio Asset, the Issuer's interest in the asset will be subordinate to such lien. If the creditor holding such lien exercises its remedies, it is possible that, after such creditor is repaid, sufficient cash proceeds from the underlying collateral will not be available to pay the outstanding principal amount of such Portfolio Asset.

Characteristics of Unsecured Obligations

The Portfolio Assets may include Unsecured Obligations. Such obligations generally have greater credit, insolvency and liquidity risk than is typically associated with secured obligations. Unsecured Obligations will generally have lower rates of recovery than secured obligations following a default. Also, if the insolvency of an Obligor of any Unsecured Obligations occurs, the holders of such obligation will be considered general, unsecured creditors of the Obligor and will have fewer rights than secured creditors of the Obligor.

4.8 Corporate Rescue Loans

Corporate Rescue Loans are made to companies that have experienced, or are experiencing, significant financial or business difficulties such that they have become subject to bankruptcy or other reorganisation and liquidation proceedings and thus involve additional risks. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Issuer will correctly evaluate the value of the assets securing the Corporate Rescue Loan or the prospects for a successful reorganisation or similar action and accordingly the Issuer could suffer significant losses on its investments in such Corporate Rescue Loan. In any reorganisation or liquidation case relating to a company in which the Issuer invests, the Issuer may lose its entire investment, may be required to accept cash or securities with a value less than the Issuer's original investment and/or may be required to accept payment over an extended period of time.

Distressed company and other asset-based investments require active monitoring and may, at times, require participation by the Issuer in business strategy or bankruptcy proceedings. To the extent that the Issuer becomes involved in such proceedings, the Issuer's more active participation in the affairs of the bankruptcy debtor could result in the imposition of restrictions limiting the Issuer's ability to liquidate its position in the debtor.

Although a Corporate Rescue Loan is secured, where the Obligor is subject to U.S. bankruptcy law, it has a priority permitted by section 364(c) or section 364(d) under the United States Bankruptcy Code and at the time that it is acquired by the Issuer is required to be current with respect to scheduled payments of interest and principal (if any). This will not typically be the case for Obligors who are not subject to U.S. bankruptcy proceedings.

4.9 Collateral Enhancement Obligations

All funds required in respect of the purchase price of any Collateral Enhancement Obligations and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the Balance standing to the credit of the Collateral Enhancement Account at the relevant time. Such Balance shall be comprised of all sums deposited therein from time to time which will comprise interest payable in respect of the Subordinated Notes which the Investment Manager, acting on behalf of the Issuer, determines shall be paid into the Collateral Enhancement Account pursuant to the Priorities of Payment rather than being paid to the Subordinated Noteholders. The aggregate amount which may be credited to the Collateral Enhancement Account in accordance with the Priorities of Payment are subject to the following caps: (i) in aggregate on any particular Payment Date, such amount may not exceed €1,000,000 and (ii) the cumulative maximum aggregate total in respect of all Payment Dates may not exceed €2,000,000.

The Investment Manager is under no obligation whatsoever to exercise its discretion (acting on behalf of the Issuer) to take any of the actions described above and there can be no assurance that the Balance standing to the credit of the Collateral Enhancement Account will be sufficient to fund the exercise of any right or option under any Collateral Enhancement Obligation at any time. The ability of the Investment Manager (acting on behalf of the Issuer) to exercise any rights or options under any Collateral Enhancement Obligation will be dependent upon there being sufficient amounts standing to the credit of the Collateral Enhancement Account to pay the costs of any such exercise. Failure to exercise any such right or option may result in a reduction of the returns to the Subordinated Noteholders (and, potentially, Noteholders of other Classes).

Collateral Enhancement Obligations and any income or return generated thereby are not taken into account for the purposes of determining satisfaction of, or required to satisfy, any of the Coverage Tests, the Collateral Quality Tests or the Reinvestment Test.

To the extent that there are insufficient sums standing to the credit of the Collateral Enhancement Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Investment Manager determines on behalf of the Issuer should be purchased or exercised, the Investment Manager may, at

its discretion, pay amounts required in order to fund such purchase or exercise (each such amount, an "**Investment Manager Advance**") to such account pursuant to the terms of the Investment Management Agreement. All such Investment Manager Advances shall be repaid (together with interest thereon) out of the Interest Proceeds and Principal Proceeds on each Payment Date pursuant to the Priorities of Payment.

4.10 Limited Control of Administration and Amendment of Portfolio Assets

As a holder of an interest in a syndicated loan, the Issuer will have limited consent and control rights and such rights may not be effective in view of the expected proportion of such obligations held by the Issuer. The Investment Manager will exercise or enforce, or refrain from exercising or enforcing, any or all of the Issuer's rights in connection with the Portfolio Assets or any related documents or will refuse amendments or waivers of the terms of any underlying asset and related documents in accordance with its portfolio management practices and the standard of care specified in the Investment Management Agreement. The Noteholders will not have any right to compel the Investment Manager to take or refrain from taking any actions other than in accordance with its portfolio management practices and the standard of care specified in the Investment Management Agreement.

The Investment Manager may, in accordance with its portfolio management practices and subject to the Trust Deed and the Investment Management Agreement, agree on behalf of the Issuer to extend or defer the maturity, or adjust the outstanding balance of any underlying asset, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. Any amendment, waiver or modification of an underlying asset could postpone the expected maturity of the Notes and/or reduce the likelihood of timely and complete payment of interest on or principal of the Notes.

4.11 Participations, Novations and Assignments

The Investment Manager, acting on behalf of the Issuer may acquire interests in Portfolio Assets which are loans either directly (by way of novation or assignment) or indirectly (by way of sub participation). Each institution from which such an interest is taken by way of participation or acquired by way of assignment is referred to herein as a "**Selling Institution**". Interests in loans acquired directly by way of novation or assignment are referred to herein as "Assignments". Interests in loans taken indirectly by way of sub participation are referred to herein as "**Participations**".

The purchaser of an Assignment typically succeeds to all the rights of the assigning Selling Institution and becomes entitled to the benefit of the loans and the other rights of the lender under the loan agreement. The Issuer, as an assignee, will generally have the right to receive directly from the borrower all payments of principal and interest to which it is entitled, provided that notice of such Assignment has been given to the borrower. As a purchaser of an Assignment, the Issuer typically will have the same voting rights as other lenders under the applicable loan agreement and will have the right to vote to waive enforcement of breaches of covenants. The Issuer will generally also have the same rights as other lenders to enforce compliance by the borrower with the terms of the loan agreement, to set off claims against the borrower and to have recourse to collateral supporting the loan. As a result, the Issuer will generally not bear the credit risk of the Selling Institution and the insolvency of the Selling Institution should have no effect on the ability of the Issuer to continue to receive payment of principal or interest from the borrower once the novation or assignment is complete. The Issuer will, however, assume the credit risk of the borrower. The purchaser of an Assignment also typically succeeds to and becomes entitled to the benefit of any other rights of the Selling Institution in respect of the loan agreement including the right to the benefit of any security granted in respect of the loan interest transferred. The loan agreement usually contains mechanisms for the transfer of the benefit of the loan and the security relating thereto. The efficacy of these mechanisms is rarely tested, if ever, and there is debate amongst counsel in continental jurisdictions over their effectiveness. With regard to some of the loan agreements, security will have been granted over assets in different jurisdictions. Some of the jurisdictions will require registrations, filings and/or other formalities to be carried out not only in relation to the transfer of the loan but, depending on the mechanism for transfer, also with respect to the transfer of the benefit of the security.

Participations by the Issuer in a Selling Institution's portion of the loan typically results in a contractual relationship only with such Selling Institution and not with the borrower under such loan. The Issuer would, in such case, only be entitled to receive payments of principal and interest to the extent that the Selling Institution has received such payments from the borrower. In purchasing Participations, the Issuer generally will have no right to enforce compliance by the borrower with the terms of the applicable loan agreement and the Issuer may not directly benefit from the collateral supporting the loan in respect of which it has purchased a Participation. As a result, the Issuer will assume the credit risk of both the borrower and the Selling Institution selling the Participation. In the event of the insolvency of the Selling Institution selling a Participation, the Issuer may be

treated as a general creditor of the Selling Institution and may not benefit from any set off between the Selling Institution and the borrower and the Issuer may suffer a loss to the extent that the borrower sets off claims against the Selling Institution. The Issuer may purchase a Participation from a Selling Institution that does not itself retain any economic interest of the loan, and therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. When the Issuer holds a Participation in a loan it generally will not have the right to participate directly in any vote to waive enforcement of any covenants breached by a borrower. A Selling Institution voting in connection with a potential waiver of a restrictive covenant may have interests which are different from those of the Issuer and such Selling Institutions may not be required to consider the interest of the Issuer in connection with the exercise of its votes. Whilst the Issuer may have a right to elevate a Participation to a direct interest in the participated loan, such right may be limited by a number of factors.

In addition, Participations may be subject to the exercise of the "bail-in" powers attributed to Resolution Authorities under the BRRD or similar resolution mechanisms provided for in the SRM Regulation. See "*EU Bank Recovery and Resolution Directive*" above.

Additional risks are therefore associated with the purchase of Participations by the Issuer as opposed to Assignments. The Portfolio Profile Tests including the Bivariate Risk Table impose limits on the amount of Portfolio Assets that may comprise Participations as a proportion of the Aggregate Collateral Balance.

Certain Originator Assets (as described in paragraph 4.3 (*Acquisition of Portfolio Assets Prior to the Issue Date*) above) and certain other Portfolio Assets to be acquired by the Issuer on or around the Issue Date will be settled pursuant to Participation Deeds, which require that the Issuer and the relevant Selling Institution (being a special purpose vehicle) use commercially reasonable efforts to elevate the applicable Participation by transferring to the Issuer the legal and beneficial interest in such Portfolio Assets as soon as reasonably practicable. However, certain circumstances may occur that could cause a delay in the elevation of any such Participation. For example, the related administrative agent may place the credit on hold and refuse to acknowledge assignment for a period of time, or the applicable Obligor, administrative agent or letter of credit provider may withhold a required consent. As a result, the Issuer will be subject to the same risks associated with Participations as described above. In order to mitigate this risk, the relevant Selling Institution shall grant to the Issuer security over the relevant Portfolio Assets pending such transfer of legal and beneficial interest. The Investment Manager (on behalf of the Issuer) is required to use reasonable endeavours to procure the elevation of each such Participation on or before the Effective Date.

4.12 Voting Restrictions on Syndicated Loans for Minority Holders

The Issuer will generally purchase each underlying asset in the form of an assignment of, or participation interest in, a note or other obligation issued under a loan facility to which more than one lender is a party. These loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator. The terms and conditions of these loan facilities may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement requires the consent of a majority or a super-majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders, and the Issuer may have a minority interest in such loan facilities. Consequently, the terms and conditions of an underlying asset issued or sold in connection with a loan facility could be modified, amended or waived in a manner contrary to the preferences of the Issuer if the amendment, modification or waiver of such term or condition does not require the unanimous vote of the lenders and a sufficient number of the other lenders concur with such modification, amendment or waiver. There can be no assurance that any Portfolio Assets issued or sold in connection with any loan facility will maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

4.13 Counterparty Risk

Assignments, Participations and Hedge Transactions involve the Issuer entering into contracts with counterparties. Pursuant to such contracts, the counterparties agree to make payments to the Issuer under certain circumstances as described therein. The Issuer will be exposed to the credit risk of the counterparty with respect of any such payments. Counterparties in respect of Participations and Hedge Transactions are required to satisfy the applicable Rating Requirement, upon entry into the applicable contract or instrument.

If a Hedge Counterparty or its guarantor is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, there will be a termination event under the applicable Hedge Agreement unless, within the applicable grace period following such rating withdrawal or downgrade, such

Hedge Counterparty either transfers its obligations under the applicable Hedge Agreement to a replacement counterparty with the requisite ratings, obtains a guarantee of its obligations by a guarantor with the requisite ratings, collateralises its obligations in a manner satisfactory to the Rating Agencies or employs some other strategy that results in the rating of the Rated Notes being maintained at their then current level within the remedy period specified in the ratings criteria of the Rating Agencies.

There can be no assurance that the applicable Hedge Counterparty will be able to transfer its obligations to a suitable replacement counterparty or exercise any of the other aforementioned remedies within the specified remedy period. Failure to do so may result in interest rate or currency mismatches, which could adversely affect the ability of the Issuer to make payments on the Notes as the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure or currency risk exposure in respect of Non Euro Obligations for so long as the Issuer has not entered into a replacement Hedge Transaction. (see "*Interest Rate Risk*" and "*Non-Euro Obligations and Asset Swap Transactions - Currency Risk*" below). For further information, see "*Hedging Arrangements*" below.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. If the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the Issuer shall use its reasonable endeavours to procure the appointment of a replacement Account Bank or Custodian, as the case may be, with the applicable Rating Requirement and within the time limits prescribed for such action in the applicable Transaction Documents.

Transactions with counterparties that are relevant institutions for the purposes of the BRRD may be subject to the exercise of the "bail-in" powers attributed to Resolution Authorities under the BRRD or similar resolution mechanisms provided for in the SRM Regulation. See "*EU Bank Recovery and Resolution Directive*" above.

4.14 Concentration risk

Although no significant concentration with respect to any particular Obligor, industry or country is expected to exist at the Effective Date, the concentration of the Portfolio in any one Obligor would subject the Notes to a greater degree of risk with respect to defaults by such Obligor, and the concentration of the Portfolio in any one industry would subject the Notes to a greater degree of risk with respect to economic downturns relating to such industry. The Portfolio Profile Tests and Collateral Quality Tests attempt to mitigate any concentration risk in the Portfolio. See "*Description of the Portfolio – Portfolio Profile Tests, Collateral Quality Tests* and Reinvestment Test".

4.15 Credit risk

Risks applicable to Portfolio Assets also include the possibility that earnings of the Obligor may be insufficient to meet its debt service obligations thereunder and the declining creditworthiness and potential for insolvency of the Obligor of such Portfolio Assets during periods of rising interest rates and economic downturn. An economic downturn could severely disrupt the market for leveraged loans and adversely affect the value thereof and the ability of the Obligor thereunder to repay principal and interest.

4.16 Interest Rate Risk

The Class X Notes, Class A Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes bear interest at a floating rate based on EURIBOR. The Class B-2 Notes bear interest at a fixed rate. It is possible that Portfolio Assets may bear interest at a fixed rate and there is no requirement that the amount or portion of Collateral securing the Notes must bear interest on a particular basis, save for the Portfolio Profile Test which requires that no more than 10.0 per cent. of the Aggregate Collateral Balance may comprise Fixed Rate Portfolio Assets.

Initially, a portion of the Portfolio Assets will bear interest at fixed rates. In addition, any payments of principal or interest received in respect of Portfolio Assets will generally be invested in Eligible Investments until shortly before the next Payment Date. There is no requirement that such Eligible Investments bear interest on a particular basis, and the interest rates available for such Eligible Investments are inherently uncertain. As a result, it is expected that there will be a fixed/floating rate mismatch and/or a floating rate basis mismatch between the Notes and the underlying Portfolio Assets and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Portfolio Assets and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches,

changes in the level of EURIBOR could adversely affect the ability to make payments on the Notes. In addition, pursuant to the Investment Management Agreement, the Investment Manager, acting on behalf of the Issuer, is authorised to enter into the Interest Rate Hedge Transactions in order to mitigate such interest rate mismatch from time to time, subject to receipt in each case of Rating Agency Confirmation (unless such Interest Rate Hedge Transaction is in a form in respect of which the Issuer (or the Investment Manager on behalf of the Issuer) has previously received approval from each Rating Agency) in respect thereof and subject to certain regulatory considerations in relation to swaps, discussed in "*Commodity Pool Regulation*" and "*European Market Infrastructure Regulation (EMIR)*" above. However, the Issuer will depend on each Interest Rate Hedge Counterparty to perform its obligations under any Interest Rate Hedge Transaction to which it is a party and if any Interest Rate Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure. Furthermore, the terms of the Interest Rate Hedge Agreements may provide for the ability of the Interest Rate Hedge Counterparty to terminate such Interest Rate Hedge Agreement upon the occurrence of certain events, including related to certain regulatory matters. Any such termination in the case of an Interest Rate Hedge Transaction would result in the Issuer's interest rate exposure increasing, and may result in the Issuer being required to pay a termination amount to the relevant Interest Rate Hedge Counterparty. See further "*Hedging Arrangements*" below.

Other than in the case of the initial Interest Period, Interest Amounts are due and payable in respect of the Notes on a quarterly basis prior to the occurrence of a Frequency Switch Event and on a semi annual basis following the occurrence of a Frequency Switch Event. If a significant number of Portfolio Assets pay interest on a semi-annual or less frequent basis, there may be insufficient interest received to make quarterly interest payments on the Notes prior to the occurrence of a Frequency Switch Event. In order to mitigate the effects of any such timing mis-match, prior to the occurrence of a Frequency Switch Event, the Issuer will hold back a portion of the interest received on the Portfolio Assets which pay interest less often than quarterly in order to make quarterly payments of interest on the Notes ("**Interest Smoothing**"). There can be no assurance that Interest Smoothing shall be sufficient to mitigate any timing mismatch.

There may be a timing or interest rate basis mismatch between the Notes and the Floating Rate Portfolio Assets as the interest rate on such Floating Rate Portfolio Assets may adjust more frequently or less frequently, on different dates and based on different indices as compared to the interest rates on the Notes. As a result of such risks, an increase in the level of EURIBOR could adversely impact on the ability of the Issuer to make payments on the Notes.

Even if the Issuer were to enter into one or more Interest Rate Hedge Transactions, there can be no assurance that the Portfolio Assets and Eligible Investments securing the Notes will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Notes or that any particular levels of return will be generated on the Subordinated Notes.

On 5 June 2014, the European Central Bank announced that it would charge a negative rate of interest on bank deposits with the European Central Bank. To the extent the European Central Bank's or other central bank's deposit rate from time to time results in the Account Bank or the Custodian incurring negative deposit rates as a result of maintaining any accounts on the Issuer's behalf, the Issuer will be required to reimburse the Account Bank or the Custodian, as applicable, in an amount equal to the chargeable interest incurred on such accounts as a result of such negative deposit rates. Prospective investors should note that given recent levels, and moves in respect of, deposit rates it appears likely the Issuer will be required to make such payments in reimbursement of the Account Bank or the Custodian, as applicable. Any such payments shall be paid as Administrative Expenses, subject to and in accordance with the Priorities of Payment and may, accordingly, have a negative impact on the amounts available to the Issuer to apply as payments on the Notes.

4.17 Non-Euro Obligations and Asset Swap Transactions

Currency Risk

The Portfolio Profile Tests provide that up to 20.0 per cent. of the Aggregate Collateral Balance may comprise Non-Euro Obligations denominated in certain Non-Emerging Market Currencies. The percentage of the Portfolio that is comprised of these types of obligations may increase or decrease over the life of the Notes within the limits set by the Issuer is required to enter into an Asset Swap Transaction in respect of each Non-Euro Obligation.

Notwithstanding that Non-Euro Obligations may be subject to Asset Swap Transactions, losses may be incurred due to fluctuations in the currency exchange rates for currencies in which Portfolio Assets are denominated and in the event of a default by the Asset Swap Counterparty which, in each case, may lead to the proceeds of the Portfolio being insufficient to pay all amounts due to the respective Classes of Noteholders. In addition, fluctuations in euro exchange rates may result in a decrease in value of the Portfolio for the purposes of sale thereof (including but not limited to a Non-Euro Obligation upon enforcement of the security over it). The Investment Manager may also be limited at the time of investment in its choice of Portfolio Assets because of the cost of entry into such Asset Swap Transactions and due to restrictions in the Investment Management Agreement with respect thereto. The Investment Manager may also be unable to find suitable Asset Swap Counterparties willing to provide Asset Swap Transactions. There are also a number of regulatory constraints which may make it difficult or impossible for the Issuer to enter into Asset Swap Transactions or Interest Rate Hedge Transactions. See "*European Market Infrastructure Regulation (EMIR)*", "*CFTC Regulations*" and "*Commodity Pool Regulation*" above.

Furthermore, the terms of the Asset Swap Agreements may provide for the ability of the Asset Swap Counterparty to terminate such Asset Swap Agreement upon the occurrence of certain events, including related to certain regulatory matters. Any such termination in the case of an Asset Swap Transaction would result in the Issuer being exposed to currency risk in respect of the related Non-Euro Obligations for so long as the Issuer has not entered into a replacement Asset Swap Transaction, and may result in the Issuer being required to pay a termination amount to the relevant Asset Swap Counterparty. See further "*Hedging Arrangements*" below.

The Issuer's ongoing payment obligations under such Asset Swap Transactions (including termination payments) may be significant. The payments associated with such hedging arrangements generally rank senior to payments on the Notes.

Defaults, prepayments, trading and other events may increase the risk of a mismatch between the foreign exchange hedges and Portfolio Assets. This may cause losses.

The Issuer will depend upon the Asset Swap Counterparty to perform its obligations under any hedges. If the Asset Swap Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from the Asset Swap Counterparty to cover its foreign exchange exposure.

4.18 Reinvestment Risk/Uninvested Cash Balances

To the extent the Investment Manager maintains cash balances invested in short-term investments instead of higher yielding loans or bonds, portfolio income will be reduced which will result in reduced amounts available for payment on the Notes. In general, the larger the amount and the longer the time period during which cash balances remain uninvested the greater the adverse impact on portfolio income which will reduce amounts available for payment on the Notes, especially the Subordinated Notes. The extent to which cash balances remain uninvested will be subject to a variety of factors, including future market conditions and is difficult to predict.

During the Reinvestment Period, subject to compliance with certain criteria and limitations described herein, the Investment Manager will have discretion to dispose of certain Portfolio Assets and to reinvest the proceeds thereof in Substitute Portfolio Assets in compliance with the Reinvestment Criteria. In addition, during the Reinvestment Period, to the extent that any Portfolio Assets prepay or mature prior to the Maturity Date, the Investment Manager will seek, to invest the proceeds thereof in Substitute Portfolio Assets, subject to the Reinvestment Criteria. In addition, following the expiry of the Reinvestment Period, the Investment Manager may reinvest some types of Principal Proceeds (see 3.13 "*The Investment Manager May Reinvest After the End of the Reinvestment Period*" above). The yield with respect to such Substitute Portfolio Assets will depend, among other factors, on reinvestment rates available at the time, on the availability of investments which satisfy the Reinvestment Criteria and are acceptable to the Investment Manager, and on market conditions related to high yield securities and bank loans in general. The need to satisfy such Reinvestment Criteria and identify acceptable investments may require the purchase of Portfolio Assets with a lower yield than those replaced, with different characteristics than those replaced (including, but not limited to, coupon, maturity, call features and/or credit quality) or require that such funds be maintained in cash or Eligible Investments pending reinvestment in Substitute Portfolio Assets, which will further reduce the Adjusted Collateral Principal Amount. Any decrease in the Adjusted Collateral Principal Amount will have the effect of reducing the amounts available to make distributions of interest on the Notes which will adversely affect cash flows available to make payments on the Notes, especially the most junior Class or Classes of Notes. There can be no assurance that in the event Portfolio

Assets are sold, prepaid, or mature, yields on Portfolio Assets that are eligible for purchase will be at the same levels as those replaced and there can be no assurance that the characteristics of any Substitute Portfolio Assets purchased will be the same as those replaced and there can be no assurance as to the timing of the purchase of any Substitute Portfolio Assets.

The timing of the initial investment of the net proceeds of issue of the Notes remaining after the payment of certain fees and expenses due and payable by the Issuer on the Issue Date and reinvestment of Sale Proceeds, Scheduled Principal Proceeds and Unscheduled Principal Proceeds, can affect the return to holders of and cash flows available to make payments on, the Notes, especially the most junior Class or Classes of Notes. Loans and privately placed high yield securities are not as easily (or as quickly) purchased or sold as publicly traded securities for a variety of reasons, including confidentiality requirements with respect to Obligor information, the customised nature of loan agreements and private syndication. The reduced liquidity and lower volume of trading in loans, in addition to restrictions on investment represented by the Reinvestment Criteria, could result in periods of time during which the Issuer is not able to fully invest its cash in Portfolio Assets. The longer the period between reinvestment of cash in Portfolio Assets, the greater the adverse impact may be on the aggregate amount of the Interest Proceeds collected and distributed by the Issuer, including on the Notes, especially the most junior Class or Classes of Notes, thereby resulting in lower yields than could have been obtained if Principal Proceeds were immediately reinvested. In addition, loans are often pre-payable by the borrowers thereof with no, or limited, penalty or premium. As a result, loans generally prepay more frequently than other corporate debt obligations of the issuers thereof. Senior loans usually have shorter terms than more junior obligations and often require mandatory repayments from excess cash flow, asset dispositions and offerings of debt and/or equity securities. The increased levels of prepayments and amortisation of loans increase the associated reinvestment risk on the Portfolio Assets which risk will first be borne by holders of the Subordinated Notes and then by holders of the Rated Notes, beginning with the most junior Class.

In addition, the amount of Portfolio Assets owned by the Issuer on the Issue Date, the timing of purchases of additional Portfolio Assets on and after the Issue Date and the scheduled interest payment dates of those Portfolio Assets may have a material impact on collections of Interest Proceeds during the first Due Period, which could affect interest payments on the Rated Notes and the payment of residual distributions to the Subordinated Notes on the first Payment Date.

4.19 Ratings on Portfolio Assets

The Collateral Quality Tests, the Portfolio Profile Tests, the Coverage Tests and the Reinvestment Test are sensitive to variations in the ratings applicable to the underlying Portfolio Assets. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Credit Impaired Obligation, a CCC Obligation, a Caa Obligation or a Defaulted Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests and the Reinvestment Test and restriction in the Portfolio Profile Tests). The Investment Management Agreement contains detailed provisions for determining the Fitch Rating and the Moody's Rating. In some instances, the Fitch Rating and the Moody's Rating will not be based on or derived from a public rating of the Obligor or the actual Portfolio Assets but may be based on either a private rating of the Obligor or Portfolio Assets or, in certain cases, a confidential credit estimate determined separately by Fitch and Moody's. Such private ratings and confidential credit estimates are private and therefore not capable of being disclosed to Noteholders. In addition, some ratings will be derived by the Investment Manager based on, among other things, Obligor group or affiliate ratings, comparable ratings provided by a different rating agency and, in certain circumstances, temporary ratings applied by the Investment Manager. The Portfolio Profile Tests contain limitations on the proportions of the Aggregate Collateral Balance that may be made up of Portfolio Assets where the Fitch Rating or Moody's Rating is derived from the rating of another rating agency and *vice versa*. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Portfolio Assets and may reflect a more or less conservative view of the actual credit risk of such Portfolio Asset than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Collateral Quality Tests, the Portfolio Profile Tests and the Coverage Tests) without necessarily reflecting comparable variation in the actual credit quality of the Portfolio Asset in question. Please see "*Ratings of the Notes*" and "*Description of the Portfolio*".

There can be no assurance that rating agencies will continue to assign such ratings utilising the same methods and standards utilised today despite the fact that such Portfolio Asset might still be performing fully to the specifications set forth in its Underlying Instrument. Any change in such methods and standards could result in a significant rise in the number of CCC Obligations and Caa Obligations or Defaulted Obligations in the Portfolio, which could cause the Issuer to fail to satisfy (i) the Par Value Tests on subsequent Determination Dates, which

failure could lead to the early amortisation of some or all of one or more Classes of the Notes or restrict the Issuer (or the Investment Manager on its behalf from reinvesting in substitute Portfolio Assets (see Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*)) or (ii) the Reinvestment Test, which failure could cause a reduction in the amounts available for distribution to the Subordinated Noteholders.

4.20 Insolvency Considerations relating to Portfolio Assets

Portfolio Assets may be subject to various laws enacted for the protection of creditors in the countries of the jurisdictions of incorporation of Obligors and, if different, in which the Obligors conduct business and in which they hold the assets, which may adversely affect such Obligors' abilities to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each Obligor is located or domiciled and may differ depending on whether the Obligor is a non-sovereign or a sovereign entity. In particular, it should be noted that a number of continental European jurisdictions operate "debtor friendly" insolvency regimes which would result in delays in payments under Portfolio Assets where obligations thereunder are subject to such regimes, in the event of the insolvency of the relevant Obligor.

The different insolvency regimes applicable in the different European jurisdictions result in a corresponding variability of recovery rates for different types of Portfolio Assets entered into by Obligors in such jurisdictions. No reliable historical data is available.

4.21 Lender Liability Considerations; Equitable Subordination

In recent years, a number of judicial decisions in the United States and other jurisdictions have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (collectively, termed "**lender liability**"). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Although it would be a novel application of the lender liability theories, the Issuer may be subject to allegations of lender liability. However, the Issuer does not intend to engage in, and the Investment Manager does not intend to advise the Issuer with respect to any, conduct that would form the basis for a successful cause of action based upon lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the under capitalisation of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "**equitable subordination**". Because of the nature of the Portfolio Assets, the Issuer may be subject to claims from creditors of an Obligor that Portfolio Assets issued by such Obligor that are held by the Issuer should be equitably subordinated. However, the Issuer does not intend to engage in, and the Investment Manager does not intend to advise the Issuer with respect to, any conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine.

The preceding discussion is based upon principles of United States federal and state laws. Insofar as Portfolio Assets that are obligations of non-United States Obligors are concerned, the laws of certain foreign jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under United States federal and state laws.

4.22 Loan Repricing

Leveraged loans may experience volatility in the spread that is paid on such leveraged loans. Such spreads will vary based on a variety of factors, including, but not limited to, the level of supply and demand in the leveraged loan market, general economic conditions, levels of relative liquidity for leveraged loans, the actual and perceived level of credit risk in the leveraged loan market, regulatory changes, changes in credit ratings, and the methodology used by credit rating agencies in assigning credit ratings, and such other factors that may affect pricing in the leveraged loan market. Since leveraged loans may generally be prepaid at any time without penalty, the obligors of such leveraged loans would be expected to prepay or refinance such leveraged loans if alternative financing were available at a lower cost. For example, if the credit ratings of an obligor were

upgraded, the obligor were recapitalised or if credit spreads were declining for leveraged loans, such obligor would likely seek to refinance at a lower credit spread. Declining credit spreads in the leveraged loan market and increasing rates of prepayments and refinancings will likely result in a reduction of portfolio yield and interest collection on the Portfolio Assets, which would have an adverse effect on the amount available for distributions on Notes, beginning with the subordinated Notes as the most junior Classes.

4.23 Investment Manager

The Investment Manager is given authority in the Investment Management Agreement to act as Investment Manager to the Issuer in respect of the Portfolio pursuant to and in accordance with the parameters and criteria set out in the Investment Management Agreement. See "*Description of the Portfolio*" and "*Description of the Investment Management Agreement*". The powers and duties of the Investment Manager in relation to the Portfolio include effecting, on behalf of the Issuer, in accordance with the provisions of the Investment Management Agreement: (a) the acquisition of Portfolio Assets during the Reinvestment Period; (b) the sale of Portfolio Assets during the Reinvestment Period (subject to certain limits) and, at any time, upon the occurrence of certain events (including a Portfolio Asset becoming a Defaulted Obligation, a Credit Improved Obligation or a Credit Impaired Obligation); and (c) the participation in restructuring and work-outs of Portfolio Assets on behalf of the Issuer. See "*Description of the Portfolio*". Any analysis by the Investment Manager (on behalf of the Issuer) of Obligors under Portfolio Assets which it is purchasing (on behalf of the Issuer) or which are held in the Portfolio from time to time will, in respect of Portfolio Assets which are publicly listed bonds, be limited to a review of readily available public information and in respect of Portfolio Assets which are bonds which are not publicly listed, any analysis by the Investment Manager (on behalf of the Issuer) will be in accordance with standard review procedures for such type of bonds and, in respect of Portfolio Assets which are Assignments or Participations of senior and mezzanine loans and in relation to which the Investment Manager has non-public information, such analysis will include due diligence of the kind common in relation to loans of such kind. Any analysis by the Investment Manager (on behalf of the Issuer) in respect of Collateral Enhancement Obligations will be in accordance with standard review procedures for such type of assets.

In addition, the Investment Management Agreement places significant restrictions on the Investment Manager's ability to buy and sell Portfolio Assets. Accordingly, during certain periods or in certain specified circumstances, the Investment Manager may be unable to buy or sell Portfolio Assets or to take other actions which it might consider in the best interest of the Issuer and the Noteholders, as a result of such restrictions.

The Issuer has no operating history or performance record of its own, other than entry into the Warehouse Arrangements. The actual performance of the Issuer will depend on numerous factors which are difficult to predict and may be beyond the control of the Investment Manager. The nature of and risks associated with, the Issuer's future investments may differ substantially from those investments and strategies undertaken historically by the Investment Manager and such persons. There can be no assurance that the Issuer's investments will perform as well as the past investments of any such persons or entities.

The performance of other collateralised debt obligation vehicles ("**CLO Vehicles**") or other similar investment funds ("**Other Funds**") managed or advised by the Investment Manager or Affiliates of the Investment Manager should not be relied upon as an indication or prediction of the performance of the Issuer. Such other CLO Vehicles and Other Funds may have significantly different characteristics, including but not limited to their structures, composition of the collateral pool, investment objectives, leverage, financing costs, fees and expenses, management personnel and other terms when compared to the Issuer and may have been formed and managed under significantly different market conditions than those which apply to the Issuer and its Portfolio.

The Issuer will be highly dependent on the financial and managerial experience of certain individuals associated with the Investment Manager in analysing, selecting and managing the Portfolio Assets. There can be no assurance that such individuals will remain in such position throughout the life of the transaction. The loss of one or more of such individuals could have a material adverse effect on the performance of the Issuer.

In addition, the Investment Manager may resign or be removed in certain circumstances as described herein under "*Description of the Investment Management Agreement*". There can be no assurance that any successor Investment Manager would have the same level of skill in performing the obligations of the Investment Manager, in which event payments on the Notes could be reduced or delayed. Furthermore, irrespective of a resignation, removal or replacement of the Investment Manager pursuant to the terms of the Investment Management Agreement, the requirement to satisfy the Originator Requirement will continue to apply.

The Investment Manager is not required to devote all of its time to the performance of the Investment Management Agreement and will continue to advise and manage other investment funds in the future.

The Investment Manager's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Investment Manager may have implemented various measures to manage risks relating to these types of events, the failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Investment Manager's operations and result in a failure to maintain the security, confidentiality or privacy or sensitive data. Such a failure could impede the ability of the Investment Manager to perform its duties under the Transaction Documents.

4.24 No Initial Purchaser Role Post-Closing

The Initial Purchaser takes no responsibility for, and has no obligations in respect of, the Issuer and will have no obligation to monitor the performance of the Portfolio or the actions of the Investment Manager or the Issuer and no authority to advise the Investment Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Investment Manager and the Issuer. If the Initial Purchaser or its Affiliates owns Notes, they will have no responsibility to consider the interests of any other owner of Notes with respect to actions they take or refrain from taking in such capacity.

4.25 Acquisition and Disposition of Portfolio Assets

The net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date (including, without duplication amounts deposited into the Expense Reserve Account) will be used by the Issuer for the repayment of any amounts borrowed by the Issuer under the Warehouse Arrangements (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Portfolio Assets purchased by the Issuer prior to the Issue Date and to fund the First Period Reserve Account. The remaining proceeds shall be retained in the Unused Proceeds Account and used to purchase (or enter into agreements to purchase) additional Portfolio Assets during the Ramp-up Period (as defined in the Conditions).

The Investment Manager's decisions concerning purchases of Portfolio Assets will be influenced by a number of factors, including market conditions and the availability of securities and loans satisfying the Eligibility Criteria, Reinvestment Criteria and the other requirements of the Investment Management Agreement. The failure or inability of the Investment Manager to acquire Portfolio Assets with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Portfolio Assets in a timely manner will adversely affect the returns on the Notes, in particular with respect to the most junior Class or Classes.

Under the Investment Management Agreement and as described herein, the Investment Manager may only, on behalf of the Issuer, dispose of a limited percentage of Portfolio Assets in any period of 12 calendar months as well as any Portfolio Asset that meets the definition of a Defaulted Obligation, an Exchanged Security and, subject to the satisfaction of certain conditions, a Credit Impaired Obligation or Credit Improved Obligation. Notwithstanding such restrictions and subject to the satisfaction of the conditions set forth in the Investment Management Agreement, sales and purchases by the Investment Manager of Portfolio Assets could result in losses by the Issuer, which will be borne in the first instance by the holders of the Subordinated Notes and then by holders of the Rated Notes, beginning with the most junior Class.

In addition, circumstances may exist under which the Investment Manager may believe that it is in the best interests of the Issuer to dispose of a Portfolio Asset, but will not be permitted to do so under the terms of the Investment Management Agreement.

4.26 Valuation Information; Limited Information

None of the Initial Purchaser, the Investment Manager or any other transaction party will be required to provide periodic pricing or valuation information to investors. Investors will receive limited information with regard to the Portfolio Assets and none of the transaction parties (including the Issuer, Trustee, or Investment Manager) will be required to provide any information other than what is required in the Trust Deed or the Investment Management Agreement. Furthermore, if any information is provided to the Noteholders (including required reports under the Trust Deed), such information may not be audited. Finally, the Investment Manager may be in

possession of material, non-public information with regard to the Portfolio Assets and will not be required to disclose such information to the Noteholders.

4.27 Recharacterisation of Trading Gains

The Investment Manager (i) may, at its sole discretion, subject to the satisfaction of certain conditions direct that Trading Gains which would have been deposited into the Principal Account and designated for reinvestment or used to redeem the Notes in accordance with the Principal Proceeds Priority of Payments are instead deposited into the Interest Account, and (ii) shall, where the deposit of Trading Gains into the Principal Account would in its sole discretion cause (or would be likely to cause) a Retention Deficiency, direct that such Trading Gains which would have been deposited into the Principal Account and designated for reinvestment or used to redeem the Notes in accordance with the Principal Proceeds Priority of Payments are instead deposited into the Interest Account. Such Trading Gains will then be distributed as Interest Proceeds in accordance with the Priorities of Payment. As a result, such Trading Gains would not be available to be reinvested in Portfolio Assets and therefore the Aggregate Principal Balance of Portfolio Assets securing the Notes may be less than what would have otherwise been the case if such amounts had been reinvested in Portfolio Assets. See Condition 3(j)(ii) (*Interest Account*).

5. CERTAIN CONFLICTS OF INTEREST

The Initial Purchaser and its Affiliates and the Investment Manager and its Affiliates, are acting in a number of capacities in connection with the transaction described herein, which may give rise to certain conflicts of interest. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

5.1 Investment Manager

The scope of the activities of the Investment Manager, Affiliates of the Investment Manager, the funds and clients managed or advised by the Investment Manager, Affiliates of the Investment Manager (including any director, officer or employee of such entities) and other entities in the Commerzbank AG group of companies (together, "**Investment Manager Related Persons**") may give rise to conflicts of interest or other restrictions and/or limitations imposed on the Issuer in the future that cannot be foreseen or mitigated at this time. Various potential and actual conflicts of interest may arise from the overall investment activities of the Investment Manager Related Persons and their respective clients and personnel. Investment Manager Related Persons may invest, on behalf of themselves and their clients, in obligations and/or securities that would be appropriate as Portfolio Assets, as well as in obligations and/or securities that are senior to, or have interests different from or adverse to, the Portfolio Assets that are assigned or charged as Collateral to secure the Notes. Investment Manager Related Persons may give advice or take action for their own account or their other client accounts with similar strategies which may differ from action taken for the Issuer. Investment Manager Related Persons may also have ongoing relationships with companies whose obligations and/or securities are Portfolio Assets, and may own, directly or through other funds or accounts that they manage, loans, equity or debt securities issued by Obligors of Portfolio Assets or other Collateral. Investment Manager Related Persons may have provided and may provide in the future certain services (including advisory services) for a negotiated fee to companies whose obligations or other securities are assigned or charged as Collateral to secure the Notes. In addition, the Investment Manager, its Affiliates and their respective clients and personnel may invest, or have already invested, in obligations and/or other securities that are identical to or senior to, or have interests different from or adverse to, the Portfolio Assets. Investment Manager Related Persons, on behalf of themselves or their clients, may also be active on steering committees of creditors in the restructuring of debt obligations issued by companies whose loans or securities are owned by them or their clients, including the Issuer, which relationships could give rise to multiple conflicts of interest. In addition, the Investment Manager or any other Investment Manager Related Person may serve as a general partner, managing member, adviser, officer, director, sponsor or manager of partnerships or companies organised to issue collateralised bond or loan obligations secured by noninvestment grade bank loans. The Investment Manager may at certain times be engaged in seeking to purchase or dispose of, or may have already purchased or disposed of, investments for the Issuer while at the same time the Investment Manager or any other Investment Manager Related Person is also seeking to purchase or dispose of, or has already purchased or disposed of, similar or identical investments for its own account or clients or Affiliates or another entity for which it or an Affiliate serves as a general partner, managing member, adviser, officer, director, sponsor or manager. By reason of the various activities of Investment Manager Related Persons, the Investment Manager or any other Investment Manager Related Person may acquire or otherwise come into possession of confidential or material non-public information or be restricted from effecting transactions in certain Portfolio Assets or other Collateral that otherwise might have

been initiated or prevented from liquidating a position. Such information might also not be known to the personnel of the Investment Manager responsible for monitoring the Portfolio Assets or other Collateral and performing the other obligations of the Investment Manager under the Investment Management Agreement. At times, the Investment Manager, in an effort to avoid restrictions for the Issuer and its and its Affiliates' other clients, may elect not to receive, or actively avoid exposure to, information that other market participants or counterparties are eligible to receive or have received.

Many of the investment opportunities that Investment Manager Related Persons evaluate for potential investment by their clients or funds may be eligible investments for more than one such client or fund. Investment Manager Related Persons expect to allocate such investment opportunities generally based on factors and other considerations as they determine in their sole discretion, including, but not limited to: (i) differences with respect to available capital, size, and remaining life of a fund; (ii) different investment objectives or strategies; (iii) differences in risk profile at the time the opportunity becomes available; (iv) the potential transaction and other costs of allocating an opportunity among various funds; (v) potential conflicts of interest, including whether a fund has an existing investment in the issuer in question; (vi) the nature of the security or the transaction including minimum investment amounts and the source of the opportunity; (vii) current and anticipated market conditions; and (viii) differences in particular portfolio profile covenants or other contractual requirements, including requirements set forth in debt agreements of funds utilising leverage.

Neither the Investment Manager nor any other Investment Manager Related Person have any obligation to offer any investments to the Issuer or to inform the Issuer of any investments before offering any investments to other funds, accounts or portfolios (including, without limitation, any collateralised loan obligation transaction) that the Investment Manager or any other Investment Manager Related Person manage or advise. Investment Manager Related Persons may also make investments on their own behalf without effecting such investment opportunities on behalf of the Issuer. Furthermore, the Investment Manager and other Investment Manager Related Persons may be bound by affirmative obligations at present or in the future, whereby it or they are obligated to offer certain investments to funds or accounts that it or they manage or advise before or without the Investment Manager or any other Investment Manager Related Person effecting those investments on behalf of the Issuer. Alternatively, Investment Manager Related Persons may offer certain investments to funds or accounts that it or they manage or advise simultaneously with or in addition to effecting those investments on behalf of the Issuer. Thus, other funds, accounts or portfolios that it or they manage or advise could become co-investors with the Issuer.

The Investment Manager will endeavour to resolve conflicts with respect to investment opportunities using commercially reasonable judgment and, subject always to the Standard of Care (as defined in the Investment Management Agreement and as further described in "*Description of the Investment Management Agreement*" herein), in its sole discretion and subject, where applicable, to approval by the advisory boards and/or investment committees of its investment funds. Further, the Investment Manager will be prohibited under the terms of the Investment Management Agreement from directing the acquisition of Portfolio Assets from, or disposition of Portfolio Assets to, its Affiliates or any other account managed by the Investment Manager except in a transaction conducted on an arm's-length basis.

Affiliates of the Investment Manager currently serve as the portfolio managers for a number of collateralised loan obligation transactions secured by collateral consisting primarily of non-investment grade secured bank loans. The professional staff of the Investment Manager may also provide services to such Affiliates of the Investment Manager. Although the professional staff of the Investment Manager will devote as much time to the Issuer as the Investment Manager deems appropriate to perform its duties in accordance with the Investment Management Agreement, the staff of the Investment Manager may have conflicts in allocating their time and services among the Issuer and the Investment Manager's other accounts and the accounts of the Investment Manager's Affiliates. The Investment Manager may, in its sole discretion, aggregate orders for its accounts under management (or for the accounts of its Affiliates). Depending upon market conditions, the aggregation of orders may result in a higher or lower average price paid or received by a client. There is no assurance that the Issuer will hold the same assets as, or perform in a similar manner to, any other collateralised loan obligation or other client with strategies or investment objectives similar to the Issuer.

The Investment Manager may, in one or more transactions, effect client cross-transactions where the Investment Manager causes a transaction to be effected between the Issuer and another collateralised loan obligation, fund or account managed or advised by it or one or more of its Affiliates, but neither it nor the Affiliate will receive any commission or similar fee in connection with such cross-transaction. In connection with any such sale, the Portfolio Assets will be valued and sold for a price based on a price that is equal to the average of the highest current independent bid and lowest current independent offer determined on the basis of reasonable inquiry.

Each of the sales described in this paragraph will be effected in accordance with, as applicable, the terms of the Trust Deed, the Investment Management Agreement and applicable law that govern such transactions.

In addition, with the prior authorisation of the Issuer, which may be revoked at any time, the Investment Manager may enter into agency cross-transactions where it or any of its Affiliates acts as broker for the Issuer and for the other party to the transaction, to the extent permitted under applicable law. The Investment Manager may also effect principal transactions between itself or its Affiliates and the Issuer.

Any transaction effected between the Issuer and the Investment Manager or its Affiliates on a principal, client cross or agency cross basis will be conducted at arm's length for fair market value and on terms as favourable to the Issuer as would be the case in a transaction with an independent third party and in accordance with any fiduciary obligation of the Investment Manager under applicable law.

On each Payment Date, the Investment Manager will be paid the Incentive Investment Management Fee to the extent funds are available therefor in accordance with the Priorities of Payment if the Subordinated Noteholders have received the Incentive Investment Management Fee IRR Threshold as of such Payment Date. See "*Description of the Investment Management Agreement*". The manner in which the Incentive Investment Management Fee is determined could create an incentive for the Investment Manager to make riskier investments in the Portfolio Assets than the Issuer would otherwise make in order to increase the likelihood that the Subordinated Noteholders receive the Incentive Investment Management Fee IRR Threshold for the Investment Manager to be paid the Incentive Investment Management Fee.

The Investment Manager may enter into, amend or terminate side letters or other similar agreements to or with one or more Noteholders or prospective Noteholders which have the effect of altering or supplementing terms described in this Offering Circular as they pertain to the Investment Manager or of establishing rights not described therein with respect to a Noteholder that has entered into such side letters or other written agreements or instruments vis à vis the Investment Manager, including, without limitation, varying fee structures and allowing for varying arrangements with respect to the scope and frequency of information provided about the Portfolio. Unless specifically negotiated, other Noteholders will not have the right to review (or to receive the economic or other benefits of) any such side letters.

The Investment Manager may rebate or otherwise not receive a portion of the Investment Management Fees that relate to the ownership of Subordinated Notes by an Investment Manager Related Person. Similar arrangements for rebates may also be in place with other purchasers of Subordinated Notes on the Issue Date with respect to the Incentive Investment Management Fee. Such arrangements may affect the incentives of the Investment Manager in managing the Portfolio Assets and may also affect the actions of that Subordinated Noteholder in taking any actions it may be permitted to take under the Trust Deed, including votes concerning amendments.

There will be no restriction on the ability of Investment Manager Related Persons, the Initial Purchaser, the Collateral Administrator or any of their respective Affiliates or employees to purchase the Notes, either upon initial issuance or through secondary transfers, and to exercise any voting rights to which such Notes are entitled, **provided that** Investment Manager Notes and Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes shall be excluded from votes in the circumstances provided in the Investment Management Agreement. The purchase of Notes by the Investment Manager or any Investment Manager Related Person may create potential and/or actual conflicts of interest between the Investment Manager and other investors in the Notes. Such purchases may be in the secondary market and may occur a significant amount of time after the Issue Date. Resulting conflicts of interest could include (a) divergent economic interests between the Investment Manager and/or its Affiliates, on the one hand, and other investors in the Notes, on the other hand, and (b) voting of Notes by the Investment Manager, or a recommendation to vote by the same, to cause, among other things, an early redemption of the Notes and/or an amendment of the transaction documents relating to the Notes.

The Notes may also be purchased (either upon initial issuance or through secondary transfers) by investment funds or other accounts for which Investment Manager Related Persons serve as investment manager or investment advisor and/or for which Investment Manager Related Persons are the beneficial owners and there may be no limit on the exercise by such funds or accounts of any voting rights to which such Notes are entitled, and such voting rights may be exercised in a manner adverse to some or all of the other holders of Notes.

The Investment Manager will discuss the composition of the Portfolio Assets and other matters relating to the transaction contemplated hereby with any Investment Manager Related Person that is a Subordinated Noteholder and may have such discussions with other beneficial owners of Notes or stakeholders in the Issuer.

There can be no assurance that such discussions will not influence the actions or inactions of the Investment Manager in the conduct of its duties under the Investment Management Agreement.

The Investment Manager's duties and obligations under the Investment Management Agreement are owed solely to the Issuer (and, to the extent of the Issuer's collateral assignment of its rights under the Investment Management Agreement, the Trustee). The Investment Manager is not in contractual privity with, and owes no separate duties or obligations to, any of the holders of the Notes and the Subordinated Noteholders. Actions taken by the Investment Manager may differentially affect the interests of the various Classes of Notes (whose holders may themselves have different interests), and except as provided in the Investment Management Agreement, the Investment Manager has no obligation to consider such differential effects or different interests.

In addition, upon any removal or resignation of the Investment Manager which occurs whilst any Notes are Outstanding (except in the circumstances where it has become illegal for the Investment Manager to carry on its duties under the Investment Management Agreement), the Investment Manager will continue to act in such capacity until the appointment by the Issuer of an Eligible Successor, as proposed by the Controlling Class (acting by Ordinary Resolution) and subject to no timely objection thereto being made by the Subordinated Noteholders (acting by Ordinary Resolution), and written acceptance of appointment and assumption of all duties and obligations of the Investment Manager under the Investment Management Agreement by such Eligible Successor, in accordance with the terms of the Investment Management Agreement. If within 90 days following a notice of resignation or removal, no Eligible Successor has been appointed and accepted such appointment, the Investment Manager may propose an Eligible Successor, which if written acceptance of appointment and assumption of all duties and obligations of the Investment Manager is received from the proposed Eligible Successor, and provided that neither the Controlling Class (acting by Ordinary Resolution) nor the Subordinated Noteholders (acting by Ordinary Resolution) objects in writing to such successor within 45 days of such proposal, then the Issuer shall appoint such successor. If within 90 days following a notice of resignation or removal, no Eligible Successor has been appointed, then the Controlling Class (acting by Ordinary Resolution) may direct the Issuer to appoint an Eligible Successor and the Issuer shall appoint such successor, subject to no timely objection thereto being made by the Subordinated Noteholders (acting by Ordinary Resolution). If within 135 days following a notice of resignation or removal no Eligible Successor has been appointed, the Issuer and/or the Investment Manager may petition a court of competent jurisdiction for the appointment of an Eligible Successor. In such a case, there is a risk that the Investment Manager could further delay its removal for a significant period of time following a vote to effect its replacement by refusing to petition a court for the appointment of an Eligible Successor.

The Issuer may from time to time acquire Portfolio Assets from one or more funds managed by an Affiliate of the Investment Manager. By purchasing any Notes, each investor therein will be deemed to have acknowledged, ratified and consented for the benefit of each of the Issuer, the Investment Manager and the Initial Purchaser (i) to any such acquisition by the Issuer, (ii) to an Affiliate of the Investment Manager having acted as investment manager or adviser to any such seller, (iii) to any related conflicts of interest with respect to the Investment Manager in connection with any such acquisition and (iv) that the acknowledgments, ratifications and consents of the initial Noteholders given on the Issue Date for the benefit of the Issuer, the Investment Manager and the Initial Purchaser will be binding on all Noteholders, including future Noteholders.

5.2 The Issuer will be subject to certain conflicts of interest involving the Rating Agencies

Moody's and Fitch have been engaged by the Issuer to provide their ratings on the Rated Notes. Either Rating Agency may have a conflict of interest where the issuer of a security pays the fee charged by the Rating Agency for its rating services, as the case with the rating of the Rated Notes (with the exception of unsolicited ratings).

5.3 The Issuer will be subject to various conflicts of interest involving the Initial Purchaser and its Affiliates

Each of the Initial Purchaser and its Affiliates (the "**BNPP Parties**") will play various roles in relation to the offering, including acting as the structurer of the transaction and in other roles described below.

The BNPP Parties have been involved (together with the Investment Manager) in the formulation and development of the Eligibility Criteria, Coverage Tests, Priorities of Payments and other criteria in and provisions of the Trust Deed and the Investment Management Agreement. These may be influenced by discussions that the Initial Purchaser may have or have had with investors and there is no assurance that investors would agree with the views of one another or that the resulting modifications will not adversely affect the performance of the Notes or any particular Class of Notes. The Initial Purchaser was also a Warehouse

Provider under the Warehouse Arrangements. See further "*Acquisition of Portfolio Assets Prior to the Issue Date*" above.

The Initial Purchaser will purchase the Notes from the Issuer on the Issue Date and resell them in individually negotiated transactions at varying prices, which may result in a lower fee being paid to the Initial Purchaser in respect of those Notes. The Initial Purchaser may elect in its sole discretion to rebate a portion of its fees in respect of the Notes to certain investors, including the Retention Holder and the Investment Manager. The Initial Purchaser may assist clients and counterparties in transactions related to the Notes (including assisting clients in future purchases and sales of the Notes and hedging transactions). The Initial Purchaser expects to earn fees and other revenues from these transactions.

The BNPP Parties may retain a certain proportion of the Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market. The BNPP Parties are part of a global investment banking and securities and Investment Management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The financial services that the BNPP Parties may provide also include financing and, as such, the BNPP Parties may in future provide financing to the Investment Manager, the Originator and/or any of their respective Affiliates. The BNPP Parties may derive fees and other revenues from the arrangement and provision of any such financings. In the case of any such financing, the BNPP Parties may have received security over the assets of the Investment Manager, the Originator and/or any of their respective Affiliates, resulting in the BNPP Parties having enforcement rights and remedies in relation to such financing which may include the right to appropriate or sell such secured assets. The BNPP Parties may have positions in and will likely have placed or underwritten certain of the Portfolio Assets (or other obligations of the obligors of Portfolio Assets) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Portfolio Assets. In addition, the BNPP Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Portfolio Assets. Each of the BNPP Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Notes or any other party. Moreover, the Issuer may invest in loans of obligors affiliated with the BNPP Parties or in which one or more BNPP Parties hold an equity or participation interest. The purchase, holding or sale of such Portfolio Assets by the Issuer may increase the profitability of the BNPP Party's own investments in such obligors.

From time to time the Investment Manager (pursuant to the terms of the Investment Management Agreement and on behalf of the Issuer) will purchase from or sell Portfolio Assets through or to the BNPP Parties and one or more BNPP Parties may act as the selling institution with respect to participations and/or as a counterparty under a Hedge Agreement. The BNPP Parties may act as placement agent, arranger, lead manager and/or initial purchaser or Investment Manager in other transactions involving issues of collateralised debt obligations or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the availability of collateral for the Issuer and/or on the price of the Notes.

The BNPP Parties do not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Notes or obligations referred to in this Offering Circular except where required in accordance with the applicable law. Nonetheless, in the ordinary course of business, BNPP Parties and employees or customers of the BNPP Parties may actively trade in and/or otherwise hold long or short positions in the Notes, Portfolio Assets and Eligible Investments or enter into transactions similar to referencing the Notes, Portfolio Assets and Eligible Investments or the obligors thereof for their own accounts and for the accounts of their customers. If a BNPP Party becomes an owner of any of the Notes, through market-making activity or otherwise, any actions that it takes in its capacity as owner, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other owners of the same Class or other Classes of the Notes. To the extent a BNPP Party makes a market in the Notes (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Notes. The price at which a BNPP Party may be willing to purchase Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

By purchasing a Note, each investor will be deemed to have acknowledged the existence of the conflicts of interest inherent to this transaction, including as described herein, and to have waived any claim with respect to any liability arising from the existence thereof.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of each of the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, substantially in the form in which they will be endorsed on such Notes if issued in definitive certificated form, which will be incorporated by reference into the Global Certificates of each Class representing the Notes, subject to the provisions of such Global Certificates.

The issue of €2,000,000 Class X Secured Floating Rate Notes due 2030 (the "**Class X Notes**"), the issue of €246,000,000 Class A Secured Floating Rate Notes due 2030 (the "**Class A Notes**"), €31,550,000 Class B-1 Secured Floating Rate Notes due 2030 (the "**Class B-1 Notes**"), €10,000,000 Class B-2 Secured Fixed Rate Notes due 2030 (the "**Class B-2 Notes**", and together with the Class B-1 Notes, the **Class B Notes**), €25,700,000 Class C Secured Deferrable Floating Rate Notes due 2030 (the "**Class C Notes**"), €21,000,000 Class D Secured Deferrable Floating Rate Notes due 2030 (the "**Class D Notes**"), €26,900,000 Class E Secured Deferrable Floating Rate Notes due 2030 (the "**Class E Notes**"), €10,500,000 Class F Secured Deferrable Floating Rate Notes due 2030 (the "**Class F Notes**" and together with the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**") and €42,650,000 Subordinated Notes due 2030 (the "**Subordinated Notes**" and together with the Rated Notes, the "**Notes**") of Bosphorus CLO IV Designated Activity Company (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated 24 May 2018.

The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated on or about the Issue Date (the "**Trust Deed**") between (amongst others) the Issuer and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) in its capacity as trustee for the Noteholders and as security trustee for the Secured Parties. These terms and conditions of the Notes (the "**Conditions of the Notes**" or the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes).

The following agreements have been or will be entered into in relation to the Notes: (a) an Investment Management agreement dated on or about the Issue Date (the "**Investment Management Agreement**") between Commerzbank AG, London Branch as investment manager (the "**Investment Manager**", which term shall include any successor or substitute investment manager appointed pursuant to the terms of the Investment Management Agreement), the Issuer, the Collateral Administrator (as defined below), the Custodian (as defined below) and the Trustee; (b) a collateral administration and agency agreement dated on or about the Issue Date (the "**Collateral Administration and Agency Agreement**") between, amongst others, the Issuer, The Bank of New York Mellon, London Branch as account bank, calculation agent, custodian, principal paying agent and exchange agent (respectively, the "**Account Bank**", "**Calculation Agent**", "**Custodian**", "**Principal Paying Agent**" and "**Exchange Agent**", which terms shall include any successor or substitute account bank, calculation agent, custodian, principal paying agent or exchange agent, respectively, appointed pursuant to the terms of the Collateral Administration and Agency Agreement), The Bank of New York Mellon SA/NV, Dublin Branch as collateral administrator and 17g-5 information agent (respectively, the "**Collateral Administrator**" and "**Information Agent**", which terms shall include any successor or substitute collateral administrator or 17g-5 information agent, respectively, appointed pursuant to the terms of the Collateral Administration and Agency Agreement), The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent and registrar (respectively, "**Transfer Agent**" and "**Registrar**", which terms shall include any successor or substitute transfer agent or registrar appointed pursuant to the terms of the Collateral Administration and Agency Agreement) and the Investment Manager; (c) an administration agreement dated 27 November 2017 (the "**Administration Agreement**") between the Issuer and TMF Administration Services Limited as administrator (the "**Administrator**", which term shall include any successor or substitute administrator appointed pursuant to the terms of the Administration Agreement); (d) a risk retention letter dated on or about the Issue Date (the "**Retention Undertaking Letter**"), between Taurus Corporate Financing LLP (in such capacity, the "**Originator**"), the Issuer, the Trustee, the Investment Manager, the Collateral Administrator and the Initial Purchaser; (f) a retention note purchase agreement dated on or about the Issue Date (the "**Retention Note Purchase Agreement**") between, amongst others, the Initial Purchaser and the Retention Holder; and (g) a subscription agreement dated on or about the Issue Date (the "**Subscription Agreement**") between BNP Paribas (the "**Initial Purchaser**") and the Issuer.

Each person in whose name a Note is registered in the Register from time to time (each such person, a "**Noteholder**") is entitled to the benefit of, is bound by and is deemed to have notice of all the provisions of the Trust Deed, and is deemed to have notice of all the provisions of the Transaction Documents, applicable to it.

References to the Trust Deed and to any other Transaction Document or other document referred to in these Conditions and any reference to a Condition or Conditions shall be deemed to include reference to such document or, as the case may be, Condition or Conditions, as amended, modified, supplemented, replaced or novated from time to time in accordance with the terms of the Trust Deed or any other Transaction Document or other document.

1. Definitions

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

"**Acceleration Priority of Payments**" has the meaning given to it in Condition 10(c) (*Acceleration Priority of Payments*).

"**Accounts**" means the Principal Account, the Interest Account, the Unused Proceeds Account, each Asset Swap Account, each Hedge Termination Account, the Payment Account, each Counterparty Downgrade Collateral Account, the Collateral Enhancement Account, the Refinancing Account, the Custody Account, the Revolving Reserve Account, the Expense Reserve Account, the Interest Smoothing Account, the First Period Reserve Account and the Contribution Account.

"**Accountants**" means the independent certified public accountants appointed by the Issuer in accordance with the Collateral Administration and Agency Agreement.

"**Accountants' Report**" means a report issued by the Accountants which recalculates and compares the Effective Date Test Items in the Effective Date Report.

"**Acquisition FX Rate**" means with respect to any Portfolio Asset, the relevant Spot Rate in effect on the date on which the Issuer (or the Investment Manager on behalf of the Issuer) enters into a binding commitment to acquire such Portfolio Asset.

"**Adjusted Collateral Principal Amount**" means, as of any date of determination:

(a) the Aggregate Principal Balance of the Portfolio Assets (other than Defaulted Obligations, Discount Obligations and Deferring Securities); *plus*

(b) without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) (including Eligible Investments therein which represent Principal Proceeds); *plus*

(c) the aggregate, for each Deferring Security and Defaulted Obligation, the lesser of (i) its Moody's Collateral Value and (ii) its Fitch Collateral Value; **provided that**, in the case of a Defaulted Obligation, the value determined under this paragraph (c) for a Defaulted Obligation that has been a Defaulted Obligation for more than three years after the date on which it became a Defaulted Obligation and continues to be a Defaulted Obligation on such date shall be zero; *plus*

(d) the aggregate, for each Discount Obligation, of the product of the (i) purchase price (expressed as a percentage of par and excluding accrued interest) and (ii) Principal Balance of such Discount Obligation; *minus*

(e) the Excess Caa/CCC Adjustment Amount,

provided that:

(i) with respect to any Portfolio Asset that satisfies more than one of the definitions of Defaulted Obligation, Discount Obligation or Deferring Security or that falls into the Excess Caa/CCC Adjustment Amount, such Portfolio Asset shall, for the purposes of this definition, be treated as belonging to a single category of Portfolio Assets which category results in the lowest Adjusted Collateral Principal Amount on any date of determination; and

(ii) in respect of each of paragraph (b), (c), (d) and (e) above, any non-Euro amounts received will be converted into Euro at the Applicable Exchange Rate.

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority:

(a) *on a pro rata* and *pari passu* basis to (i) the Collateral Administrator or the Agents (except the EMIR Reporting Agent) pursuant to the Collateral Administration and Agency Agreement (including by way of indemnity) and (ii) to Euronext Dublin, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time;

(b) on a *pro rata* and *pari passu* basis:

(i) to any Rating Agency which may from time to time be requested to assign (i) a rating to each of the Rated Notes, or (ii) a confidential credit estimate to any of the Portfolio Assets, for fees and expenses (including surveillance fees) in connection with any such rating or confidential credit estimate including, in each case, the on-going monitoring thereof and any other amounts due and payable to any Rating Agency under the terms of the Issuer's engagement with such Rating Agency;

(ii) to the independent certified public accountants, auditors, agents and counsel of the Issuer;

(iii) to the Investment Manager pursuant to the Investment Management Agreement, but excluding any Investment Management Fees, the repayment of any Investment Manager Advances and any VAT payable thereon;

(iv) to any other Person in respect of any governmental fee or charge (excluding any taxes) or any statutory indemnity;

(v) to any other Person in respect of any other fees, expenses or indemnities contemplated in these Conditions (other than Trustee Fees and Expenses, Investment Manager Fees, the repayment of any Investment Manager Advances and any VAT payable thereon) or in the Transaction Documents or any other documents delivered pursuant to or in connection with the issue and sale of the Notes, including, without limitation, an amount up to €10,000 per annum in respect of fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for purposes of Noteholder tax jurisdictions;

(vi) to any Person in respect of any fees, expenses or indemnity payments in relation to the restructuring or work out of a Portfolio Asset, including but not limited to a steering committee relating thereto;

(vii) on a *pro rata* basis to any Selling Institution pursuant to any Participation Agreement after the date of entry into any Participation (excluding, for avoidance of doubt, any payments on account of any Unfunded Amounts);

(viii) to any agent bank in relation to the performance of its duties under a syndicated Senior Secured Loan but excluding any amounts paid in respect of the purchase price of such syndicated Senior Secured Loan;

(ix) to the Administrator pursuant to the Administration Agreement;

(x) to the Initial Purchaser pursuant to the Subscription Agreement in respect of any indemnity payable to it thereunder;

(xi) to the payment of any amounts necessary to ensure the orderly dissolution of the Issuer;

(xii) in payment of any unpaid VAT required to be paid by the Issuer in respect of any of the foregoing; and

(xiii) to any EMIR Reporting Agent pursuant to any EMIR Reporting Agreement;

(c) on a *pro rata* and *pari passu* basis:

(i) to any Person in connection with satisfying the requirements of CRA3, the Dodd-Frank Act, Rule 17g-5, the Retention Requirements, the Securitisation Regulation and Similar Requirements;

(ii) costs of complying with FATCA;

(iii) CRS Compliance Costs;

(iv) in payment of any unpaid VAT required to be paid by the Issuer in respect of any of the foregoing; and

(d) on a *pro rata* and *pari passu* basis, *in* respect of a Refinancing, to pay any Refinancing Costs (to the extent not already paid pursuant to the paragraphs above and to the extent not already paid as Trustee Fees and Expenses).

"**Affiliate**" or "**Affiliated**" means with respect to a Person:

(a) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person; or

(b) any other Person who is a director, officer or employee:

(i) of such Person;

(ii) of any subsidiary or parent company of such Person; or

(iii) of any Person described in paragraph (a) above.

For the purposes of this definition, control of a Person shall mean the power, direct or indirect, (A) to vote more than 50 per cent. of the securities having ordinary voting power for the election of directors of such Person, or (B) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"**Agent**" means each of the Registrar, the Principal Paying Agent, the Paying Agents, the Transfer Agent, the Exchange Agent, the Calculation Agent, the Account Bank, the Information Agent, the EMIR Reporting Agent and the Custodian and "**Agents**" shall be construed accordingly.

"**Aggregate Collateral Balance**" means, as at any Measurement Date, the amount equal to the aggregate of the following amounts, as at such Measurement Date:

(a) the Aggregate Principal Balance of all Portfolio Assets; and

(b) the Balances standing to the credit of the Principal Account and the Unused Proceeds Account or any other Accounts but only to the extent that such Balances represent Principal Proceeds (including any Eligible Investments which represent Principal Proceeds (excluding, for the avoidance of doubt, any interest accrued on Eligible Investments)).

"**Aggregate Principal Balance**" means the aggregate of the Principal Balances of all the Portfolio Assets and when used with respect to some portion of the Portfolio Assets, means the aggregate of the Principal Balances of such Portfolio Assets, in each case, as at the date of determination.

"**AIFMD**" means Directive 2011/61/EU on Alternative Investment Fund Managers (as amended from time to time and as implemented by Member States) together with any implementing or delegated regulation, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**AIFM Retention Requirements**" means Article 51 of the AIFM Regulation and Article 17 of the AIFMD, as implemented by Section 5 of Chapter III of the European Union Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD, as amended from time to time and including any guidance or technical standards published in relation thereto, in each case together with any amendments to those provisions or any successor replacement provisions included in any European Union directive or regulation, and any implementing laws or regulations in force in any Member State.

"**AIFM Regulation**" means Regulation (EU) No 231/2013 as amended from time to time.

"**Alternative Base Rate**" means the sum of:

(a) the Reference Rate Modifier; and

(b) either (at the reasonable discretion of the Investment Manager):

(i) any quarterly rate or, following the occurrence of a Frequency Switch Event, semi-annual rate (and, if applicable, the methodology for calculating such rate) formally proposed, recommended or recognised as an industry standard rate (whether by letter, protocol, publication of standard terms or otherwise) by, in each case, the most applicable of the Loan Markets Association, the Association for Financial Markets in Europe, or the Loan Syndications & Trading Association (or, in each case, any successor organization thereto) as a replacement reference rate for the calculation of the relevant reference rate (or the most appropriate such rate for the context in the Investment Manager's reasonable judgement in the event that multiple valid replacement rates are proposed, recommended or recognised);

(ii) the quarterly rate or, following the occurrence of a Frequency Switch Event, semi-annual rate that is used in calculating the interest rate of at least 50% of the Floating Rate Portfolio Assets (by principal balance) as determined by the Investment Manager as of the first day of the Interest Accrual Period during which the Alternative Base Rate is proposed;

(iii) (x) the most common reference rate, other than EURIBOR, used to determine the floating rate of interest on securities issued by collateralised loan obligations whose collateral consists primarily of broadly syndicated Senior Secured Loans denominated in Euro within the prior six months (the determination of which may be based, in the Investment Manager's reasonable judgement, on information provided by any of the Rating Agencies, the Initial Purchaser, or other, similarly situated, nationally recognised firms) or (y) any other rate, *provided that* in the case of sub-paragraphs (x) and (y) hereof, such alternative rate is subject to the consent of the Controlling Class (acting by Ordinary Resolution),

provided that where such alternative base rate is used to determine the Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest or the Class F Floating Rate of Interest, it shall be subject to a minimum of zero per cent. per annum.

"**Annual Pay Obligation**" means a Portfolio Asset which, in accordance with its terms, pays interest less frequently than semi-annually but not less frequently than annually (other than, for the purposes of the Eligibility Criteria only, PIK Securities).

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

"**Appointee**" means any attorney, manager, agent, delegate or other person properly appointed by the Trustee under the terms of the Trust Deed to discharge any of its functions or to advise it in relation thereto.

"**Arranger**" means BNP Paribas.

"**Asset Swap Accounts**" means the currency accounts into which amounts due to the Issuer in respect of each applicable Asset Swap Obligation and out of which amounts from the Issuer to each applicable Asset Swap Counterparty under each applicable Asset Swap Transaction are to be paid.

"**Asset Swap Agreement**" means an ISDA Master Agreement entered into by the Issuer with an Asset Swap Counterparty which shall govern one or more Asset Swap Transactions, as amended or supplemented from time to time.

"**Asset Swap Counterparty**" means any financial institution with which the Issuer enters into an Asset Swap Transaction, or any permitted assignee or successor thereof, under the terms of the related Asset Swap Transaction and, in each case, which satisfies the applicable Rating Requirement (or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement).

"**Asset Swap Counterparty Principal Exchange Amount**" means each interim and final exchange amount (whether expressed as such or otherwise) scheduled to be paid by the Asset Swap Counterparty to the Issuer under an Asset Swap Transaction and excluding any Scheduled Periodic Asset Swap Counterparty Payments and any initial principal exchange amounts.

"**Asset Swap Issuer Principal Exchange Amount**" means each interim and final exchange amount (whether expressed as such or otherwise) to be paid to the Asset Swap Counterparty by the Issuer under an Asset Swap Transaction and excluding any Scheduled Periodic Asset Swap Issuer Payments and any initial principal exchange amounts.

"**Asset Swap Obligation**" means any Non-Euro Obligation which is (or, following the entry into a binding commitment to purchase such obligation, will be) the subject of an Asset Swap Transaction.

"**Asset Swap Replacement Payment**" means any amount payable by the Issuer to a replacement Asset Swap Counterparty upon entry into a Replacement Asset Swap Transaction which is replacing an Asset Swap Transaction which was terminated.

"**Asset Swap Replacement Receipt**" means any amount payable to the Issuer by a replacement Asset Swap Counterparty upon entry into a Replacement Asset Swap Transaction which is replacing an Asset Swap Transaction which was terminated.

"**Asset Swap Termination Payment**" means any amount payable to an Asset Swap Counterparty by the Issuer upon termination or modification of an Asset Swap Transaction excluding any Defaulted Hedge Termination Payment.

"**Asset Swap Termination Receipt**" means any amount payable by an Asset Swap Counterparty to the Issuer upon termination or modification of an Asset Swap Transaction.

"**Asset Swap Transaction**" means each asset swap transaction entered into under an Asset Swap Agreement (including any Replacement Asset Swap Transaction).

"**Asset Swap Transaction Exchange Rate**" means, in respect of an Asset Swap Transaction, the exchange rate (which may be expressed as a percentage) set out in the relevant Asset Swap Transaction.

"**Assignment**" means an interest in a loan acquired directly by way of novation or assignment.

"**Authorised Denomination**" means, in respect of any Note, the Minimum Denomination thereof and any denomination equal to one or more multiples of the Authorised Integral Amount in excess of the Minimum Denomination thereof.

"**Authorised Integral Amount**" means:

(a) in the case of the Regulation S Notes, €1,000; and

(b) in the case of the Rule 144A Notes of each Class, €1,000.

"**Authorised Officer**" means with respect to the Issuer, any Director of the Issuer or other person as notified by or on behalf of the Issuer to the Trustee who is authorised to act for the Issuer in matters relating to, and binding upon, the Issuer.

"**Available Proceeds**" has the meaning given to it in Condition 10(c) (*Acceleration Priority of Payments*).

"**Balance**" means on any date, with respect to any cash or Eligible Investments standing to the credit of an Account (or any subaccount thereof), the aggregate of the:

(a) current balance of cash, demand deposits, time deposits, government guaranteed funds and other investment funds;

(b) outstanding principal amount of interest bearing corporate and government obligations and money market accounts and repurchase obligations; and

(c) purchase price, up to an amount not exceeding the face amount, of non-interest bearing government and corporate obligations, commercial paper and certificates of deposit,

provided that (x) to the extent that an Asset Swap Agreement is in place, amounts standing to the credit of the relevant Asset Swap Account shall be converted into Euro at the applicable Asset Swap Transaction Exchange Rate, (y) to the extent that no Asset Swap Agreement is in place, any balance that is denominated in a currency other than Euro shall be converted into Euro at the Spot Rate and (z) in the event that a default as to payment of principal and/or interest has occurred and is continuing (disregarding any grace periods provided for pursuant to the terms thereof) in respect of any Eligible Investment or any obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment such Eligible Investment shall have a value equal to the lesser of its Moody's Collateral Value and its Fitch Collateral Value (determined as if such Eligible Investment were a Portfolio Asset).

"**Benefit Plan Investor**" means, under Section 3(42) of ERISA:

(a) an employee benefit plan (as defined in Section 3(3) of ERISA) subject to the provisions of Part 4 of Subtitle B of Title I of ERISA;

(b) a plan to which Section 4975 of the Code applies; or

(c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan or plan's investment in such entity.

"**Bridge Loan**" means any loan obligation that: (a) is incurred in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a person, restructuring or similar transaction; and (b) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings.

"**Business Day**" means (save to the extent otherwise defined) a day:

(a) on which TARGET2 is open for settlement of payments in Euro;

(b) on which commercial banks and foreign exchange markets settle payments in London and Dublin (other than a Saturday or a Sunday); and

(c) for the purposes of the definition of Presentation Date, in relation to any place, on which commercial banks and foreign exchange markets settle payments in that place.

"**Caa/CCC Excess**" means, as of any date of determination, the amount equal to the greater of:

(a) the excess of the Principal Balance of all Moody's Caa Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be its Moody's Collateral Value); and

(b) the excess of the Principal Balance of all Fitch CCC Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be its Fitch Collateral Value),

provided that in determining which of the Moody's Caa Obligations or Fitch CCC Obligations, as applicable, shall be included under part (a) or (b) above, the Moody's Caa Obligations or Fitch CCC Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the Principal Balance of such Portfolio Assets as of such date of determination) shall be deemed to constitute the Caa/CCC Excess.

"**Call Date**" means any Business Day on or after the expiry of the Non-Call Period.

"**CFTC**" means the U.S. Commodity Futures Trading Commission and any replacement or successor thereto.

"**Class A IM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class A Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.

"**Class A IM Removal and Replacement Non-Exchangeable Non-Voting Notes**" means the Class A Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes.

"**Class A IM Removal and Replacement Voting Notes**" means the Class A Notes in the form of IM Removal and Replacement Voting Notes.

"**Class A Noteholders**" means the holders of any Class A Notes from time to time.

"**Class A/B Coverage Tests**" means the Class A/B Interest Coverage Test and the Class A/B Par Value Test.

"**Class A/B Interest Coverage Ratio**" means, as of each Interest Coverage Test Date, the ratio expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class X Notes, the Class A Notes and the Class B Notes.

"**Class A/B Interest Coverage Test**" means the test which will apply as of each Interest Coverage Test Date and which will be satisfied on such Interest Coverage Test Date if the Class A/B Interest Coverage Ratio is at least equal to 120.0 per cent.

"**Class A/B Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes and the Class B Notes.

"**Class A/B Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class A/B Par Value Ratio is at least equal to 130.61 per cent.

"**Class B-1 IM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class B-1 Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.

"**Class B-1 IM Removal and Replacement Non-Exchangeable Non-Voting Notes**" means the Class B-1 Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes.

"**Class B-1 IM Removal and Replacement Voting Notes**" means the Class B-1 Notes in the form of IM Removal and Replacement Voting Notes.

"**Class B-2 IM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class B-2 Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.

"**Class B-2 IM Removal and Replacement Non-Exchangeable Non-Voting Notes**" means the Class B-2 Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes.

"**Class B-2 IM Removal and Replacement Voting Notes**" means the Class B-2 Notes in the form of IM Removal and Replacement Voting Notes.

"**Class B Noteholders**" means the holders of any Class B-1 and Class B-2 Notes from time to time.

"**Class C IM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class C Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.

"**Class C IM Removal and Replacement Non-Exchangeable Non-Voting Notes**" means the Class C Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes.

"**Class C IM Removal and Replacement Voting Notes**" means the Class C Notes in the form of IM Removal and Replacement Voting Notes.

"**Class C Coverage Tests**" means the Class C Interest Coverage Test and the Class C Par Value Test.

"**Class C Deferred Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

"**Class C Interest Coverage Ratio**" means, as of each Interest Coverage Test Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes.

"**Class C Interest Coverage Test**" means the test which will apply as of each Interest Coverage Test Date and which will be satisfied on such Interest Coverage Test Date if the Class C Interest Coverage Ratio is at least equal to 110.0 per cent.

"**Class C Noteholders**" means the holders of any Class C Notes from time to time.

"**Class C Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes and the Class C Notes.

"**Class C Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date if the Class C Par Value Ratio is at least equal to 120.69 per cent.

"**Class D Coverage Tests**" means the Class D Interest Coverage Test and the Class D Par Value Test.

"**Class D IM Removal and Replacement Exchangeable Non-Voting Notes**" means the Class D Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes.

"**Class D IM Removal and Replacement Non-Exchangeable Non-Voting Notes**" means the Class D Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes.

"**Class D IM Removal and Replacement Voting Notes**" means the Class D Notes in the form of IM Removal and Replacement Voting Notes.

"**Class D Deferred Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

"**Class D Interest Coverage Ratio**" means, as of each Interest Coverage Test Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"**Class D Interest Coverage Test**" means the test which will apply as of each Interest Coverage Test Date and which will be satisfied on such Interest Coverage Test Date if the Class D Interest Coverage Ratio is at least equal to 105.0 per cent.

"**Class D Noteholders**" means the holders of any Class D Notes from time to time.

"**Class D Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"**Class D Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date if the Class D Par Value Ratio is at least equal to 114.67 per cent.

"**Class E Coverage Tests**" means the Class E Interest Coverage Test and the Class E Par Value Test.

"**Class E Interest Coverage Ratio**" means, as of each Interest Coverage Test Date, the ratio (expressed as a percentage) obtained by *dividing* the Interest Coverage Amount by the scheduled interest payments due on the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"**Class E Interest Coverage Test**" means the test which will apply as of each Interest Coverage Test Date and which will be satisfied on such Interest Coverage Test Date if the Class E Interest Coverage Ratio is at least equal to 101.0 per cent.

"**Class E Deferred Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

"**Class E Noteholders**" means the holders of any Class E Notes from time to time.

"**Class E Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"**Class E Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date if the Class E Par Value Ratio is at least equal to 106.26 per cent.

"**Class F Deferred Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

"**Class F Noteholders**" means the holders of any Class F Notes from time to time.

"**Class F Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"**Class F Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 103.63 per cent.

"**Class of Notes**" means each of the Classes of Notes being:

(a) the Class X Notes;

(b) the Class A Notes;

(c) the Class B-1 Notes;

(d) the Class B-2 Notes;

(e) the Class C Notes;

(f) the Class D Notes;

(g) the Class E Notes;

(h) the Class F Notes; and

(i) the Subordinated Notes,

and "**Class of Noteholders**" and "**Class**" shall be construed accordingly and shall include any Class of Refinancing Notes issued pursuant to Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*). Notwithstanding that (a) the Class A IM Removal and Replacement Voting Notes, the Class A IM Removal and Replacement Exchangeable Non-Voting Notes and the Class A IM Removal and Replacement Non-Exchangeable Non-Voting Notes are in the same Class (b) the Class B-1 IM Removal and Replacement Voting Notes, the Class B-1 IM Removal and Replacement Exchangeable Non-Voting Notes and the Class B-1 IM Removal and Replacement Non-Exchangeable Non-Voting Notes are in the same Class (c) the Class B-2 IM Removal and Replacement Voting Notes, the Class B-2 IM Removal and Replacement Exchangeable Non-Voting Notes and the Class B-2 IM Removal and Replacement Non-Exchangeable Non-Voting Notes are in the same Class, (d) the Class C IM Removal and Replacement Voting Notes, the Class C IM Removal and Replacement Exchangeable Non-Voting Notes and the Class C IM Removal and Replacement Non-Exchangeable Non-Voting Notes are in the same Class and (e) the Class D IM Removal and Replacement Voting Notes, the Class D IM Removal and Replacement Exchangeable Non-Voting Notes and the Class D IM Removal and Replacement Non-Exchangeable Non-Voting Notes are in the same Class, they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any IM Removal Resolution or IM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Investment Management Agreement. For the avoidance of doubt, each Class of Notes described in paragraphs (a) through (i) above shall be treated as a single Class for all other purposes.

"**Class X Noteholders**" means the holders of any Class X Notes from time to time.

"**Class X Principal Amortisation Amount**" means, for each Payment Date beginning on (and including) the first Payment Date immediately following the Issue Date, the lesser of:

(a) the Principal Amount Outstanding of the Class X Notes; and

(b) (i) in respect of each such Payment Date prior to the occurrence of a Frequency Switch Event, €250,000; and

(ii) in respect of each such Payment Date following the occurrence of a Frequency Switch Event, €500,000.

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*.

"**Clearing System Business Day**" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Collateral**" means all of the property, assets and rights described in Condition 4(a) (*Security*) which are charged and/or assigned to, or otherwise secured in favour of the Trustee from time to time for the benefit of the Secured Parties pursuant to the Trust Deed.

"**Collateral Acquisition Agreements**" means each of the agreements entered into by the Issuer (including by the Investment Manager on behalf of the Issuer) in relation to the purchase by the Issuer of Portfolio Assets from time to time, including pursuant to the Warehouse Arrangements.

"**Collateral Enhancement Account**" means the account described as such in the name of the Issuer with the Account Bank.

"**Collateral Enhancement Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds retained in the Collateral Enhancement Account on the Payment Date in accordance with the Interest Priority of Payments, which amount shall not exceed (i) in aggregate on any particular Payment Date, €1,000,000 and (ii) a cumulative maximum aggregate total in respect of all Payment Dates, €2,000,000.

"**Collateral Enhancement Obligation**" means an option or warrant (excluding Exchanged Securities, but including, without limitation, any equity security or debt security received upon exercise of such option or warrant):

(a) which is acquired by the Issuer either independently or as part of a unit with a Portfolio Assets; and

(b) the acquisition of which will not result in the imposition of any present or future, actual or contingent liabilities or obligations on the Issuer other than those which may arise at its option.

"**Collateral Enhancement Obligation Priority of Payments**" means the priority of payments set out in Condition 3(c)(iii) (*Collateral Enhancement Obligation Priority of Payments*).

"**Collateral Enhancement Obligation Proceeds**" means all Distributions and Sale Proceeds received in respect of any Collateral Enhancement Obligation.

"**Collateral Quality Tests**" means the Collateral Quality Tests as defined in the Investment Management Agreement.

"**Collateral Tax Event**" means at any time, as a result of the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, interpretation, procedure or judicial decision (whether proposed, temporary or final) (including related FTT), or as a result of the application of FATCA, interest payments due from the Obligors of any Portfolio Assets to the Issuer in relation to any Due Period being or becoming properly subject to the imposition of home jurisdiction or foreign withholding tax (other than U.S. withholding taxes on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or similar fees, to the extent that such withholding taxes do not exceed 30 per cent. of the amount of such fees), unless such withholding tax is compensated for by a "gross up" provision in the terms of the Portfolio Asset or such withholding will be eliminated by application being made under the applicable double tax treaty or pursuant to the provision of any relevant documentation under any domestic legislation, **provided that** the aggregate amount of such withholding tax on all Portfolio Assets in relation to such Due Period is equal to or in excess of 10 per cent. of the aggregate interest payments due (excluding any additional interest arising as a result of the operation of any gross up provision) on all Portfolio Assets in relation to such Due Period.

"**Commitment Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Obligation, the maximum aggregate outstanding principal amount (whether at the time funded or unfunded) of advances or other extensions of credit at any one time outstanding that the Issuer could be required to make to the Obligor under the Underlying Instruments relating thereto or to a funding bank in connection with any ancillary facilities related thereto.

"**Contributing Noteholder**" means each holder of a beneficial interest in Subordinated Notes that elects to pay a Contribution Amount to the Issuer and whose Contribution Amount is accepted, in each case, in accordance with the terms of the Trust Deed.

"**Contribution Account**" means an account described as such in the name of the Issuer and held with the Account Bank.

"**Contribution Amount**" has the meaning given to it in Condition 4(f) (*Contribution Amounts*).

"**Controlling Class**" means:

(a) the Class A Notes; or,

(b)

(i) following redemption and payment in full of the Class A Notes; or

(ii) prior to the redemption and payment in full of the Class A Notes and solely in connection with an IM Removal Resolution or an IM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of the Class A Notes is held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes and/or IM Removal and Replacement Exchangeable Non-Voting Notes and/or are Investment Manager Notes,

the Class B Notes acting as a single class; or

(c)

(i) following redemption and payment in full of the Class A Notes and the Class B Notes; or

(ii) prior to the redemption and payment in full of the Class A Notes and the Class B Notes and solely in connection with an IM Removal Resolution or an IM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Class A Notes and the Class B Notes is held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes and/or IM Removal and Replacement Exchangeable Non-Voting Notes and/or are Investment Manager Notes and 100 per cent. of the Principal Amount Outstanding of the Class B Notes are Investment Manager Notes,

the Class C Notes; or

(d)

(i) following redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes; or

(ii) prior to the redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes and solely in connection with an IM Removal Resolution or an IM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes and the Class C Notes is held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes and/or IM Removal and Replacement Exchangeable Non-Voting Notes and/or are Investment Manager Notes and 100 per cent. of the Principal Amount Outstanding of each of the Class B Notes and the Class C Notes are Investment Manager Notes,

the Class D Notes; or

(e)

(i) following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes; or

(ii) prior to the redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and solely in connection with an IM Removal Resolution or an IM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each the

Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes and/or IM Removal and Replacement Exchangeable Non-Voting Notes and/or are Investment Manager Notes and 100 per cent. of the Principal Amount Outstanding of each of the Class B Notes, the Class C Notes and the Class D Notes are Investment Manager Notes,

the Class E Notes; or

(f)

(i) following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; or

(ii) prior to the redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and solely in connection with an IM Removal Resolution or an IM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes is held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes and/or IM Removal and Replacement Exchangeable Non-Voting Notes (where applicable) and/or are Investment Manager Notes and 100 per cent. of the Principal Amount Outstanding of each of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are Investment Manager Notes,

the Class F Notes; or

(g)

(i) following redemption in full of all of the Rated Notes; or

(ii) prior to the redemption and payment in full of the Rated Notes and solely in connection with an IM Removal Resolution or an IM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes is held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes and/or IM Removal and Replacement Exchangeable Non-Voting Notes (where applicable) and/or are Investment Manager Notes and 100 per cent. of the Principal Amount Outstanding of each of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are Investment Manager Notes,

the Subordinated Notes,

provided that, solely in connection with an IM Removal Resolution or an IM Replacement Resolution, no Notes held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes and no Investment Manager Notes shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of such IM Removal Resolution or IM Replacement Resolution or (C) be counted for the purposes of determining a quorum or the result in respect of such IM Removal Resolution or IM Replacement Resolution.

"**Controlling Person**" means any person (other than a Benefit Plan Investor) that has discretionary authority or control over the assets of the Issuer or who provides investment advice for a fee (directly or indirectly) with respect to such asset, and any "affiliate" of such person. An "affiliate" for purposes of this definition means a person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with such person, and control means the power to exercise a controlling influence over the management or policies of such person (with respect to a person other than an individual).

"**Corporate Rescue Loan**" shall mean any loan or financing facility and which is paying interest and principal on a current basis and either:

(a) is an obligation of a debtor in possession as described in § 1107 of the United States Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to § 1104 of the United States Bankruptcy Code) (a "**Debtor**") organised under the laws of the United States or any State therein, the terms of which have been approved by an order of the United States Bankruptcy Court, the United

States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (i) such Corporate Rescue Loan is secured by liens on the Debtor's otherwise unencumbered assets pursuant to § 364(c)(2) of the United States Bankruptcy Code; or (ii) such Corporate Rescue Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to § 364(d) of the United States Bankruptcy Code; or (iii) such Corporate Rescue Loan is secured by junior liens on the Debtor's encumbered assets and such Corporate Rescue Loan is fully secured based upon a current valuation or appraisal report; or (iv) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or

(b) is a credit facility or other advance made available to a company or group not organised under the laws of the United States or any State therein in a restructuring or insolvency process which constitutes the most senior secured obligations of the entity which is the borrower thereof, provided such borrower is not organised under the laws of the United States or any State therein and either (i) ranks *pari passu* in all respects with the other senior secured debt of the borrower, **provided that** such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (e.g. bond) of the borrower and its subsidiaries in priority to all such other senior secured indebtedness, or (ii) achieves priority over other senior secured obligations of the borrower otherwise than through the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

"**Counterparty Downgrade Collateral**" means any cash and/or securities delivered to the Issuer as collateral for the obligations of a Hedge Counterparty under a Hedge Transaction.

"**Counterparty Downgrade Collateral Accounts**" means each of the accounts of the Issuer with the Custodian into which Counterparty Downgrade Collateral in respect of a Hedge Counterparty is to be deposited. A separate Counterparty Downgrade Collateral Account shall be opened in respect of each Hedge Counterparty.

"**Cov-Lite Loan**" means an obligation, as determined by the Investment Manager in its reasonable commercial judgement, that is an interest in a loan, the Underlying Instruments for which do not (a) contain any financial covenants or (b) require the Obligor thereunder to comply with any Maintenance Covenant (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments), **provided that**, for all purposes, a loan described in (a) or (b) above which either contains a cross default provision to or is *pari passu* with, another loan of the Obligor (including any revolving obligation) that requires the Obligor to comply with one or more Maintenance Covenants will be deemed not to be a Cov-Lite Loan.

"**Coverage Tests**" means each of the Class A/B Par Value Test, the Class A/B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test, the Class D Interest Coverage Test, the Class E Par Value Test, the Class E Interest Coverage Test and the Class F Par Value Test.

"**CRA3**" means the Regulation EC 1060/2009, as amended by Regulation (EU) 462/2013, on credit rating agencies.

"**Credit Impaired Criteria**" means the criteria that will be met in respect of a Portfolio Asset if, in the commercially reasonable judgment of the Investment Manager, any of the following apply to such Portfolio Asset (which judgment will not be called into question as a result of subsequent events):

(a) if such Portfolio Asset is a loan obligation or floating rate note, the price of such Portfolio Asset has changed during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage which is (i) in the case of a Senior Secured Loan or a Senior Secured Floating Rate Note, either at least 0.25 per cent. more negative or at least 0.25 per cent. less positive and (ii) in the case of Unsecured Loans, Second Lien Loans or Mezzanine Obligations, either at least 0.50 per cent. more negative or at least 0.50 per cent. less positive, in each case, than the percentage change in the average price of an Eligible Loan Index selected by the Investment Manager over the same period;

(b) if such Portfolio Asset is a Fixed Rate Portfolio Asset, there has been an increase in the difference between its yield compared to the yield on German government Bund securities of comparable maturity of more than 7.5 per cent. since the date on which such Portfolio Asset was acquired by the Issuer;

(c) such Portfolio Asset has been downgraded or put on a watch list for possible downgrade or on negative outlook by either of the Rating Agencies since the date on which such Portfolio Asset was acquired by the Issuer;

(d) if such Portfolio Asset is a loan obligation or floating rate note, the spread over the applicable reference rate for such Portfolio Asset has been increased in accordance with the applicable Underlying Instrument since the date the Issuer or the Investment Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such increase) less than or equal to 2.00 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (3) 0.50 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 4.00 per cent.) due, in each case, to a deterioration in the Obligor's financial ratios or financial results; or

(e) if the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense) of the Obligor of such Portfolio Asset is less than 1.00 or is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio.

"**Credit Impaired Obligation**" means any Portfolio Asset that, in the Investment Manager's commercially reasonable judgment, has a significant risk of declining in credit quality or price or where the relevant Underlying Obligor has failed to meet its other financial obligations; **provided that,** at any time during a Restricted Trading Period or after the end of the Reinvestment Period, a Portfolio Asset will qualify as a Credit Impaired Obligation for purposes of sales of Portfolio Assets only if the Credit Impaired Criteria are satisfied with respect to such Portfolio Asset.

"**Credit Improved Obligation**" means any Portfolio Asset which, in the Investment Manager's reasonable commercial judgement (which judgement will not be called into question as a result of subsequent events), has significantly improved in credit quality after it was acquired by the Issuer; *provided that*, at any time during a Restricted Trading Period or after the end of the Reinvestment Period, a Portfolio Asset will qualify as a Credit Improved Obligation only if: (i) the Credit Improved Obligation Criteria are satisfied with respect to such Portfolio Asset; or (ii) the Controlling Class acting by Ordinary Resolution votes to treat such Portfolio Asset as a Credit Improved Obligation.

"**Credit Improved Obligation Criteria**" means the criteria that will be met in respect of a Portfolio Asset if any of the following apply to such Portfolio Asset, as determined by the Investment Manager in its reasonable commercial judgement (which judgement will not be called into question as a result of subsequent events):

(a) the price of such Portfolio Asset has changed during the period from the date on which the Issuer or the Investment Manager acting on behalf of the Issuer entered into a binding commitment to purchase such Portfolio Asset to the proposed sale date by a percentage either at least 0.25 per cent. more positive, or 0.25 per cent. less negative, as the case may be, than the percentage change in the average price of the applicable Eligible Loan Index or Eligible Bond Index (as applicable) selected by the Investment Manager over the same period;

(b) the spread over the applicable reference rate for such Portfolio Asset has been decreased in accordance with the applicable Underlying Instrument since the date the Issuer or the Investment Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a Portfolio Asset with a spread (prior to such decrease) less than or equal to 2.00 per cent.), (2) 0.375 per cent. or more (in the case of a Portfolio Asset with a spread (prior to such decrease) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (3) 0.50 per cent. or more (in the case of a Portfolio Asset with a spread (prior to such decrease) greater than 4.00 per cent.) due, in each case, to an improvement in the Obligor's financial ratios or financial results; or

(c) if the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes *divided by* cash interest expense) of the Obligor of such Portfolio Asset is expected to be more than 1.15 times the current year's projected cash flow interest coverage ratio; or

(d) such Portfolio Asset has been upgraded or put on a watch list for possible upgrade by either of the Rating Agencies since the date on which such Portfolio Asset was acquired by the Issuer.

"**CRR**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (as the same may be amended from time to time).

"**CRR Retention Requirements**" means Articles 404-410 (inclusive) of the CRR (as amended from time to time and as implemented by the Member States of the European Union), together with any guidance published in relation thereto by the European Banking Authority including the Final RTS and any other regulatory and/or implementing technical standards, *provided that* any reference to the CRR Retention Requirements shall be deemed to include any successor or replacement provisions of Articles 404-410 included in any European Union directive or regulation.

"**CRS**" means the common reporting standard more fully described as the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development and any treaty, law or regulation of any other jurisdiction which facilitates the implementation of the Standard including Directive 2014/107/EU on the Administrative Cooperation in the Field of Taxation (DAC II).

"**CRS Compliance**" means compliance with the CRS.

"**CRS Compliance Costs**" means the aggregate cumulative costs of the Issuer in achieving CRS Compliance, including the fees and expenses of the Investment Manager and any other agent or appointee appointed by or on behalf of the Issuer in respect of the Issuer's CRS Compliance.

"**Current Pay Obligation**" means any Portfolio Asset (other than a Corporate Rescue Loan) that would otherwise be treated as a Defaulted Obligation but as to which no payments are due and payable that are unpaid and with respect to which the Investment Manager determines, in its reasonable commercial judgement (which judgement will not be called into question as a results of subsequent events), that:

(a) the Obligor of such Portfolio Asset will continue to make scheduled payments of interest thereon and will pay the principal thereof by maturity or as otherwise contractually due;

(b) if the Obligor is subject to a bankruptcy or insolvency proceedings, a bankruptcy court has authorised the payment of interest and principal payments when due thereunder;

(c) the Portfolio Asset has a Market Value of at least 80 per cent. of its Principal Balance; and

(d) the Portfolio Asset has either:

(A) a Moody's Rating of "B3" or higher;

(B) a Moody's Rating of at least "Caa1" and a Market Value of (x) in the case of an Unhedged Portfolio Asset, at least 80 per cent. of its Unhedged Principal Balance, and (y) in the case of all other such Portfolio Assets, at least 80 per cent. of its current Principal Balance; or

(C) a Moody's Rating of at least "Caa2" and a Market Value of (x) in the case of an Unhedged Portfolio Asset, at least 85 per cent. of its Unhedged Principal Balance, and (y) in the case of all other such Portfolio Assets, at least 85 per cent. of its current Principal Balance,

Provided that, (x) if the Moody's Rating falls below the rating specified in (A), (y) if the Moody's Rating or the Market Value falls below the rating or market value specified in (B), or (z) if the Moody's Rating or the Market Value falls below the rating or market value specified in (C), as the case may be, such Portfolio Asset shall be treated as Defaulted Obligation until such time as it becomes a Current Pay Obligation (by virtue of paragraphs (a), (b) and (d) above being satisfied).

"**Custody Account**" means the custody account or accounts in the name of the Issuer established on the books of the Custodian in accordance with the provisions of the Collateral Administration and Agency Agreement.

"**Defaulted Hedge Termination Payment**" means any amount payable by the Issuer to a Hedge Counterparty upon termination of a Hedge Transaction in respect of which the Hedge Counterparty was either (a) the "Defaulting Party" or (b) the sole "Affected Party" in respect of an "Additional Termination Event" (each as

defined in the relevant Hedge Agreement) as a result of such Hedge Counterparty failing to comply with the requirements specified in the related Hedge Agreement upon the Hedge Counterparty being subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement or in respect of a termination event that is a "Tax Event Upon Merger".

"**Defaulted Obligation**" means a Portfolio Asset as determined by the Investment Manager:

(a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto provided that in the case of any Portfolio Asset in respect of which the Investment Manager has confirmed to the Issuer in writing that, to the knowledge of the Investment Manager, such default has resulted from non-credit related causes, such Portfolio Asset shall not constitute a "Defaulted Obligation" for the greater of five Business Days or seven calendar days (but in no case beyond the passage of any grace period applicable thereto), in each case which default entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, but only until such default has been cured;

(b) in respect of which any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Portfolio Asset;

(c) in respect of which the Investment Manager has actual knowledge that the Obligor thereunder is in default as to payment of principal and/or interest on another obligation, save for obligations constituting trade debts which the applicable Obligor is disputing in good faith, (and such default has not been cured), but only if:

  (i) both such other obligation and the Portfolio Asset are full recourse, unsecured obligations and the other obligation is senior to, or *pari passu* with, the Portfolio Asset in right of payment; or

  (ii) the following conditions are satisfied:

    (A) both such other obligation and the Portfolio Asset are full recourse, secured obligations secured by identical collateral;

    (B) the security interest securing the other obligation is senior to or pari passu with the security interest securing the Portfolio Asset; and

    (C) the other obligation is senior to or pari passu with the Portfolio Asset in right of payment;

(d) which (i) has a Moody's Rating of "Ca" or "C" (or below); or (ii) a Fitch Rating of "CC" (or below) or "RD"; or, in each case, had such rating immediately prior to the withdrawal of its rating by Moody's or Fitch, as applicable;

(e) which ranks *pari passu* in right of payment as to the payment of principal and/interest to another obligation of the same Obligor which has: (i) a Moody's Rating of "Ca" or "C" or (ii) a Fitch Rating of "RD or a Fitch Rating of "D" or "CC" or "C" (in each case excluding Current Pay Obligations and Corporate Rescue Loans) or, in either case, had such rating immediately prior to the withdrawal of its rating by Moody's or Fitch, as applicable, provided that both the Portfolio Asset and such other debt obligation are full recourse obligations of the applicable issuer or secured by the same collateral;

(f) which the Investment Manager, acting on behalf of the Issuer, determines in its commercially reasonable judgment should be treated as a Defaulted Obligation;

(g) in respect of a Portfolio Asset that is a Participation:

  (i) the Selling Institution has defaulted in respect of any of its payment obligations under the terms of such Participation;

  (ii) the obligation which is the subject of such Participation would constitute a Defaulted Obligation if the Issuer had a direct interest therein; or

(iii) the Selling Institution has (x) a Moody's Rating of "Ca" or "C" or had such Moody's Rating immediately prior to its withdrawal by Moody's or (y) a Fitch Rating of "CC" or below or "RD" or in either case had such rating prior to its withdrawal of its Fitch Rating; or

(h) if the Obligor thereof offers holders of such Portfolio Asset a new security, obligation, or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common stock, or debt with a lower coupon or par amount) of such Obligor and in the commercially reasonable judgment of the Investment Manager, such offer has the apparent purpose of helping the Obligor avoid default, *provided, however*, such obligation will cease to be a Defaulted Obligation under this paragraph (h) if such new obligation is (i) a Restructured Obligation; and (ii) such Restructured Obligation does not otherwise constitute a Defaulted Obligation pursuant to any other paragraph of the definition hereof,

provided that:

(i) any Portfolio Asset shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "Defaulted Obligation";

(ii) a Current Pay Obligation shall not constitute a Defaulted Obligation (**provided that** the Aggregate Principal Balance of Current Pay Obligations exceeding 2.5 per cent. of the Aggregate Principal Balance will be treated as Defaulted Obligations (for the purposes of making such calculation, Defaulted Obligations shall be deemed to have a Principal Balance equal to the lesser of its Moody's Collateral Value and Fitch Collateral Value) and, in determining which of the Current Pay Obligations are to be treated as Defaulted Obligations under this proviso, the Current Pay Obligations with the lowest Market Value expressed as a percentage of the Principal Balance of such Portfolio Assets as of the relevant date of determination shall be deemed to constitute the excess); and

(iii) a Corporate Rescue Loan shall not constitute a Defaulted Obligation (*provided that* the Aggregate Principal Balance of Corporate Rescue Loans exceeding 5.0 per cent. of the Aggregate Principal Balance or, in the case of Corporate Rescue Loans of a single Obligor, the Aggregate Principal Balance of such Corporate Rescue Loans exceeding 2.0 per cent. of the Aggregate Principal Balance, in each case, will be treated as Defaulted Obligations and, in determining which of the Corporate Rescue Loans are to be treated as Defaulted Obligations under this proviso, the Corporate Rescue Loans with the lowest Market Value expressed as a percentage of the Principal Balance of such Portfolio Assets as of the relevant date of determination shall be deemed to constitute the excess).

"**Defaulted Obligation Excess Amounts**" means in respect of a Defaulted Obligation, the greater of (a) zero and (b) the aggregate of all amounts paid into the Principal Account (other than any Purchased Accrued Interest) in respect of such Defaulted Obligation for so long as it is a Defaulted Obligation, minus the sum of the Principal Balance of such Defaulted Obligation outstanding immediately prior to receipt of such amounts.

"**Deferred Interest**" means the Class C Deferred Interest, the Class D Deferred Interest, the Class E Deferred Interest and the Class F Deferred Interest.

"**Deferred Investment Management Amounts**" means Deferred Senior Investment Management Amounts, Deferred Subordinated Investment Management Amounts and Deferred Incentive Investment Management Amounts.

"**Deferred Senior Investment Management Amounts**" has the meaning given to it in Condition 3(c)(i) (*Interest Priority of Payments*).

"**Deferred Subordinated Investment Management Amounts**" has the meaning given to it in Condition 3(c)(i) (*Interest Priority of Payments*).

"**Deferring Security**" means a PIK Security that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon: (a) with respect to Portfolio Assets that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive interest periods or one year; and (b) with respect to Portfolio Assets that have a Moody's Rating of "Ba1" or below, for the shorter of one interest period or six consecutive months, which deferred capitalised interest has not, as of the date of determination, been paid in cash.

"**Definitive Certificate**" means a certificate representing one or more Notes in definitive, certificated, fully registered, form.

"**Delayed Drawdown Obligation**" means a Portfolio Asset that: (a) requires the holder thereof to make one or more future advances to the borrower under the Underlying Instruments relating thereto; (b) specifies a maximum amount that can be borrowed on one or more fixed borrowing dates; and (c) does not permit the re-borrowing of any amount previously repaid; but any such Portfolio Asset will be a Delayed Drawdown Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Determination Date**" means the last Business Day of each Due Period, or in the event of any redemption of the Notes, eight Business Days prior to the applicable Redemption Date.

"**Directors**" means the directors from time to time of the Issuer.

"**Discount Obligation**" means any Portfolio Asset that is not a Swapped Non-Discount Obligation and that the Investment Manager determines in its reasonable commercial judgement:

(a) in the case of any Floating Rate Portfolio Asset, is acquired by the Issuer for a purchase price that is lower than 80 per cent. of the Principal Balance of such Portfolio Asset (or, if such interest has a Moody's Rating below "B3", such interest is acquired by the Issuer for a purchase price of less than 85 per cent. of its Principal Balance); *provided that* such Portfolio Asset shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the Principal Balance of such Portfolio Asset as of the relevant date of determination) of such Portfolio Asset, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Portfolio Asset, equals or exceeds 90 per cent. of the Principal Balance of such Portfolio Asset; or

(b) in the case of any Fixed Rate Portfolio Asset, is acquired by the Issuer for a purchase price that is lower than 75 per cent. of the Principal Balance of such Portfolio Asset (or, if such interest has a Moody's Rating below "B3", such interest is acquired by the Issuer for a purchase price of less than 80 per cent. of its Principal Balance); *provided that* such Portfolio Asset shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the Principal Balance of such Portfolio Assets as of the relevant date of determination) of such Portfolio Asset, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Portfolio Asset, equals or exceeds 85 per cent. of the Principal Balance of such Portfolio Asset,

"**Discretionary Sale**" has the meaning given to it in the Investment Management Agreement.

"**Distribution**" means any payment of principal or interest or any dividend or premium or other amount (including any proceeds of sale) or asset paid or delivered on or in respect of any Portfolio Asset, any Collateral Enhancement Obligation, any Eligible Investment or any Exchanged Security, or under or in respect of any Hedge Transaction, as applicable.

"**Dodd-Frank Act**" means the Dodd-Frank Wall Street Reform and Consumer Protection Act including any related regulation as may be amended, supplemented or replaced from time to time.

"**Domicile**" or "**Domiciled**" means with respect to any Obligor with respect to a Portfolio Asset:

(a) except as provided in paragraph (b) below, its jurisdiction of organisation or incorporation; or

(b) the jurisdiction in which, in the Investment Manager's reasonable judgement, a substantial portion of such Obligor's operations are located or from which a substantial portion of its revenue is derived, in each case directly or through subsidiaries (which shall be any jurisdiction known at the time of designation by the Investment Manager to be the source of the majority of revenues, if any, of such Obligor).

"**Due Period**" means, with respect to any Payment Date, the period commencing on and including the day immediately following the eighth Business Day prior to the preceding Payment Date (or on the Issue Date, in the case of the Due Period relating to the first Payment Date) and ending on and including the eighth Business Day prior to such Payment Date provided that the Due Period relating to the final Payment Date shall end on and include the Business Day prior to such Payment Date.

"**EEA**" means the European Economic Area, comprising each Member State, Norway, Iceland and Lichtenstein and such other countries as from time to time may accede to the Agreement on the European Economic Area signed at Oporto on 2 May 1992 or any successor agreement thereto.

"**Effective Date**" means the earlier of:

(a) the date designated for such purpose by the Investment Manager by written notice to the Trustee, the Issuer, the Rating Agencies, the Collateral Administrator and the Agents, subject to the requirements set out in the Investment Management Agreement (including that the Effective Date Requirements shall be satisfied on such designated date); and

(b) 31 November 2018 or if such day is not a Business Day, then the next succeeding Business Day.

"**Effective Date Rating Agency Condition**" means a condition satisfied if (a) the Issuer is provided with the Accountants' Report and (b) Fitch and Moody's are provided with the Effective Date Report.

"**Effective Date Rating Event**" means: (a) (i) the Effective Date Requirements are not satisfied and Rating Agency Confirmation from Fitch has not been received in respect of such failure and (ii) the Investment Manager does not present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation is not received in respect of such Rating Confirmation Plan; or (b) the Effective Date Rating Agency Condition is not satisfied and following a request therefor from the Investment Manager after the Effective Date, Rating Agency Confirmation from Fitch and Moody' is not received; ***provided that*** any downgrade or withdrawal of any of the Initial Ratings of the Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by Fitch shall not constitute an Effective Date Rating Event.

"**Effective Date Report**" means a report compiled by the Collateral Administrator (in consultation with the Investment Manager) confirming the Effective Date Test Items.

"**Effective Date Requirements**" means, as at the Effective Date, (a) each of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (save for the Interest Coverage Tests) being satisfied on such date and (b) the Issuer having purchased or entered into binding commitments to purchase Portfolio Assets the Aggregate Principal Balance of which (calculated without regard to prepayments, maturities or redemptions) equals or exceeds the Target Par Amount by such date (**provided that**, for the purposes of determining the Aggregate Principal Balance as provided above, the Principal Balance of a Portfolio Asset which is a Defaulted Obligation will be the lower of its Moody's Collateral Value and its Fitch Collateral Value).

"**Effective Date Test Items**" means (a) the Aggregate Principal Balances of the Portfolio Assets purchased or committed to be purchased as at the Effective Date and (b)(i) as at the Effective Date, the computation and results of the Par Value Tests, (ii) as at each of the Effective Date and the Issue Date, the computation of the Collateral Quality Tests and (iii) as at the Effective Date, the computation of the Portfolio Profile Tests (**provided that**, for the purposes of determining the Aggregate Principal Balance as provided above, the Principal Balance of a Portfolio Asset which is a Defaulted Obligation will be the lower of its Moody's Collateral Value and its Fitch Collateral Value).

"**Eligibility Criteria**" means the Eligibility Criteria specified in the Investment Management Agreement which the Investment Manager is required to determine have been satisfied in respect of each Portfolio Asset as at (a) the date the Issuer commits to acquire each such Portfolio Asset pursuant to the applicable Collateral Acquisition Agreement and (b) in respect of the initial Portfolio, the Issue Date.

"**Eligible Asset**" means a financial asset, either fixed or revolving, that by its terms converts into cash within a finite time period plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders, provided such asset is a "qualifying asset" within the meaning of Section 110 of the Taxes Act 1997.

"**Eligible Bond Index**" means Markit iBoxx EUR High Yield Index or any other index proposed by the Investment Manager and subject to receipt of Rating Agency Confirmation from Moody's.

"**Eligible Country**" means any of Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Luxembourg, The Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom or United States] and any other country, the local currency country bond ceiling of which is rated, at the time of acquisition of the relevant Portfolio Asset, at least "Baa3" by Moody's and "BBB-" by Fitch (provided that Rating Agency Confirmation is received in respect of any such other country which is not in the

Euro zone) or any other country in respect of which, at the time of acquisition of the relevant Portfolio Asset, Rating Agency Confirmation is received.

"**Eligible Investment Qualifying Country**" means:

(a) for so long as any Notes rated by Moody's are Outstanding, any of Austria, Belgium, Canada, the Channel Islands, Denmark, Finland, France, Germany, Iceland, Republic of Ireland, Italy, Liechtenstein, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom or United States, in each case if the foreign currency issuer credit rating of such country is rated, at the time of acquisition of the relevant Eligible Investment, at least "A1" by Moody's; and

(b) for so long as any Notes rated by Fitch are Outstanding, any country, the foreign currency country issuer rating of which is rated, at the time of acquisition of the relevant Eligible Investment, at least "AA-" by Fitch (or, if the maturity of the relevant Eligible Investment is less than 30 days, "A" by Fitch),

provided that for purposes of both paragraphs (a) and (b) above, an Eligible Investment Qualifying Country may be any other country in respect of which, at the time of acquisition of the relevant Eligible Investment, Rating Agency Confirmation is received.

"**Eligible Investments**" means any investment denominated in Euro that is one or more of the following obligations or securities (other than obligations or securities which are zero coupon obligations or securities), including, without limitation, any Eligible Investments for which the Custodian, the Trustee or the Investment Manager or an Affiliate of any of them provides services:

(a) direct obligations of, and obligations the timely payment of principal of and interest on which is fully and expressly guaranteed by, an Eligible Investment Qualifying Country or any agency or instrumentality of an Eligible Investment Qualifying Country, the obligations of which are fully and expressly guaranteed by an Eligible Investment Qualifying Country and which satisfy the Eligible Investments Minimum Ratings (but excluding (i) "General Services Administration" participation certificates; (ii) "U.S. Maritime Administration guaranteed Title XI financings"; (iii) "Financing Corp. debt obligations"; (iv) "Farmers Home Administration Certificates of Beneficial Ownership"; and (v) "Washington Metropolitan Area Transit Authority guaranteed transit bonds");

(b) demand and time deposits in, certificates of deposit of, trust accounts with and bankers' acceptances issued by any depositary institution (including the Account Bank) or trust company incorporated under the laws of an Eligible Investment Qualifying Country and subject to supervision and examination by governmental banking authorities, in each case, payable within 90 days (or 180 days at any time following the first Payment Date after the occurrence of a Frequency Switch Event) of issuance, so long as the commercial paper and/or the debt obligations of such depositary institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) and such depositary institution or trust company at the time of such investment or contractual commitment have a rating not less than the Eligible Investment Minimum Rating;

(c) subject to receipt of Rating Agency Confirmation related thereto, unleveraged repurchase obligations with respect to:

  (i) any obligation described in paragraph (a) above; or

  (ii) any other security issued or guaranteed by an agency or instrumentality of an Eligible Investment Qualifying Country, in either case entered into with a depositary institution or trust company (acting as principal) described in paragraph (b) above or entered into with a corporation (acting as principal) that is rated not less than the applicable Eligible Investments Minimum Rating at the time of such investment;

(d) securities bearing interest or sold at a discount to the face amount thereof issued by any corporation incorporated under the laws of an Eligible Investment Qualifying Country that have a credit rating of not less than the applicable Eligible Investments Minimum Rating at the time of such investment or contractual commitment providing for such investment;

(e) commercial paper or other short term obligations having, at the time of such investment, a credit rating of not less than the applicable Eligible Investments Minimum Rating and that either are bearing interest or are sold at a discount to the face amount thereof and have a maturity of not more than 90 days or 180 days after the occurrence of a Frequency Switch Event from their date of issuance;

(f) non-U.S. funds investing in the money markets rated, at all times, "Aaa-mf" by Moody's and "AAAmmF" by Fitch or if not rated by Fitch, having an equivalent rating from a third global rating agency; and

(g) any other investment similar to those described in paragraphs (a) to (f) (inclusive) above:

(i) in respect of which Rating Agency Confirmation has been received as to its inclusion in the Portfolio as an Eligible Investment;

(ii) which has, in the case of an investment with a maturity of longer than 91 days, a long-term credit rating not less than the applicable Eligible Investments Minimum Rating, and

(iii) is an "eligible asset" under Rule 3a-7 of the Investment Company Act,

and, in each case, such instrument or investment provides for payment of a pre-determined fixed amount of principal on maturity that is not subject to change and either (A) has a Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated on demand without penalty and have a remaining maturity of less than 365 days, **provided, however, that** Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes, any security purchased at a price in excess of 100 per cent. of par, any security whose repayment is subject to substantial non-credit related risk (as determined by the Investment Manager in its discretion) or investments the acquisition of which would give rise to stamp duty, stamp duty reserve tax or any other transfer duty or tax (except to the extent that such duty or tax is taken into account in deciding whether to acquire the investments, such that the Issuer is not required to pay an additional amount in respect of such tax or duty compare to the amount that would be payable by the Issuer in order to acquire the relevant investment had no such tax or duty been payable).

"**Eligible Investments Minimum Rating**" means:

(a) for so long as any Notes rated by Moody's are Outstanding:

(i) in the case of Eligible Investments that do not have a short-term senior unsecured debt or issuer (as applicable) credit rating from Moody's, a long-term senior unsecured debt or issuer (as applicable) credit rating of "Aaa" from Moody's; or

(ii) in the case of Eligible Investments that have a short-term senior unsecured debt or issuer (as applicable) credit rating, a short-term senior unsecured debt or issuer (as applicable) credit rating of "P-1" from Moody's and a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "A1" from Moody's;

(b) for so long any Notes rated by Fitch are Outstanding:

(i) in the case of Eligible Investments with a maturity of more than 30 days:

(A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "AA-" from Fitch; and/or

(B) a short-term senior unsecured debt or issuer credit rating of "F1+" from Fitch; or

(C) such other ratings as confirmed by Fitch;

(ii) in the case of Eligible Investments with a maturity of 30 days or less:

(A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "A" from Fitch; and/or

(B) a short-term senior unsecured debt or issuer credit rating of "F1" from Fitch; or

(C) such other ratings as confirmed by Fitch.

"**Eligible Loan Index**" means the S&P European Leveraged Loan Index, the Credit Suisse Western European Leveraged Loan Index or any other internationally recognised or comparable loan index as its notified to the Trustee, the Collateral Administrator and each Rating Agency by the Investment Manager acting on behalf of the Issuer.

"**EMIR**" means Regulation (EU) No. 648 (2012), including any implementing and/or delegated regulation, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**EMIR Reporting Agent**" means, in respect of a Hedge Agreement, the person appointed as such pursuant to the terms thereof.

"**EMIR Reporting Agreement**" means an agreement for the delegation by the Issuer of certain derivative transaction reporting obligations of the Issuer to the EMIR Reporting Agent.

"**Enforcement Actions**" has the meaning given to it in Condition 11(b) (*Enforcement*).

"**ERISA**" means the United States Employee Retirement Income Security Act of 1974, as amended.

"**EU Retention Requirements**" means the CRR Retention Requirements, the AIFM Retention Requirements and the Solvency II Retention Requirements.

"**EURIBOR**" means, for purposes of the Rated Notes, the rate determined in accordance with Condition 6(e) (*Interest on the Rated Notes*):

(a) prior to the occurrence of a Frequency Switch Event, as applicable to three month Euro deposits;

(b) following the occurrence of a Frequency Switch Event, as applicable to six month Euro deposits or, in the case of the period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date, if such first mentioned Payment Date falls in June 2030, as applicable to three month Euro deposits; and

(c) in the case of the initial Interest Period, as determined pursuant to a straight line interpolation of the rates applicable to 6 and 9 month Euro deposits,

provided that where such rate is used to determine the Class X Floating Rate, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest or the Class F Floating Rate of Interest, it shall be subject to a minimum of zero per cent. per annum.

For the avoidance of doubt, each reference to "EURIBOR" so far as it relates to a Portfolio Asset shall mean EURIBOR as determined pursuant to the Underlying Instrument in respect of such Portfolio Asset.

"**Euro**", "**euro**", "**EUR**" and "**€**" means the lawful currency of the member states of the European Union ("**Member States**") that have adopted and retain the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time; **provided that** if any Member State ceases to have such single currency as its lawful currency (each such Member State being an "**Exiting State**"), the euro shall mean the single currency adopted and retained as the lawful currency of the remaining Member States and shall not include any successor currency introduced by any Exiting State but for the avoidance of doubt shall not affect any definition of euro used in respect of any Portfolio Asset.

"**Euroclear**" means Euroclear Bank SA/NV.

"**Euronext Dublin**" means the Irish Stock Exchange plc. trading as Euronext Dublin.

"**Euro zone**" means the region comprised of Member States that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Excess Caa/CCC Adjustment Amount**" means, as of any date of determination, an amount equal to the excess, if any, of:

(a) the Aggregate Principal Balance of all Portfolio Assets included in the Caa/CCC Excess; over

(b) the sum for each Portfolio Asset included in the Caa/CCC Excess of (i) its Market Value (expressed as a percentage) multiplied by (ii) its Principal Balance.

"**Exchange Act**" means the United States Exchange Act of 1934, as amended.

"**Exchanged Security**" means:

(a) an equity security, option or warrant which is delivered to the Issuer:

(i) upon acceptance of an Offer in respect of a Defaulted Obligation; or

(ii) in connection with a restructuring of a Portfolio Asset that takes effect after the later of the Issue Date and the date of acquisition of the relevant Portfolio Asset; or

(b) a Portfolio Asset which (i) has been restructured, whether by way of an amendment to its terms (including but not limited to an extension of its maturity), a substitution or exchange of a new obligation (other than an equity security) or a change of Obligor, in a restructuring that takes effect after the later of the Issue Date and the date of acquisition of the relevant Portfolio Asset; and (ii) does not satisfy the Restructured Obligation Criteria upon such restructuring taking effect, *provided that* such Portfolio Asset shall cease to be an Exchanged Security if it satisfies the Restructured Obligation Criteria on any date following the restructuring taking effect.

"**Expense Reserve Account**" means the account described as such in the name of the Issuer with the Account Bank.

"**Extraordinary Resolution**" means an extraordinary resolution as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**FATCA**" means Sections 1471 to 1474 of the Code, any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes, or official practices adopted pursuant to any such intergovernmental agreement.

"**First Period Reserve Account**" means an account described as such in the name of the Issuer with the Account Bank.

"**Fitch**" means Fitch Ratings Ltd. or any successor or successors thereto.

"**Fitch CCC Obligations**" means all Portfolio Assets, excluding Defaulted Obligations, with a Fitch Rating of "CCC+" or lower.

"**Fitch Collateral Value**" means, in the case of any Portfolio Asset or Eligible Investment, the lower of: (a) its prevailing Market Value; and (b) the relevant Fitch Recovery Rate, multiplied by its Principal Balance.

"**Fitch Issuer Credit Rating**" means in respect of a Portfolio Asset, a publicly available issuer credit rating by Fitch in respect of the Obligor thereof.

"**Fitch Tests Matrices**" has the meaning given to it in the Investment Management Agreement.

"**Fixed Rate Portfolio Asset**" means any Portfolio Asset that bears a fixed rate of interest.

"**Floating Rate Portfolio Asset**" means any Portfolio Asset that bears a floating rate of interest.

"**Floating Rate Notes**" means the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"**Floating Rate of Interest**" has the meaning given to it in Condition 6(e)(i) (*Floating Rate of Interest*).

"**Foreign Safe Harbour**" means the safe harbour from the U.S. Risk Retention Rules for certain foreign-related securitisation transactions set forth at 17 C.F.R. 246.20.

"**Form Approved Asset Swap**" means an Asset Swap Transaction documented under a Form Approved Hedge Agreement.

"**Form Approved Hedge**" means a Form Approved Asset Swap, Form Approved Hedge Agreement or Form Approved Interest Rate Hedge.

"**Form Approved Hedge Agreement**" means a Hedge Agreement, the documentation for and structure of which conforms (save for the amount and timing of periodic payments, the notional amount, the effective date, the termination date and other related and/or immaterial changes) to a form approved by the Rating Agencies from time to time *provided that* such approval shall be deemed to have been so received in respect of any such form approved by Moody's and by Fitch prior to the Issue Date unless otherwise notified to the Investment Manager (acting on behalf of the Issuer) by one or both Rating Agencies prior to entering into a new Hedge Transaction.

"**Form Approved Interest Rate Hedge**" means an Interest Rate Hedge Transaction documented under a Form Approved Hedge Agreement.

"**Frequency Switch Event**" means the occurrence of a Determination Date on which the Investment Manager in consultation with the Collateral Administrator determines that the following conditions have been met:

(a) the Aggregate Principal Balance of all Frequency Switch Obligations in respect of such Determination Date (excluding Defaulted Obligations) is equal to or greater than 20 per cent. of the Aggregate Collateral Balance (excluding Defaulted Obligations);

(b) for so long as any of the Class X Notes, the Class A Notes or the Class B Notes remain Outstanding, the ratio (expressed as a percentage) obtained by dividing:

(i) the sum of:

(A) the aggregate of scheduled and projected interest payments which will be due to be paid on each Portfolio Asset during the immediately following Due Period, but excluding (i) such payments on Defaulted Obligations (other than Current Pay Obligations), (ii) any such payments as to which the Issuer or the Investment Manager has actual knowledge that such payment will not be made when due, and (iii) any Interest Smoothing Amounts which are required to be transferred to the Interest Smoothing Account at the end of the immediately following Due Period in accordance with these Conditions (which, in the case of each Asset Swap Obligation, shall be converted into Euro at the applicable Asset Swap Transaction Exchange Rate and, in the case of each Non-Euro Obligation which is not subject to an Asset Swap Transaction, shall be converted into Euro at the Spot Rate); and

(B) the Balance standing to the credit of the Interest Smoothing Account on the Business Day following such Determination Date; by

(ii) the scheduled Interest Amounts which will fall due on the Class A Notes or Class B Notes on the second Payment Date following such Determination Date and all amounts due and payable pursuant to paragraphs (A) to (J) of the Interest Priority of Payments on such date,

is less than 120 per cent.; and:

(c) for so long as any of the Class X Notes, the Class A Notes or Class B Notes remain Outstanding, the sum of:

(i) the amount determined pursuant to paragraph (b)(i) above; and

(ii) the aggregate of scheduled and projected interest payments which will be accrued but not yet paid as at the Business Day being three months following such Determination Date in respect of each Frequency Switch Obligation, but excluding (i) such payments on Defaulted Obligations (other than Current Pay Obligations) and (ii) any such payments as to which the

Issuer or the Investment Manager has actual knowledge that such payment will not be made when due,

is equal to or greater than the amount determined pursuant to paragraph (b)(ii) above,

with the projected interest amounts described above being calculated in respect of such Determination Date on the basis of the following assumptions: (X) the frequency of interest payments on each Portfolio Asset shall not change following such Determination Date; and (Y) EURIBOR for the purposes of calculating Interest Amounts in respect of the Class A Notes and the Class B Notes at all times following such Determination Date shall be equal to EURIBOR as determined as at such Determination Date. For the avoidance of doubt, after redemption in full of the Class A Notes and the Class B Notes, only paragraph (a) of this definition of "Frequency Switch Event" is required to be satisfied.

"**Frequency Switch Obligation**" means, in respect of a Determination Date, a Portfolio Asset which has become an Interest Smoothing Obligation that pays interest less frequently than quarterly during the Due Period related to such Determination Date as a result of a switch in the frequency of interest payments on such Portfolio Asset occurring during such Due Period in accordance with the applicable Underlying Instrument.

"**FTT**" means the financial transaction tax as contemplated by the European Commission pursuant to a proposed directive published by the European Commission on 14 February 2013.

"**Funded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Obligation at any time, the aggregate principal amount of advances or other extensions of credit to the extent funded thereunder by the Issuer that are outstanding at such time.

"**Further Subordinated Notes**" has the meaning given to it in Condition 17 (*Additional Issuances*).

"**GBP**" and "**Sterling**" mean the lawful currency of the United Kingdom.

"**Global Certificate**" means a certificate representing one or more Notes in global fully registered form.

"**Global Exchange Market**" means the Global Exchange Market of Euronext Dublin.

"**Hedge Agreement**" means any Interest Rate Hedge Agreement or any Asset Swap Agreement, as applicable.

"**Hedge Counterparty**" means any Interest Rate Hedge Counterparty or Asset Swap Counterparty, as applicable.

"**Hedge Replacement Payment**" means any Interest Rate Hedge Replacement Payment or Asset Swap Replacement Payment, as applicable.

"**Hedge Replacement Receipt**" means any Interest Rate Hedge Replacement Receipt or Asset Swap Replacement Receipt, as applicable.

"**Hedge Tax Credits**" means any credit, allowance, set-off or repayment in respect of tax received by the Issuer from the tax authorities of any jurisdiction relating to the deduction or withholding giving rise to an increased payment by a Hedge Counterparty to the Issuer or a reduced payment from the Issuer to a Hedge Counterparty pursuant to the relevant Hedge Agreement.

"**Hedge Termination Account**" means the account (or accounts) in the name of the Issuer with the Account Bank into which Hedge Termination Receipts and Hedge Replacement Receipts shall be paid, which account (or accounts) shall be maintained in each relevant currency in relation to the Asset Swap Transactions.

"**Hedge Termination Payment**" means any Interest Rate Hedge Termination Payment or Asset Swap Termination Payment, as applicable.

"**Hedge Termination Receipt**" means any Interest Rate Hedge Termination Receipt or Asset Swap Termination Receipt, as applicable.

"**Hedge Transaction**" means any Interest Rate Hedge Transaction or Asset Swap Transaction, as applicable.

"**Hedging Condition**" means, with respect to a Hedge Transaction, either (a) the Investment Manager is satisfied that, at the time such Hedge Transaction is entered into by the Issuer, such Hedge Transaction complies with the CFTC interpretation concerning securitisation vehicle exemption from the definition of "commodity pool" or (b) the Investment Manager obtains legal advice of reputable legal counsel that such Hedge Transaction will not cause the Issuer or the Investment Manager to be required to register as a "commodity pool operator" with the CFTC with respect to the Issuer.

"**High Yield Bond**" means a debt security other than a Senior Secured Bond which, on acquisition by the Issuer, is either rated below investment grade by at least one internationally recognised credit rating agency (**provided that**, if such debt security is, at any time following acquisition by the Issuer, no longer rated by at least one internationally recognised credit rating agency as below investment grade it will not, as a result of such change in rating, fall outside this definition) or which is a high yielding debt security, in each case as determined by the Investment Manager, excluding any debt security which is secured directly on, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**IM Removal and Replacement Exchangeable Non-Voting Notes**" means Notes which:

(a) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of voting on an IM Removal Resolution or an IM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the IM Removal and Replacement Voting Notes have a right to vote and be so counted; and

(b) are exchangeable into:

  (i) IM Removal and Replacement Non-Exchangeable Non-Voting Notes at any time; or

  (ii) IM Removal and Replacement Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor.

"I**M Removal and Replacement Non-Exchangeable Non-Voting Notes**" means Notes which:

(a) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of voting on an IM Removal Resolution or an IM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the IM Removal and Replacement Voting Notes have a right to vote and be so counted; and

(b) are not exchangeable into IM Removal and Replacement Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes at any time.

"**IM Removal and Replacement Voting Notes**" means Notes which:

(a) carry a right to vote, in respect of and be counted for the purposes of determining a quorum and the result of any votes in respect of an IM Removal Resolution or an IM Replacement Resolution and all other matters as to which Noteholders are entitled to vote; and

(b) are, at any time, exchangeable into:

  (i) IM Removal and Replacement Non-Exchangeable Non-Voting Notes; or

  (ii) IM Removal and Replacement Exchangeable Non-Voting Notes.

"**IM Removal Resolution**" means any Resolution, vote, written direction or consent of the Noteholders in relation to the removal of the Investment Manager in accordance with the Investment Management Agreement.

"**IM Replacement Resolution**" means any Resolution, vote, written direction or consent of the Noteholders in relation to the appointment of a successor Investment Manager or any assignment or delegation by the Investment Manager of its rights or obligations, in each case, in accordance with the Investment Management Agreement.

"**Incentive Investment Management Fee**" means the fee payable to the Investment Manager (exclusive of VAT) pursuant to the Investment Management Agreement in arrear on each Payment Date, as determined by the Collateral Administrator, in an amount equal to 20 per cent. of any Interest Proceeds or Principal Proceeds that would otherwise have been payable to the Subordinated Noteholders in accordance with paragraph (HH) of Condition 3(c)(i) (*Interest Priority of Payments*), paragraph (X) of Condition 3(c)(ii) (*Principal Priority of Payments*), paragraph ((B)) of Condition 3(c)(iii) (*Collateral Enhancement Obligation Priority of Payments*) and paragraph ((BB)) of the Acceleration Priority of Payments, as applicable, on such Payment Date, **provided that** such amount will only be payable to the Investment Manager if the Incentive Investment Management Fee IRR Threshold has been reached.

"**Incentive Investment Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Subordinated Notes Outstanding have received an IRR of at least 12 per cent. on the Principal Amount Outstanding of the Subordinated Notes as of the Issue Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date).

"**Incurrence Covenant**" means a covenant by any Obligor to comply with one or more financial covenants only upon the occurrence of certain actions of the Obligor, including a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture.

"**Initial Ratings**" means in respect of any Class of Notes and any Rating Agency, the ratings assigned to such Class of Notes by such Rating Agency as at the Issue Date and "Initial Rating" means each such rating.

"**Insolvency Law**" has the meaning given to it in Condition 10(a)(v) (*Insolvency Proceedings*).

"**Interest Account**" means the account described as such in the name of the Issuer with the Custodian into which Interest Proceeds are to be paid.

"**Interest Amount**" has the meaning given to it in (i) Condition 6(e)(ii) (*Determination of Floating Rate of Interest and Calculation of Interest Amount*) in respect of the Floating Rate Notes; and (ii) Condition 6(e)(iii) (Calculation of Fixed Amounts) in respect of the Fixed Rate Notes.

"**Interest Coverage Amount**" means, on any particular Measurement Date (and for the avoidance of doubt without double-counting):

(a) the Balance standing to the credit of the Interest Account;

(b) plus the scheduled interest payments due but not yet received in respect of any Portfolio Asset (save for any Asset Swap Obligations) or Eligible Investment (regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs excluding:

(i) accrued and unpaid interest on Defaulted Obligations or Deferring Securities;

(ii) interest on any Portfolio Asset to the extent that such Portfolio Asset does not provide for the scheduled payment of interest in cash;

(iii) any amounts, to the extent that such amounts if not paid, will not give rise to a default under the relevant Portfolio Asset;

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes (including as a result of FATCA and/or FTT);

(v) any scheduled interest payments or commitment fees as to which the Issuer or the Investment Manager has actual knowledge that such payment or fee will not be made; and

(vi) any Purchased Accrued Interest,

provided that, in respect of a Non-Euro Obligation (i) that is an Asset Swap Obligation, this paragraph (b) shall be deemed to refer to the related Scheduled Periodic Asset Swap Counterparty Payment, subject to the exclusions set out above and (ii) that is a Non-Euro Obligation which is not the subject of an Asset Swap Transaction, the amount taken into account for this paragraph (b) shall be an amount equal to the scheduled interest payments due but not yet received in respect of such Portfolio Asset (subject to the exclusions set out above), converted into Euro at the then prevailing Spot Rate;

(c) minus any of the above amounts that would be payable into the Interest Smoothing Account on the Business Day after the Determination Date at the end of the Due Period in which such Measurement Date falls;

(d) plus any amounts that would be payable from the Interest Smoothing Account to the Interest Account during the Due Period in which such Measurement Date falls (without double counting any such amounts which have already been transferred to the Interest Account);

(e) *plus* any Scheduled Periodic Asset Swap Counterparty Payments payable to the Issuer under any Asset Swap Transaction and any Scheduled Periodic Interest Rate Hedge Counterparty Payments payable to the Issuer under any Interest Rate Hedge Transaction which, in each case, are due but not yet received in the Due Period in which such Measurement Date occurs;

(f) minus the amounts payable pursuant to paragraphs (A) to (H) (inclusive) of the Interest Priority of Payments on the following Payment Date;

(g) minus any interest in respect of a PIK Security that has been deferred (but only to the extent such amount has not already been excluded in accordance with paragraph (b) above); and

(h) plus any scheduled interest payments due to the Issuer in the Due Period in which such Measurement Date occurs on the Accounts (save in case of the Collateral Enhancement Account and the Counterparty Downgrade Collateral Accounts, to the extent that interest accrued in respect thereof is contractually payable by the Issuer to a third party),

For the purposes of calculating any Interest Coverage Amount, the expected or scheduled interest income on Floating Rate Portfolio Assets and Eligible Investments and the expected or scheduled interest payable on any Class of Notes and on any relevant Account shall be calculated using then current interest rates applicable thereto.

"**Interest Coverage Ratio**" means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio, the Class D Interest Coverage Ratio and the Class E Interest Coverage Ratio.

"**Interest Coverage Test**" means the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test.

"**Interest Coverage Test Date**" means the Determination Date preceding each Payment Date occurring on or after the second Payment Date.

"**Interest Determination Date**" means the second Business Day prior to the commencement of each Interest Period given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

"**Interest Period**" means, in respect of each Class of Notes, the period from and including the Issue Date (or in the case of a Class that is subject to Refinancing, the Payment Date upon which the Refinancing occurs) to, but excluding, the first Payment Date (or in the case of a Class that is subject to Refinancing, the first Payment Date following the Refinancing) and thereafter each successive period from and including each Payment Date to, but excluding, the following Payment Date; *provided that*, for the purpose of calculating the interest payable in accordance with condition 6(e)(iii), the Payment Date shall not be adjusted if the relevant Payment Date would have fallen on a day other than a Business Day but for the proviso in the definition of Payment Date.

"**Interest Priority of Payments**" means the priority of payments in respect of Interest Proceeds set out in Condition 3(c)(i) (*Interest Priority of Payments*).

"**Interest Proceeds**" means all amounts (without duplication) paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Priority of Payments on such Payment Date, together with any other amounts to be disbursed out of the Payment Account as Interest Proceeds on such Payment Date pursuant to Condition 3(i) (*Accounts*).

"**Interest Rate Hedge Agreement**" means each ISDA Master Agreement under which an Interest Rate Hedge Transaction is documented.

"**Interest Rate Hedge Counterparty**" means each financial institution with which the Issuer enters into an Interest Rate Hedge Transaction or any permitted assignee or successor thereto under the terms of the related Interest Rate Hedge Transaction and in each case which satisfies the applicable Rating Requirement (taking into account any guarantor thereof).

"**Interest Rate Hedge Replacement Payment**" means any amount payable to a replacement Interest Rate Hedge Counterparty by the Issuer upon entry into a Replacement Interest Rate Hedge Transaction which is replacing an Interest Rate Hedge Transaction which was terminated.

"**Interest Rate Hedge Replacement Receipt**" means any amount payable to the Issuer by an Interest Rate Hedge Counterparty upon entry into a Replacement Interest Rate Hedge Transaction which is replacing an Interest Rate Hedge Transaction which was terminated.

"**Interest Rate Hedge Termination Payment**" means the amount payable to an Interest Rate Hedge Counterparty by the Issuer upon termination or modification of an Interest Rate Hedge Transaction pursuant to the relevant Interest Rate Hedge Agreement excluding, for purposes other than payment by the Issuer, any due and unpaid scheduled amounts payable thereunder.

"**Interest Rate Hedge Termination Receipt**" means the amount payable by an Interest Rate Hedge Counterparty to the Issuer upon termination of an Interest Rate Hedge Transaction pursuant to the relevant Interest Rate Hedge Agreement, excluding, for purposes other than payment to the applicable Account to which the Issuer shall credit such amounts, the portion thereof representing any due and unpaid scheduled amounts payable thereunder.

"**Interest Rate Hedge Transaction**" means each interest rate protection transaction, which may be an interest rate swap transaction, an interest rate cap, an interest rate floor transaction, or an asset specific interest rate swap, in each case, entered into under an ISDA Master Agreement which is entered into between the Issuer and an Interest Rate Hedge Counterparty (including any Replacement Interest Rate Hedge Transaction).

"**Interest Smoothing Account**" means the account described as such in the name of the Issuer with the Account Bank to which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(xii) (*Interest Smoothing Account*).

"**Interest Smoothing Amount**" means, in respect of an Interest Smoothing Obligation:

(a) on each Determination Date on or following the occurrence of a Frequency Switch Event, zero;

(b) on each other Determination Date and for so long as any Rated Notes are Outstanding, an amount equal to the amount of interest received during the related Due Period in respect of such Interest Smoothing Obligation, multiplied by:

(i) in respect of an Interest Smoothing Obligation with a Payment Frequency greater than three and less than or equal to six, 0.50;

(ii) in respect of an Interest Smoothing Obligation with a Payment Frequency greater than six and less than or equal to nine, 0.66; and

(iii) in respect of an Interest Smoothing Obligation with a Payment Frequency greater than nine, 0.75,

in each case excluding all interest and other amounts received in respect of any Defaulted Obligations save for any Defaulted Obligation Excess Amounts.

"**Interest Smoothing Obligation**" means a Portfolio Asset which pays interest less frequently than quarterly.

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended.

"**Investment Manager Advance**" means any Euro amount which may be advanced during the Reinvestment Period by the Investment Manager or its Affiliate or designee, at its discretion, to the Issuer in accordance with and subject to the terms of the Investment Management Agreement, these Conditions and the Trust Deed, for the purpose of either:

(a) designating as Interest Proceeds or Principal Proceeds, to be applied in accordance with the applicable Priorities of Payment; or

(b) acquiring or exercising rights under one or more Collateral Enhancement Obligations,

which shall bear interest at a rate equal to EURIBOR *plus* a margin of 2.0 per cent. per annum. Each Investment Manager Advance shall be in a minimum amount of €1,000,000 and the aggregate amount outstanding of all Investment Manager Advances shall not, at any time, exceed €3,000,000.

"**Investment Management Fee**" means each of the Senior Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee.

"**Investment Manager Notes**" means Notes held by the Investment Manager, any of its Affiliates, any director, officer or employee of the Investment Manager or any of its Affiliates, or any fund or account for which the Investment Manager or any Affiliate thereof has discretionary voting authority.

"**Investment Manager Portfolio Company**" means any Persons in respect of which funds managed by (a) the Investment Manager or its affiliates or (b) any replacement Investment Manager or its affiliates, in either case, directly or indirectly holds more than 50 per cent. of the voting capital or similar right of ownership.

"**IRR**" means the internal rate of return calculated using the "XIRR" function in Microsoft Excel or any equivalent function in another software package that would result in a net present value of zero, assuming: (a) the Principal Amount Outstanding of the Subordinated Notes on the Issue Date as the initial cash flow and all distributions to the Subordinated Notes on the current and each preceding Payment Date as subsequent cash flows (including the Redemption Date, if applicable); (b) the initial date for the calculation as the Issue Date; and (c) the number of days in each subsequent Payment Date from the Issue Date calculated on the basis of the actual number of days in an Interest Period divided by 365 and assuming for this purpose that all Subordinated Notes were purchased on the Issue Date at a price equal to 100 per cent. of the principal amount thereof.

"**IRS**" means the United States Internal Revenue Service or any successor thereto.

"**Issue Date**" means 31 May 2018 (or such other date as may shortly follow such date as may be agreed between the Issuer and the Initial Purchaser and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and Euronext Dublin).

"**Issuer Fee**" means the fee payable to the Issuer for deposit in the Issuer Irish Account in an amount equal to €250 on each Payment Date, subject always to an aggregate maximum amount of €1,000 per annum.

"**Issuer Irish Account**" means the account in the name of the Issuer where the Issuer's share capital and the Issuer Fee are held and/or recorded.

"**Maintenance Covenant**" means a covenant by any Obligor to comply with one or more financial covenants during each reporting period, whether or not such Obligor has taken any specified action.

"**Market Value**" means, on any date of determination and as provided by the Investment Manager to the Collateral Administrator (in each case expressed as a percentage of par):

(a) the bid price determined by an independent recognised pricing service; or

(b) if such independent recognised pricing service is not available, the mean of the bid side prices determined by three independent broker-dealers active in the trading of such Portfolio Assets; or

(c) if three such broker-dealer prices are not available, the lower of the bid side prices determined by two such broker-dealers; or

(d) if two such broker-dealer prices are not available, the bid side price determined by one independent broker-dealer (unless, in each case, the fair market value thereof determined by the Investment Manager pursuant to paragraph (e) hereafter would be lower); or

(e) if the determinations of such broker-dealers or independent recognised pricing service are not available, then the lower of:

(i) the higher of (x) the lower of (A) the Moody's Recovery Rate of such Portfolio Asset and (B) the Fitch Recovery Rate of such Portfolio Asset and (y) 70 per cent. of such Portfolio Asset's Principal Balance; and

(ii) the fair market value thereof determined by the Investment Manager on a best efforts basis in a manner consistent with reasonable and customary market practice, in each case, as notified to the Collateral Administrator on the date of determination thereof,

provided that where the Market Value is determined by the Investment Manager in accordance with paragraph (e)(ii) above, such Market Value shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero.

For the purposes of this definition, "**independent**" shall mean: (A) that each pricing service and broker-dealer from whom a bid price is sought is independent from each of the other pricing service and broker-dealers from whom a bid price is sought and (B) each pricing service and broker dealer is not an Affiliate of the Investment Manager.

"**Maturity Date**" means the Payment Date falling in 15 December 2030 or if such day is not a Business Day, then the next succeeding Business Day.

"**Maximum Par Amount**" means €400,000,000.

"**Measurement Date**" means:

(a) the Effective Date;

(b) for the purposes of determining satisfaction of the Reinvestment Criteria, any Business Day after the Effective Date on which such criteria are required to be determined;

(c) the date of acquisition of any additional Portfolio Assets following the Effective Date;

(d) each Determination Date;

(e) the date as at which any Report is prepared; and

(f) following the Effective Date, with reasonable (and not less than two Business Days') notice, any Business Day requested by (i) any Rating Agency then rating any Class of Notes Outstanding and/or (ii) the Controlling Class acting by way of Ordinary Resolution.

"**Mezzanine Obligation**" means a mezzanine obligation, as determined by the Investment Manager in its reasonable business judgement, or a Participation therein, excluding any warrants attached to such mezzanine obligation which warrants shall constitute separate Collateral Enhancement Obligations.

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Notes of each Class, €100,000; and

(b) in the case of the Rule 144A Notes of each Class, €250,000.

"**Minimum Weighted Average Floating Spread Test**" has the meaning given to it in the Investment Management Agreement.

"**Monthly Report**" means any monthly report which is prepared by the Collateral Administrator (in consultation with, and in part based on certain information provided by, the Investment Manager) on behalf of the Issuer on such dates as are set out in the Collateral Administration and Agency Agreement, and which is made available via a secured website at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Principal Paying Agent, the Initial Purchaser, the Investment Manager, the Arranger, any Hedge Counterparty, the Rating Agencies and the Noteholders from time to time) which shall be accessible to the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Initial Purchaser, the Arranger, any Hedge Counterparty, the Rating Agencies and to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator (subject to receipt by the Collateral Administrator of certification that such holder is a

holder of a beneficial interest in any Notes) and which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Administration and Agency Agreement.

"**Moody's**" means Moody's Investors Service, Ltd. or any successor or successors thereto.

"**Moody's Caa Obligations**" means all Portfolio Assets, excluding Defaulted Obligations, with a Moody's Rating of "Caa1" or lower.

"**Moody's Collateral Value**" means, in the case of any Portfolio Asset or Eligible Investment, the lower of: (a) its prevailing Market Value; and (b) the relevant Moody's Recovery Rate, multiplied by its Principal Balance.

"**Moody's Rating**" has the meaning given to it in the Investment Management Agreement.

"**Moody's Recovery Rate**" means, in respect of each Portfolio Asset, the recovery rate determined in accordance with the Investment Management Agreement or as so advised by Moody's.

"**Moody's Test Matrix**" has the meaning given to it in the Investment Management Agreement.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding, the Payment Date falling in 15 June 2020, or if such day is not a Business Day, then the next succeeding Business Day.

"**Non-Euro Haircut**" means, in respect of any Non-Euro Obligation, if the Non-Euro Obligation is denominated in: (i) GBP or U.S. Dollar, 0.85; or (ii) any currency other than GBP, U.S. Dollar or Euro, 0.50.

"**Non-Euro Obligation**" means any Portfolio Asset purchased by or on behalf of the Issuer which is not denominated or drawn in Euro.

"**Non-Controlling Class**" means a Class of Rated Notes which is not the Controlling Class.

"**Noteholders**" means the several persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed.

"**Note Event of Default**" means each of the events defined as such in Condition 10(a) (*Note Events of Default*).

"**Note Payment Sequence**" means the application of Interest Proceeds or Principal Proceeds, as applicable, in accordance with the relevant Priority of Payments in the following order:

(a) *firstly*, to the redemption of the Class X Notes and the Class A Notes (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class X Notes and Class A Notes have been fully redeemed;

(b) secondly, to the redemption of the Class B-1 and the Class B-2 Notes (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class B-1 Notes and the Class B-2 Notes have been fully redeemed;

(c) thirdly, to the redemption of the Class C Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class C Notes have been fully redeemed;

(d) fourthly, to the redemption of the Class D Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class D Notes have been fully redeemed;

(e) fifthly, to the redemption of the Class E Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class E Notes have been fully redeemed; and

(f) sixthly, to the redemption of the Class F Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class F Notes have been fully redeemed,

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following any breach of Coverage Tests, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Notes to which such Coverage Test relates or as soon as the relevant Coverage Test has been remedied, if earlier.

"**Note Tax Event**" means, at any time:

(a) the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, interpretation, procedure or judicial decision (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any payment of principal or interest on the Notes becoming properly subject to any home jurisdiction tax or withholding or deduction for or on account of tax other than:

(i) a payment in respect of Deferred Interest becoming properly subject to any withholding tax;

(ii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or other applicable taxing authority;

(iii) withholding tax in respect of FATCA; and

(iv) U.S. federal backup withholding tax;

(b) United Kingdom or U.S. federal, state or local tax authorities impose net income, profits or similar tax upon the Issuer of any amount in excess of €1,000 for the relevant taxable year (other than any U.S. federal, state or local income or franchise tax imposed solely with respect to an equity security or "United States real property interest" (as defined for U.S. federal income tax purposes) received in an Offer, so long, as the Issuer disposes of such equity security or United States real property interest within 60 Business Days after receipt); or

(c) the Issuer is liable to pay net income, profits or similar tax (excluding for the avoidance of doubt VAT) in Ireland on an amount which is in excess of the Issuer Fee on an annual basis.

"**Notes**" means the notes comprising, where the context permits, the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes constituted by the Trust Deed or the Principal Amount Outstanding thereof for the time being or, as the context may require, a specific number thereof and includes any replacements for Notes issued pursuant to Condition 13 (*Replacement of Notes*) and (except for the purposes of Clause 3 (*Form and Issue of Notes*) of the Trust Deed) each Global Certificate. References in these Conditions of the Notes to the "Notes" (unless the context requires otherwise) include any other Notes issued pursuant to Condition 17 (*Additional Issuances*) and any note issued pursuant to a Refinancing pursuant to Condition 7 (*Redemption and Purchase*).

"**Obligor**" means, in respect of a Portfolio Asset, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Investment Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Portfolio Asset, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration or (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument.

"**Ongoing Expense Excess Amount**" means, on any Payment Date, an amount equal to the excess, if any, of (a) the Senior Expenses Cap, over (b) the sum of (without duplication) (x) all amounts paid pursuant to paragraphs (B) and (C) of Condition 3(c)(i) (*Interest Priority of Payments*) on such Payment Date plus (y) all Trustee Fees and Expenses and Administrative Expenses paid during the related Due Period.

"**Ongoing Expense Reserve Amount**" means, in respect of any Payment Date, an amount equal to the lesser of (a) the Ongoing Expense Reserve Ceiling and (b) the Ongoing Expense Excess Amount, each as at such Payment Date.

"**Ongoing Expense Reserve Ceiling**" means, on any Payment Date, the excess, if any, of the sum of (a) €125,000 and (b) 0.0125 per cent. of the Aggregate Collateral Balance as at the Determination Date immediately preceding the Payment Date, over the amount then on deposit in the Expense Reserve Account without giving effect to any deposit thereto on such Payment Date pursuant to paragraph (D) of Condition 3(c)(i) (*Interest Priority of Payments*).

"**Optional Redemption**" means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*).

"**Ordinary Resolution**" means an ordinary resolution as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**Originator**" means Taurus Corporate Financing LLP in its capacity as originator and any successor, assignee or transferee to the extent permitted under the EU Retention Requirements and the terms of the Retention Undertaking Letter.

"**Originated Portfolio Asset**" means a Portfolio Asset that has been acquired by the Retention Holder and sold to the Issuer (for the avoidance of doubt, including by way of Participation) under the portfolio asset transaction contemplated by the Transaction Documents or otherwise.

"**Originator Requirement**" means, at any time, the condition that the Aggregate Principal Balance of all Originated Portfolio Assets in the Portfolio *divided by* the Aggregate Principal Balance of all Portfolio Assets in the Portfolio is greater than 50 per cent. (as determined by the Investment Manager); *provided that* if the Investment Manager reasonably determines (based on guidance provided by the European Banking Authority or a legal opinion from legal counsel of reputable standing) that the calculation in Article 3(4)(b) of the European Commission Delegated Regulation (EU) No. 625/2014 of 13 March 2014 supplementing the CRR is only applicable on the date on which a securitisation is established and not on an ongoing basis through the life of the securitisation and notifies the Issuer, the Trustee, the Collateral Administrator and the Initial Purchaser (for the avoidance of doubt, none of whose consent is required to be obtained) in writing of such determination, then the Originator Requirement shall be deemed amended so that it is not applicable and does not need to be satisfied at any time other than on the Issue Date.

"**Outstanding**" means in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class issued, as further defined in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, the Class C Par Value Ratio, the Class D Par Value Ratio, the Class E Par Value Ratio or the Class F Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test or the Class F Par Value Test (as applicable).

"**Participation**" means an interest in a loan obligation or security taken indirectly by the Issuer by way of sub-participation from a selling institution.

"**Participation Agreement**" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"**Partial Redemption Date**" means each date specified for a partial redemption of the Rated Notes of one or more Classes pursuant to Condition 7(b)(ii) (*Optional Redemption by Refinancing*) or, if such day is not a Business Day, the next following Business Day.

"**Partial Redemption Interest Proceeds**" means, as of any Partial Redemption Date, Interest Proceeds in an amount equal (x) to the lesser of (a) the amount of accrued interest on the Class or Classes of Rated Notes being refinanced or redeemed and (b) the amount the Investment Manager reasonably determines would have been available for distribution under the Interest Priority of Payments for the payment of accrued interest on the Class or Classes of Rated Notes being refinanced or redeemed on the next subsequent Payment Date (or in the case of a Partial Redemption Date that is occurring on a Payment Date, on such date) if such Notes had not been refinanced or redeemed plus (y) if the Partial Redemption Date is not otherwise a Payment Date, an amount equal to the amount the Investment Manager reasonably determines would have been available for distribution under the Interest Priority of Payments for the payment of Trustee Fees and Expenses and Administrative Expenses, in each case, to the extent incurred in connection with the related Optional Redemption in part, on the next subsequent Payment Date.

"**Partial Redemption Priority of Payments**" means the priority of payments in respect of Partial Redemption Interest Proceeds set out in Condition 3(k) (*Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date*).

"**Paying Agents**" means the Principal Paying Agent and any successor or additional paying agents appointed pursuant to the terms of the Collateral Administration and Agency Agreement.

"**Payment Account**" means the account described as such in the name of the Issuer held with the Account Bank.

"**Payment Date**" means:

(a) 15 March, 15 June, 15 September and 15 December at any time prior to the occurrence of a Frequency Switch Event; and

(b) (i) 15 March and 15 September (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either March or September) or (ii) 15 June and 15 December (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either June or December), following the occurrence of a Frequency Switch Event,

in each case, in each year commencing on 15 December 2018 up to and including the Maturity Date and any Redemption Date; **provided that** if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day.

"**Payment Date Report**" means the report which is prepared by the Collateral Administrator (in consultation with, and in part based on certain information provided by, the Investment Manager) on behalf of the Issuer and which is made available via a secured website at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Arranger, the Initial Purchaser, any Hedge Counterparty, the Rating Agencies and the Noteholders from time to time) which shall be accessible on the second Business Day before the relevant Payment Date, to the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Initial Purchaser, the Arranger, any Hedge Counterparty, the Rating Agencies and to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator (subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes).

"**Payment Frequency**" means, in respect of an Interest Smoothing Obligation, the number of months in an interest period in relation to such Interest Smoothing Obligation.

"**Person**" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political sub-division thereof.

"**Permitted Use**" means, with respect to:

(a) the proceeds from the issuance of additional Notes in accordance with Condition 17 (*Additional Issuances*); or

(b) any Contribution Amounts; or

(c) any Deferred Investment Management Amounts,

any of the following uses:

(a) the transfer of the applicable portion of such amount to the Interest Account for application as Interest Proceeds;

(b) the transfer of the applicable portion of such amount to the Principal Account for application as Principal Proceeds; or

(c) the transfer of the applicable portion of such amount to the Refinancing Account to pay for Refinancing Costs.

"**PIK Security**" means a debt security the terms of which permit the deferral of the payment of interest in cash thereon through additions to the principal amount thereof for a specified period in the future or for the remainder of its life or by capitalising interest due on such security as principal.

"**Portfolio**" means the Portfolio Assets, Collateral Enhancement Obligations, Exchanged Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Asset**" means any debt obligation or debt security purchased (including by way of Participation) and held by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased and held by or on behalf of the Issuer) and which satisfies the Eligibility Criteria as in effect on the date of such purchase. References to Portfolio Assets shall include Non-Euro Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Securities. Obligations which are to constitute Portfolio Assets in respect of which the Issuer has entered into a binding commitment to purchase but which have not yet settled shall be included as Portfolio Assets solely in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Test at any time as if such purchase had been completed; and Portfolio Assets in respect of which the Issuer has entered into a binding commitment to sell but which have not yet settled shall be excluded as Portfolio Assets in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Test as if such sale had been completed. The failure of any obligation to satisfy the Eligibility Criteria at any time after the Issuer or the Investment Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such obligation to cease to constitute a Portfolio Asset. A Portfolio Asset which has been restructured (whether effected by way of an amendment to the terms of such Portfolio Asset (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) shall only constitute a Portfolio Asset if it is a Restructured Obligation.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests as defined in the Investment Management Agreement.

"**Potential Note Event of Default**" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute a Note Event of Default.

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in which the account specified by the payee is open.

"**Principal Account**" means the account described as such in the name of the Issuer with the Custodian.

"**Principal Amount Outstanding**" means in relation to any Class of Notes and at any time, the aggregate principal amount Outstanding under such Class of Notes at that time, including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights attributable to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as applicable, and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

"**Principal Balance**" means, with respect to any Portfolio Asset, Collateral Enhancement Obligation, Eligible Investment or Exchanged Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than any interest capitalised at the date such instrument is acquired by the Issuer), **provided however that**:

(a) the Principal Balance of any Revolving Obligation and Delayed Drawdown Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Obligation, plus any undrawn commitments that have not been irrevocably reduced or cancelled with respect to such Revolving Obligation or Delayed Drawdown Obligation;

(b) the Principal Balance of each Exchanged Security and each Collateral Enhancement Obligation shall be deemed to be zero;

(c) for the purposes of determining the Aggregate Collateral Balance for the purposes of the Portfolio Profile Tests and the Collateral Quality Tests, the Principal Balance of any Defaulted Obligations shall be zero;

(d) the Principal Balance of any Non-Euro Obligation shall be (i) the outstanding Euro notional amount of the Asset Swap Transaction entered into in respect thereof; or (ii) to the extent the related Asset Swap Transaction terminates, the Spot Rate in respect of such Non-Euro Obligation multiplied by the outstanding principal amount of such Non-Euro Obligation multiplied by the applicable Non-Euro Haircut in respect of such Non-Euro Obligation; or (iii) in respect of the period between the trade date and the settlement date thereof, to the extent the related Asset Swap Transaction has not yet been entered into, the Spot Rate in respect of such Non-Euro Obligation multiplied by the outstanding principal amount of such Non-Euro Obligation multiplied by the applicable Non-Euro Haircut in respect of such Non-Euro Obligation;

(e) the Principal Balance of any cash shall be the amount of such cash converted where applicable into Euro at the Spot Rate;

(f) for the purposes of determining the Aggregate Principal Balance for the purposes of calculating the Originator Requirement, the Principal Balance of any Portfolio Assets shall be its Principal balance (converted, in relation to any Non-Euro Obligation, into Euro at the Acquisition FX Rate) in each case without any adjustments for purchase price or the application of any haircuts or other adjustments;

(g) for the purposes of determining whether a Note Event of Default has occurred in accordance with paragraph (viii) (*Portfolio Assets*) of Condition 10(a) (*Note Events of Default*), the Principal Balance of each Portfolio Asset shall be the outstanding principal amount thereof, **provided however that**:

(i) in the case of a Non-Euro Obligation the subject of an Asset Swap Transaction, the Principal Balance shall be the outstanding Euro notional amount of such Asset Swap Transaction;

(ii) in the case of a Non-Euro Obligation which is not the subject of an Asset Swap Transaction, such outstanding principal amount shall be converted to Euro at the applicable Spot Rate as at the relevant date of determination; and

in the case of a Defaulted Obligation, such outstanding principal amount shall be multiplied by the Market Value of such Defaulted Obligation as at the relevant date of determination; and

(h) for the purposes of determining the Aggregate Collateral Balance for the purposes of the Retention Undertaking Letter and determining whether a Retention Deficiency exists, the Principal Balance of any Portfolio Asset, Eligible Investment or Exchanged Security shall be the outstanding principal amount thereof without any haircuts or other adjustments.

"**Principal Priority of Payments**" means the priority of payments in respect of Principal Proceeds set out in Condition 3(c)(ii) (*Principal Priority of Payments*).

"**Principal Proceeds**" means all amounts paid or payable into the Principal Account from time to time and, with respect to any Payment Date, means amounts in the nature of principal received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed out of the Payment Account on such Payment Date pursuant to Condition 3(c)(ii) (*Principal Priority of Payments*) or Condition 11(b) (*Enforcement*).

"**Priorities of Payment**" means, as the case may be, the Interest Priority of Payments, the Principal Priority of Payments, the Collateral Enhancement Obligation Priority of Payments and/or the Acceleration Priority of Payments.

"**Project Finance Loan**" means a loan obligation under which the obligor is obliged to make payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of payments) on revenues arising from infrastructure assets, including, without limitation:

(a) the sale of products, such as electricity, water, gas or oil, generated by one or more infrastructure assets in the utility industry by a special purpose entity; and

(b) fees charged in respect of one or more highways, bridges, tunnels, pipelines or other infrastructure assets by a special purpose entity, and

in each case, the sole activity of such special purpose entity is the ownership and/or management of such asset or assets and the acquisition and/or development of such asset by the special purpose entity was effected primarily with the proceeds of debt financing made available to it on a limited recourse basis.

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Portfolio Asset, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Portfolio Asset which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Account.

"**QIB**" means a Person who is a qualified institutional buyer as defined in Rule 144A.

"**Qualifying Currency**" means Euro, Sterling, U.S. Dollars, Czech Koruna, Danish Krone, Norwegian Krone, Swedish Krone, Canadian Dollars, Australian Dollars, New Zealand Dollars, Swiss Francs, Japanese Yen, Polish Zloty or any other currency in respect of which Rating Agency Confirmation has been received.

"**Ramp-up Period**" means the period from, and including, the Issue Date to, but excluding the Effective Date.

"**Rated Notes**" means the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"**Rating**" means, with respect to any Portfolio Asset (and with correlative meaning "**Rated**"), the Moody's Rating and/or the Fitch Rating, as applicable.

"**Rating Agencies**" means Moody's and Fitch, **provided that** if at any time Moody's and/or Fitch generally ceases to provide rating services, "**Rating Agencies**" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer and the Investment Manager and notified by the Issuer to the Trustee (a "**Replacement Rating Agency**") and "Rating Agency" means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Investment Management Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to "Rating Agencies" shall be construed accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

"**Rating Agency Confirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, **provided that** such Rating Agency has, as at the relevant date, assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action, determination or appointment if such Rating Agency has declined a request from the Investment Manager, the Trustee or the Issuer to review the effect of such action, determination or appointment (**provided that** such Rating Agency has not declined the request on the basis of its fee not being paid for such confirmation) or if such Rating Agency announces or confirms to the Investment Manager, the Trustee or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment or such Rating Agency has ceased to engage in the business of providing ratings.

"**Rating Confirmation Plan**" means a plan prepared and presented by the Investment Manager to the relevant Rating Agency (or Rating Agencies) setting out the timing and manner of acquisition of additional Portfolio Assets and/or any other intended action which will cause confirmation or reinstatement of the Initial Ratings, as further described and as defined in the Investment Management Agreement.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

(i) a long-term senior unsecured issuer credit rating of at least "A2" by Moody's or a short-term senior unsecured issuer credit rating of at least "P-1" by Moody's; and

(ii) a long-term issuer default rating of at least "A" by Fitch or a short-term issuer default rating of at least "F1" by Fitch;

(b) in the case of the Custodian or sub-custodian appointed thereby:

(i) a long-term senior unsecured issuer credit rating of at least "A2" by Moody's or a short-term senior unsecured issuer credit rating of at least "P-1" by Moody's; and

(ii) a long-term issuer default rating of at least "A" by Fitch or a short-term issuer default rating of at least "F1" by Fitch; and

(c) in the case of any Hedge Counterparty, the ratings requirement(s) as set out in the relevant Hedge Agreement;

(d) in the case of a Selling Institution from whom a Participation has been taken, a counterparty which satisfies the ratings set out in the Bivariate Risk Table;

(e) in the case of the Principal Paying Agent:

(i) a long-term senior unsecured issuer credit rating of at least "Baa3" by Moody's; or

(ii) if the Principal Paying Agent has no long-term senior unsecured issuer credit rating by Moody's, a short-term senior unsecured issuer credit rating of at least "P-3" by Moody's.

or in each case, (x) such other rating or ratings as may be agreed by the relevant Rating Agency as would maintain the then rating of the Rated Notes and (y) if any of the above requirements are not satisfied by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"**Receiver**" means an administrative receiver, trustee, administrator, custodian, conservator, liquidator, curator, examiner, manager, receiver or other similar official appointed in connection with any Insolvency Law or a security enforcement or related proceedings (whether appointed pursuant to the terms of the Trust Deed, pursuant to any statute, by a court or otherwise).

"**Record Date**" means (a) in respect of a Note represented by a Definitive Certificate, the fifteenth day before the relevant Payment Date in respect of such Note and (b) in respect of a Note represented by a Global Certificate, the close of business on the Clearing System Business Day before the relevant Payment Date in respect of such Note.

"**Redemption Date**" means each date on which the Notes (or any of them) are redeemed pursuant to Condition (*Redemption and Purchase*) or following the delivery date of an Acceleration Notice which has not been rescinded or annulled, or in each case, if such day is not a Business Day, the next following Business Day.

"**Redemption Notice**" means a redemption notice or other documents in the form available from the Transfer Agent which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"**Redemption Price**" means, when used with respect to:

(a) any Subordinated Note, such Subordinated Note's *pro rata* share of the amounts available to be distributed to the Subordinated Noteholders in accordance with the applicable Priorities of Payment; and

(b) any Rated Note (i) 100 per cent. of the Principal Amount Outstanding of the Rated Notes to be redeemed (including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any accrued and unpaid Deferred Interest on such Notes) *plus* (ii) accrued and unpaid interest thereon to the date of redemption, *provided that* the unanimous consent of the Noteholders of

the Class A Notes will be required if the Class A Notes are to be redeemed at a price that is less than 100 per cent. of the Principal Amount Outstanding of such Notes.

"**Redemption Threshold Amount**" means the aggregate of all amounts which would be due and payable on redemption of the Rated Notes on the scheduled Redemption Date pursuant to Condition 10(c) (*Acceleration Priority of Payments*) and all other amounts which rank in priority to payments in respect of the Subordinated Notes in accordance with the Acceleration Priority of Payments.

"**Reference Banks**" has the meaning given to it in paragraph (A)(3) of Condition 6(e)(i) (*Floating Rate of Interest*).

"**Reference Rate Modifier**" means any modifier recognised or acknowledged by the Loan Market Association, the Association for Financial Markets in Europe or the Loan Syndication & Trading Association (or, in each case, any successor organisation thereto) that is applied to a reference rate in order to cause such rate to be comparable to 3-month EURIBOR or, following the occurrence of a Frequency Switch Event, 6-month EURIBOR, which may consist of an addition to or subtraction from such unadjusted rate.

"**Refinancing**" has the meaning given to it in Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*).

"**Refinancing Account**" means the account described as such in the name of the Issuer with the Account Bank.

"**Refinancing Costs**" means all fees, costs, charges and expenses incurred directly in respect of a Refinancing, as calculated by the Investment Manager.

"**Refinancing Notes**" has the meaning given to it in Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*).

"**Refinancing Proceeds**" means the cash proceeds received by the Issuer from the issuance and sale of Refinancing Notes.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Collateral Administration and Agency Agreement.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to institutions that are non-U.S. Persons outside the United States in reliance on Regulation S.

"**Reinvestment Criteria**" means the Reinvestment Criteria as defined in the Investment Management Agreement.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (a) the end of the Due Period preceding the Payment Date falling in 15 June 2022 or, if such day is not a Business Day, then the next succeeding Business Day, (b) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*)); and (c) the date on which the Investment Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Portfolio Assets in accordance with the Reinvestment Criteria.

"**Reinvestment Target Par Balance**" means, as of any date of determination, the Target Par Amount *minus*: (a) the amount of any reduction in the Principal Amount Outstanding of the Notes (other than the Class X Notes) (including, for the avoidance of doubt, any reduction in the Notes (other than the Class X Notes) pursuant to a Refinancing) other than repayment of any Deferred Interest *plus* (b) the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuances*), or, if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Notes and *plus* (c) any replacement Notes issued pursuant to a Refinancing.

"**Reinvestment Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and during the Reinvestment Period which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 104.13 per cent.

"**Replacement Asset Swap Transaction**" means any Asset Swap Transaction entered into by the Issuer, or the Investment Manager on its behalf, in accordance with the provisions of the Investment Management Agreement upon termination of an existing Asset Swap Transaction in full on substantially the same terms as such existing Asset Swap Transaction, that preserves for the Issuer the financial aspects of the terminated Asset Swap Transaction, subject to such amendments thereto as may be agreed by the Investment Manager, on behalf of the Issuer, and in respect of which Rating Agency Confirmation is obtained unless such Replacement Asset Swap Transaction is a Form Approved Asset Swap.

"**Replacement Interest Rate Hedge Transaction**" means any Interest Rate Hedge Transaction entered into by the Issuer, or the Investment Manager on its behalf, in accordance with the provisions of the Investment Management Agreement upon termination of an existing Interest Rate Hedge Transaction on substantially the same terms as such terminated Interest Rate Hedge Transaction, that preserves for the Issuer the economic effect of the terminated Interest Rate Hedge Transaction, subject to such amendments thereto as may be agreed by the Investment Manager, acting on behalf of the Issuer, and in respect of which Rating Agency Confirmation is obtained unless such Replacement Interest Rate Hedge Transaction is a Form Approved Interest Rate Hedge.

"**Report**" means each Monthly Report and/or Payment Date Report.

"**Required Diversion Amount**" has the meaning given to it in Condition 3(c)(i)(Y) (*Interest Priority of Payments*).

"**Resolution**" means any Ordinary Resolution or Extraordinary Resolution, as the context may require.

"**Responsible Officer**" means, in relation to the Investment Manager any officer or employee of the Investment Manager who has direct responsibility for the administration of the Investment Management Agreement.

"**Restricted Period**" means the 40-day period after the Issue Date.

"**Restricted Trading Period**" means the period during which:

(a) (X) the Fitch Rating of the Class A Notes or the Class B Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Issue Date, (y) the Fitch Rating of the Class C Notes is withdrawn (and not reinstated) or is more than two sub-categories below its rating on the Issue Date, or (z) the Fitch Rating of the Class D Notes is withdrawn (and not reinstated) or is more than two sub-categories below its rating on the Issue Date; *provided that*, in each case, the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes are Outstanding; or

(b) (x) the Moody's rating of the Class A Notes or the Class B Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Issue Date or (y) the Moody's rating of the Class C Notes is withdrawn (and not reinstated) or is more than two sub-categories below its rating on the Issue Date, (z) the Moody's rating of the Class D Notes is withdrawn (and not reinstated) or is more than two sub-categories below its rating on the Issue Date; *provided that*, in each case, the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes are Outstanding; and

after giving effect to any sale (and any related reinvestment) or purchase of the relevant Portfolio Assets, the aggregate outstanding Principal Balance of the Portfolio Assets (excluding the Portfolio Assets being sold but including any related reinvestment) and Eligible Investments constituting Principal Proceeds (including, without duplication, the related reinvestment or any remaining net proceeds of such sale) is less than the Reinvestment Target Par Balance (and the Restricted Trading Period shall cease when the aggregate outstanding Principal Balance of the Portfolio Assets and Eligible Investments constituting Principal Proceeds is at least equal with the Reinvestment Target Par Balance);

provided that, in each case, such period will not be a Restricted Trading Period upon the direction of the Issuer with the consent of the Controlling Class acting by Ordinary Resolution; *provided further that*, no Restricted Trading Period shall restrict any sale of a Portfolio Assets entered into by the Issuer at a time when a Restricted Trading Period is not in effect, regardless of whether such sale has settled.

"**Restructured Obligation**" means a Portfolio Assets which has been restructured (whether effected by way of an amendment to the terms of such Portfolio Assets (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date *provided that* the failure of a Restructured Obligation to satisfy the Restructured Obligation Criteria at any time after the applicable Restructuring Date shall not cause

such obligation to cease to constitute a Restructured Obligation unless it is subsequently restructured, in which case such obligation shall constitute a Restructured Obligation *provided that* it satisfies the Restructured Obligation Criteria as at its subsequent Restructuring Date.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Investment Management Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"**Restructuring Date**" means the date a restructuring of a Portfolio Assets becomes binding on the holders thereof *provided that* if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

"**Retention**" means the retention of a material net economic interest in the transaction which will be comprised of an interest in the Retention Notes.

"**Retention Deficiency**" means, as of any date of determination, an event which shall occur if the Principal Amount Outstanding (such original Principal Amount Outstanding calculated as of the date of issuance of such Subordinated Notes) of Subordinated Notes held by the Retention Holder, *multiplied by* the price at which such Subordinated Notes were purchased by the Retention Holder, is less than 5 per cent. of the Aggregate Collateral Balance (determined by the Collateral Administrator (in consultation with the Investment Manager and the Retention Holder) in accordance with the definition thereof for the purposes of compliance with the EU Retention Requirements) and the EU Retention Requirements are not or would not be complied with as a result.

"**Retention Holder**" means Taurus Corporate Financing LLP in its capacity as Originator and any successor, assignee or transferee to the extent permitted under the EU Retention Requirements and the Retention Undertaking Letter.

"**Retention Note Purchase Agreement**" means the retention note purchase agreement relating to the Retention Notes dated on or about the Issue Date between the Initial Purchaser and the Retention Holder.

"**Retention Notes**" means, for so long as any Class of Notes remains Outstanding, the Subordinated Notes acquired and held on an ongoing basis by the Retention Holder with an original Principal Amount Outstanding (such original Principal Amount Outstanding calculated as of the date of issuance of such Subordinated Notes) *multiplied by* the price at which such Subordinated Notes were purchased by the Retention Holder, being an amount equal to no less than 5 per cent. of the Maximum Par Amount.

"**Retention Undertaking Letter**" means the retention undertaking letter dated on or about the Issue Date from the Retention Holder to the Issuer, the Trustee, the Investment Manager, the Collateral Administrator, the Arranger and the Initial Purchaser.

"**Revolving Obligation**" means any Portfolio Asset (other than a Delayed Drawdown Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines, unfunded commitments under specific facilities and other similar loans and investments) that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the holder thereof; but any such Portfolio Asset will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated irrevocably or reduced to zero.

"**Revolving Reserve Account**" means the account described as such in the name of the Issuer with the Account Bank.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Notes**" means Notes offered for sale within the United States or to U.S. Persons in reliance on Rule 144A.

"**Rule 17g-5**" means Rule 17g-5 under the Exchange Act.

"**S&P**" means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc. and any successor or successors thereto.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Portfolio Asset (save for any Asset Swap Obligation) or any Exchanged Security to the extent the same represents Principal Proceeds, excluding any sale proceeds representing accrued interest designated as Interest Proceeds by the Investment Manager in accordance with the Investment Management Agreement, *provided that* no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until such amounts represent Defaulted Obligation Excess Amounts; and

(b) in the case of any Asset Swap Obligation, all amounts in Euro (or other currencies if applicable) payable to the Issuer by the applicable Asset Swap Counterparty under the related Asset Swap Transaction in exchange for payment by the Issuer of the sale proceeds of any Portfolio Asset as described in paragraph (a) above, together with any other proceeds of sale of the related Asset Swap Obligation not paid to such Asset Swap Counterparty; and

(c) in the case of any Collateral Enhancement Obligation, all proceeds and any fees received upon the sale of such Collateral Enhancement Obligation,

in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with the sale, disposition or termination of such Portfolio Asset or Asset Swap Obligation including any amounts payable by the Issuer upon termination of the applicable Asset Swap Transaction.

"**Scheduled Periodic Asset Swap Counterparty Payment**" means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not principal) scheduled to be paid to the Issuer by the Asset Swap Counterparty pursuant to the terms of such Asset Swap Transaction, excluding any Asset Swap Termination Receipts and any Asset Swap Counterparty Principal Exchange Amount.

"**Scheduled Periodic Asset Swap Issuer Payment**" means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not principal) scheduled to be paid to the applicable Asset Swap Counterparty by the Issuer pursuant to the terms of such Asset Swap Transaction, excluding any Asset Swap Termination Payments and any Asset Swap Issuer Principal Exchange Amounts.

"**Scheduled Periodic Interest Rate Hedge Counterparty Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Interest Rate Hedge Counterparty to the Issuer pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Interest Rate Hedge Termination Receipt.

"**Scheduled Periodic Interest Rate Hedge Issuer Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Interest Rate Hedge Termination Payment.

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Portfolio Asset, save for any Asset Swap Obligation, scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments); and

(b) in the case of any Asset Swap Obligation, scheduled final and interim payments in Euro and in the nature of principal exchanges payable to the Issuer by the applicable Asset Swap Counterparty under the related Asset Swap Transaction.

"**Second Lien Loan**" means a loan obligation (other than a Senior Secured Loan and a Mezzanine Obligation) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation.

"**Secured Party**" means each of the Class X Noteholders, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Subordinated Noteholders, the Arranger, the Initial Purchaser, the Investment Manager, the Originator, the Retention Holder, the Trustee, each Hedge Counterparty, each EMIR Reporting Agent, the Agents, the Collateral Administrator, the Administrator, any Receiver or other Appointee of the Trustee and each other

person who becomes a "**Secured Party**" pursuant to and in accordance with the Trust Deed and "**Secured Parties**" means any two or more of them as the context so requires.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securitisation Regulation**" means the regulation related to simple, transparent and standardised securitisation implemented into law, including any implementing regulations, technical standards and official guidance related thereto, following from the proposal relating thereto published by the European Commission of the European Union on 30 September 2015.

"**Selling Institution**" means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement; or (ii) an Assignment is acquired.

"**Senior Expenses Cap**" means, in respect of each Payment Date, the sum of:

(a) €300,000 per annum (*pro rated* for such Due Period on the basis of a 360 day year comprised of twelve 30 day months); and

(b) 0.0225 per cent. per annum of the Aggregate Collateral Balance as at the Determination Date immediately preceding such Payment Date (*pro rated* for such Due Period on the basis of a 360 day year and the actual number of days elapsed in such Due Period),

provided however that (a) the amount of any Trustee Fees and Expenses and Administrative Expenses paid pursuant to Condition 3(k) (*Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date*) shall be subtracted from the Senior Expenses Cap (subject to a floor of zero) with respect to the Payment Date immediately following the relevant Partial Redemption Date, and (b) if the amount of Trustee Fees and Expenses and Administrative Expenses paid on the three immediately preceding Payment Dates (or, if a Frequency Switch Event has occurred, the immediately preceding Payment Date) or during the related Due Period is less than the stated Senior Expenses Cap, the amount of such shortfall will be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such shortfall may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Investment Management Fee**" means the fee payable to the Investment Manager (exclusive of VAT) in arrear on each relevant Payment Date in respect of the immediately preceding Due Period pursuant to the Investment Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.15 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as of the beginning of the Due Period relating to the applicable Payment Date.

"**Senior Secured Bond**" means a Portfolio Asset that is a secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Senior Secured Loan) as determined by the Investment Manager in its reasonable business judgement, **provided that**:

(a) it is secured (i) by fixed assets of the Obligor or guarantor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets so numerous or diverse that the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by 100 per cent. of the equity interests in the stock of an entity owning either directly or indirectly such fixed assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such fixed assets or stock referred to in paragraph (a) above **provided that** a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the Obligor may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt.

"**Senior Secured Floating Rate Note**" means a Senior Secured Bond that bears a floating rate of interest.

"**Senior Secured Loan**" means a Portfolio Asset that is a senior secured loan as determined by the Investment Manager in its reasonable business judgement, **provided that**:

(a) it is secured (i) by fixed assets of the Obligor or guarantor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets so numerous or diverse that the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by 100 per cent. of the equity interests in the stock of an entity owning either directly or indirectly such fixed assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such fixed assets or stock referred to in paragraph (a) above **provided that** a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the Obligor may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt.

"**Similar Law**" means any federal, state, local or non-U.S. law or regulation that is substantially similar to Section 406 of ERISA and/or Section 4975 of the Code.

"**Similar Requirements**" means requirements similar to the EU Retention Requirements that apply to investments in securitisations by EEA undertakings for collective investment in transferable securities.

"**Solvency II**" means Directive 2009/138/EC including any implementing and/or delegated regulations, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**Solvency II Retention Requirements**" means the risk retention requirements and due diligence requirements set out in Article 254 and Article 256 of Commission Delegated Regulation (EU) 2015/35 as amended from time to time including any guidance or any technical standards published thereto, in each case together with any amendments to those provisions or any successor or replacement provisions included in any European Union directive or regulation.

"**Special Redemption**" has the meaning given to it in Condition 7(g) (*Special Redemption*).

"**Special Redemption Amount**" has the meaning given to it in Condition 7(g) (*Special Redemption*).

"**Special Redemption Date**" has the meaning given to it in Condition 7(g) (*Special Redemption*).

"**Spot Rate**" means with respect to any conversion of any currency into Euro or, as the case may be, of Euro into any other relevant currency, the relevant spot rate of exchange determined by the Collateral Administrator on the date of calculation in consultation with the Investment Manager.

"**Stated Maturity**" means, with respect to any Portfolio Asset or Eligible Investment, the date specified in such obligation as the fixed date on which the final payment or repayment of principal of such obligation is due and payable.

"**Step-Down Coupon Security**" means a security: (a) which does not pay interest over a specified period of time ending on its maturity, but which does provide for the payment of interest before such specified period; or (b) the interest rate of which decreases over a specified period of time other than due to the decrease of the floating rate index applicable to such security.

"**Step-Up Coupon Security**" means a security: (a) which does not pay interest over a specified period of time ending prior to its maturity, but which does provide for the payment of interest after the expiration of such specified period; or (b) the interest rate of which increases over a specified period of time other than due to the increase of the floating rate index applicable to such security.

"**Structured Finance Obligation**" means any debt security which is secured directly, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**Subordinated Investment Management Fee**" means the fee payable to the Investment Manager (exclusive of VAT) in arrear on each relevant Payment Date in respect of the immediately preceding Due Period pursuant to the Investment Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.35 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360 day year and the actual number of days elapsed in

such Due Period) of the Aggregate Collateral Balance as of the beginning of the Due Period relating to the applicable Payment Date.

"**Subordinated Noteholder**" means each person who is registered in the Register as the holder of any Subordinated Note from time to time.

"**Substitute Portfolio Asset**" means a Portfolio Asset purchased in substitution for a previously held Portfolio Asset pursuant to the terms of the Investment Management Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Swapped Non-Discount Obligation**" means any Portfolio Asset that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Portfolio Asset (the "**Original Obligation**") that was not a Discount Obligation at the time of its purchase and will not be considered a Discount Obligation so long as such purchased Portfolio Asset: (a) is purchased or committed to be purchased within 20 days of such sale; (b) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the Original Obligation; (c) is purchased at a price not less than 65 per cent. of the Principal Balance thereof; and (d) has a Moody's Rating equal to or higher than the Moody's Rating of the Original Obligation; *provided that* (i) to the extent the aggregate Principal Balance of Swapped Non-Discount Obligations exceeds 5.0 per cent. of the Aggregate Collateral Balance, such excess will not constitute Swapped Non-Discount Obligations, (ii) to the extent the aggregate Principal Balance of all Swapped Non-Discount Obligations acquired by the Issuer after the Issue Date exceeds 10.0 per cent. of the Target Par Amount, such excess will not Constitute Swapped Non-Discount Obligations, (iii) in the case of a Portfolio Asset that is an interest in a Floating Rate Portfolio Asset, such Portfolio Asset will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Portfolio Asset on each day during any period of 22 Business Days (at least 17 Business Days of which were not determined pursuant to sub-paragraph (e) of the definition of Market Value) since the acquisition of such Portfolio Asset equals or exceeds 90.0 per cent; (iv) in the case of any Portfolio Asset that is an interest in a Fixed Rate Portfolio Asset, such Portfolio Asset will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Portfolio Asset on each day during any period of 22 Business Days (at least 17 Business Days of which were not determined pursuant to sub-paragraph (e) of the definition of Market Value) since the acquisition of such Portfolio Asset equals or exceeds 85.0 per cent. and (v) for the purpose of determining which Portfolio Assets qualify as Swapped Non-Discount Obligations, if the aggregate Principal Balance of Swapped Non-Discount Obligations exceeds 5.0 per cent. of the Aggregate Collateral Balance, the Portfolio Assets (or any part thereof) constituting Swapped Non-Discount Obligations shall be in the order such assets were acquired by the Issuer.

"**Synthetic Security**" means a security or swap transaction (other than a letter of credit or a participation) that has payments of interest or principal on a reference obligation or the credit performance of a reference obligation.

"**Target Par Amount**" means €400,000,000.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer system (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Third Party Indemnity Receipts**" has the meaning given to it in Condition 3(j)(xi) (*Expense Reserve Account*).

"**Trading Gains**" means, in respect of any Portfolio Asset which is repaid, prepaid, redeemed or sold, any excess of (a) the Principal Proceeds or Sale Proceeds received in respect thereof over (b) the greater of (x) the Principal Balance thereof (where for such purpose "Principal Balance" shall be determined as set out in the definition of Aggregate Collateral Balance for the purpose of compliance with the Retention Requirement), and (y) the purchase price thereof, in each case net of (i) any expenses incurred in connection with any repayment, prepayment, redemption or sale thereof, and (ii) in the case of a sale of such Portfolio Asset, any interest accrued but not paid thereon which has not been capitalised as principal and included in the sale price thereof.

"**Transaction Documents**" means the Trust Deed (including these Conditions), the Collateral Administration and Agency Agreement, the Subscription Agreement, the Retention Note Purchase Agreement, the Investment Management Agreement, the Retention Undertaking Letter, each Hedge Agreement, the Warehouse Termination Agreement, each EMIR Reporting Agreement, each Collateral Acquisition Agreement, the

Participation Agreements, the Administration Agreement and any document supplemental thereto or issued in connection therewith.

"**Trustee Fees and Expenses**" means the fees and expenses (including legal fees), costs, claims, charges, indemnities, disbursements and any other amounts payable to the Trustee and any Receiver, agent, delegate or other Appointee of the Trustee (in each case, appointed in accordance with the provisions of the Trust Deed) pursuant to the Trust Deed or any other Transaction Document from time to time plus any applicable VAT thereon payable under the Trust Deed or any other Transaction Document, including, but not limited to, indemnity payments and any fees, costs, charges and expenses properly incurred by the Trustee in respect of any Refinancing and including any VAT and, in the case of any costs and expenses, such VAT to be limited to irrecoverable VAT.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Portfolio Asset has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Portfolio Asset or under which the holders or creditors under such Portfolio Asset are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Obligation, the excess, if any, of (a) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Obligation, as the case may be, at such time over (b) the Funded Amount thereof at such time.

"**Unhedged Portfolio Asset**" means a Non-Euro Obligation which is not an Asset Swap Obligation.

"**Unhedged Principal Balance**" means, in respect of an Unhedged Portfolio Asset, its principal amount converted into Euros at the Spot Rate.

"**Unpaid Class X Principal Amortisation Amount**" means, for any Payment Date, the aggregate amount of all or any portion of the Class X Principal Amortisation Amount for any prior Payment Dates that were not paid on such prior Payment Dates.

"**Unsaleable Asset**" means any (a) (i) Defaulted Obligation, (ii) Exchanged Security, (iii) obligation received in connection with an Offer, (iv) or other security or debt obligation that is part of the Portfolio in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) asset, claim or other property identified by the Investment Manager as having a market value of less than €1,000, if in the case of (a) or (b) the Investment Manager certifies to the Trustee (on which certification the Trustee shall be entitled to rely without liability or further enquiry) that it has made commercially reasonable efforts to dispose of such obligation for at least 90 days and, in its commercially reasonable judgement, such obligation is not expected to be saleable at any price for the foreseeable future.

"**Unscheduled Principal Proceeds**" means (a) with respect to any Portfolio Assets (other than an Asset Swap Obligation), principal proceeds received by the Issuer prior to the Portfolio Asset Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Portfolio Asset) and (b) in the case of any Asset Swap Obligation, the Asset Swap Counterparty Principal Exchange Amount payable in respect of the amounts referred to in (a) above pursuant to the related Asset Swap Transaction, together with (i) any related Asset Swap Termination Receipts but less any related Asset Swap Termination Payment (to the extent any are payable and in each case determined without regard to the exclusions of unpaid amounts and Asset Swap Counterparty Principal Exchange Amounts or (as applicable) Asset Swap Issuer Principal Exchange Amounts set forth in the definitions thereof) and only to the extent not required for application towards the cost of entry into a Replacement Asset Swap Transaction and (ii) any related Asset Swap Replacement Receipts but only to the extent not required for application towards any related Asset Swap Termination Payments.

"**Unsecured Loan**" means an obligation in the form of a loan that is not secured (a) by fixed assets of the Obligor or guarantor thereof or (b) in the case of assets so numerous or diverse that the failure to take such security is consistent with reasonable secured lending practices, or, if and to the extent that the provision of security over assets is not permissible under applicable law, by 100 per cent. of the equity interests in the stock of an entity owning either directly or indirectly such fixed assets.

"**Unused Proceeds Account**" means the account described as such in the name of the Issuer with the Account Bank.

"**US dollar**", "**USD**", "**U.S. Dollar**" or "**$**" mean the lawful currency of the United States of America.

"**U.S. Person**" means a U.S. person as such term is defined under Regulation S.

"**U.S. Residents**" means U.S. residents as determined for the purposes of the Investment Company Act.

"**U.S. Risk Retention Restricted Period**" means the period commencing on the Issue Date and ending 40 calendar days thereafter.

"**U.S. Risk Retention Rules**" means the final rules implementing the credit risk retention requirements of Section 15G of the Exchange Act (codified at 17 C.F.R § 246.1-246.22), including the limitations on hedging, financing and transfer therein. Section references to the U.S. Risk Retention Rules are to the rules contained in Regulation RR, 17 C.F.R §246.1, et seq. and Section 15G of the Exchange Act, which was added pursuant to Section 941 of the Dodd-Frank Act.

"**U.S. Risk Retention Transfer Restriction**" means the restriction on any transfer of the Notes such that (a) on the Issue Date the Notes may not be purchased by any person except for (i) persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**") or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager, and (b) during the Restricted Period, the Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons, or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager.

"**U.S. Risk Retention Waiver**" means a written waiver of the U.S. Risk Retention Transfer Restriction provided by the Investment Manager to any investor.

"**U.S. Tax Guidelines**" means the U.S. tax guidelines set out in schedule 11 (*U.S. Tax Guidelines*) to the Investment Management Agreement.

"**VAT**" means:

(a) any tax, interest or penalties imposed in compliance with the European Council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, without limitation, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and supplemental legislation and regulations); and

(b) any other tax, interest or penalties of a similar nature, whether imposed in a Member State in accordance with, in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or elsewhere.

"**Volcker Rule**" means Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

"**Warehouse Arrangements**" means the synthetic warehouse financing, bridge refinancing and related arrangements entered into by the Issuer prior to the Issue Date to finance the acquisition of Portfolio Assets prior to the Issue Date.

"**Warehouse Termination Agreement**" means the deed of termination entered into by, inter alios, the Issuer and the Warehouse Providers on or about the Issue Date in connection with the termination of the Warehouse Arrangements.

"**Weighted Average Life Test**" has the meaning given to it in the Investment Management Agreement.

"**Written Resolution**" means any Resolution of the Noteholders in writing, as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**Zero-Coupon Security**" means any security the terms of which provide for repayment of a stated principal amount at a stated maturity date but which do not provide for periodic payments of interest in cash at any time while such security is outstanding.

2. Form and Denomination, Title, Transfer and Exchange

(a) Form and Denomination

The Notes of each Class will be issued in definitive, certificated, fully registered form, without interest coupons, talons and principal receipts attached, in the applicable Minimum Denomination and integral multiples of any Authorised Integral Amount in excess thereof. A Definitive Certificate will be issued to each Noteholder in respect of its registered holding of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar.

(b) Title to the Registered Notes

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Collateral Administration and Agency Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder. The Issuer shall procure that at all times the Register and any counterpart thereof is kept and maintained outside of the UK.

(c) Transfer

One or more Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or the Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

(d) Delivery of New Certificates

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by pre-paid first class post, uninsured and at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery of New Certificates*), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) Transfer Free of Charge

Transfer of Notes and Definitive Certificates representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge to the Noteholder by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(f) Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) Regulations Concerning Transfer and Registration

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including without

limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee and subject to not less than 60 days' notice of any such change having been given to the Noteholders in accordance with Condition 16 (*Notices*)), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of the Transfer Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) Forced transfer of Rule 144A Notes

If the Issuer determines at any time that any holder of an interest in a Rule 144A Note (1) is a U.S. Person and (2) is not a QIB (any such person, a "**Non-Permitted Holder**"), the Issuer shall promptly after determination that such person is a Non-Permitted Holder by the Issuer, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its Notes outside the United States to an institution that is a non-U.S. Person or within the United States to a U.S. Person that is a QIB within 30 days of the date of such notice. If such Non-Permitted Holder fails to effect the transfer of its Rule 144A Notes within such 30 day period, (a) the Issuer shall cause such Rule 144A Notes to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is an institution that is not a U.S. Person or is a QIB and (b) pending such transfer, no further payments will be made in respect of such beneficial interest. In any such forced transfer of a Rule 144A Note, the purchaser may be selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein, **provided, however, that** prior to the completion of such sale, the Non-Permitted Holder will have an opportunity to propose a prospective purchaser who may acquire the Notes at the highest bid received by the Issuer, and no later than the time any other bidder would have made its acquisition, and the Issuer will sell such Notes to such purchaser so long as it meets all applicable transfer restrictions. The Issuer reserves the right to require any holder of Notes to submit a written certification (to it or to any agent on its behalf) substantiating that it is a QIB or an institution that is a non-U.S. Person purchasing the Notes in a transaction meeting the requirements of Regulation S. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such certification is requested is not a QIB or is not an institution that is a non-U.S. Person. Furthermore, the Issuer and the Registrar reserve the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either an institution that is a non-U.S. Person or a U.S. Person that is a QIB.

(i) Forced transfer pursuant to FATCA

Each Noteholder will agree to provide the Issuer and its agents with any correct, complete and accurate forms or certifications that may be required for the Issuer to comply with FATCA and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the Noteholder fails to provide such forms or certifications, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to such Noteholder as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or such Noteholder's ownership of Notes, and (B) except with respect to the Retention Holder's ownership of Retention Notes, to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such Noteholder's ownership of Notes, the Issuer will have the right to compel the Noteholder to sell its Notes, and, if such Noteholder does not sell its Notes within 10 business days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any costs, charges, and any taxes incurred by the Issuer in connection with such sale) to such Noteholder as payment in full for such Notes.

(j) Forced transfer pursuant to ERISA

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person or Similar Law representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation (any such Noteholder, a "**Non-Permitted ERISA Holder**") the Issuer shall, promptly after determining that such person is a Non-Permitted ERISA Holder, send notice to such Non-Permitted ERISA Holder demanding that such Non-Permitted ERISA Holder transfer its Notes to a purchaser that is not a Non-Permitted ERISA Holder. If the Noteholder fails to transfer such Notes within 10 days of notice from the Issuer, the Issuer shall have the right to sell or transfer such Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose, **provided, however, that** prior to the completion of such sale, the Non-Permitted ERISA Holder will have an opportunity to propose a prospective purchaser who may acquire the Notes at the highest bid received by the Issuer, and no later than the time the other bidder would have made its acquisition, and the Issuer will sell such Notes to such purchaser so long as it meets all applicable transfer restrictions.

(k) Forced transfer pursuant to U.S. Risk Retention Rules

If any Noteholder is determined by the Issuer to be a Noteholder who has acquired its interest in any Notes in violation of the U.S. Risk Retention Transfer Restriction (any such Noteholder, a "**Non-Permitted U.S. Risk Retention Noteholder** "), the Non-Permitted U.S. Risk Retention Noteholder will be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser (selected by the Issuer) within 30 days after notice from the Issuer (or an agent of the Issuer) at a price to be agreed between the Issuer (exercising its sole discretion) and such eligible purchaser at the time of sale, subject to the transfer restrictions set out in the Trust Deed. If the Non-Permitted U.S. Risk Retention Noteholder fails to effect the transfer required within such 30 day period, (a) the Issuer shall cause such Notes to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity is not a Non-Permitted U.S. Risk Retention Noteholder and (b) pending such transfer, no further payments will be made in respect of such Notes. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of any such forced transfer. The Non-Permitted U.S. Risk Retention Noteholder will receive the balance, if any. The Issuer reserves the right to require any holder of Notes to submit a written certification (to it or to any agent on its behalf) in respect of its status under the U.S. Risk Retention Rules. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such certification is requested is a Non-Permitted U.S. Risk Retention Noteholder.

(l) Forced transfer mechanics

In respect of any forced transfer referred to in Condition 2(h) (*Forced transfer of Rule 144A Notes*), Condition 2(i) (*Forced transfer pursuant to FATCA*), Condition 2(j) (*Forced transfer pursuant to ERISA*) or Condition 2(k) (*Forced transfer pursuant to U.S. Risk Retention Rules*):

(i) Except in respect of a Retention Note, each Noteholder and each other Person in the chain of title from the Noteholder to the Non-Permitted ERISA Holder, Non-Permitted Holder, Noteholder who fails to provide the Issuer or any other agent of the Issuer with any information or certifications required for the Issuer to comply with FATCA, Non-Permitted Risk Retention U.S. Person or, as the case may be, Non-Consenting Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers.

(ii) The terms and conditions of any transfer (including the sale price (which could be for less than the market value) and any eligible transferees) shall (subject as provided above in Condition 2(h) (*Forced transfer of Rule 144A Notes*), Condition 2(i) (*Forced transfer pursuant to FATCA*), Condition 2(j) (*Forced transfer pursuant to ERISA*) and Condition 2(k) (*Forced transfer pursuant to U.S. Risk Retention Rules*)) be determined by the Issuer in its sole discretion.

(iii) The proceeds of any sale (net of any costs, commissions, taxes and expenses incurred by the Issuer in connection with such transfer) shall be remitted to the selling Noteholder.

(iv) Neither the Issuer nor the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer.

(m) Registrar authorisation

The Noteholders hereby authorise the Issuer, the Registrar and the Clearing Systems to take such actions as are necessary in order to effect the forced transfer provisions set out in Condition 2(h) (*Forced transfer of Rule 144A Notes*), Condition 2(i) (*Forced transfer pursuant to FATCA*), Condition 2(j) (*Forced transfer pursuant to ERISA*) or Condition 2(k) (*Forced transfer pursuant to U.S. Risk Retention Rules*) without the need for any further express instruction or approval from any affected Noteholder or the Noteholders as a whole of any Class. The Noteholders shall be bound by any actions taken by the Issuer, the Registrar, the Clearing Systems or any other party taken pursuant to the above-named Conditions.

(n) Exchange of Voting/Non-Voting Notes

A Noteholder holding Notes in the form of IM Removal and Replacement Voting Notes may request by the delivery to the Registrar or the Transfer Agent of a written request that such Notes be exchanged for Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes or IM Removal and Replacement Non-Exchangeable Non-Voting Notes at any time.

A Noteholder holding Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may request by the delivery to the Registrar or a Transfer Agent of a written request that such Notes be exchanged for Notes in the form of IM Removal and Replacement Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of such Noteholder.

Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes shall not be exchanged for Notes in the form of IM Removal and Replacement Voting Notes in any other circumstances.

Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes shall not be exchangeable at any time for Notes in the form of IM Removal and Replacement Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes.

3. Status

(a) Status

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse and Non-Petition*). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) Relationship Among the Classes

Payments of interest on the Class X Notes and the Class A Notes on each Payment Date will rank senior to payments of interest in respect of each other Class; payments of interest on the Class B Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class X Notes and the Class A Notes, but senior in right of payment to payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payments of interest on the Class C Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class X Notes, the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest on the Class D Notes, the Class E Notes, the Class F Notes and the

Subordinated Notes; payments of interest on the Class D Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest on the Class E Notes, the Class F Notes and the Subordinated Notes; payments of interest on the Class E Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but senior in right of payment to payments of interest on the Class F Notes and the Subordinated Notes; payments of interest on the Class F Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, but senior in right of payment to payments of interest on the Subordinated Notes. Payment of interest on the Subordinated Notes on each Payment Date will be subordinated in right of payment to payment of interest in respect of the Rated Notes. Payments of interest on the Class B-1 and Class B-2 Notes shall be paid *pari passu* and without any preference amongst themselves. Payments of interest on the Subordinated Notes shall be paid *pari passu* and without preference amongst themselves.

Except in the case of a Refinancing where Rated Notes may be redeemed in any order, the following will apply. No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class X Notes and the Class A Notes, no amount of principal in respect of the Class C Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes and the Class B Notes, no amount of principal in respect of the Class D Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes, no amount of principal in respect of the Class E Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, no amount of principal in respect of the Class F Notes shall become due and payable until redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Subject to the applicability of the Acceleration Priority of Payments, the Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Priority of Payments on a *pari passu* basis. Payments of principal on the Class B-1 Notes and the Class B-2 Notes shall be paid *pari passu* and without any preference amongst themselves. Payments on the Subordinated Notes are subordinated to payments on the Rated Notes and other amounts described in the Priorities of Payment and no payments out of Principal Proceeds will be made on the Subordinated Notes until the Rated Notes and other payments ranking prior to the Subordinated Notes in accordance with the Priorities of Payment are paid in full.

(c) Priorities of Payment

The Collateral Administrator shall (consistent with the Payment Date Reports prepared by the Collateral Administrator in consultation with, and based on certain information provided by, the Investment Manager pursuant to the terms of the Investment Management Agreement), on behalf of the Issuer and in consultation with the Investment Manager, on each Payment Date instruct the Account Bank to disburse Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds transferred to the Payment Account on the Business Day prior thereto in accordance with the following Priorities of Payment:

(i) Interest Priority of Payments

Prior to (a) the Maturity Date, (b) such other date on which all Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) the delivery date of an Acceleration Notice (and, if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), from and including the date on which such Acceleration Notice is rescinded or annulled until any of the events described in (a), (b) or (c) above subsequently occurs), Interest Proceeds in respect of each Due Period shall be applied on the Payment Date immediately following such Due Period in the following order of priority (and, in the case of any Payment Date that is a Partial Redemption Date, only after the application of Refinancing Proceeds and Partial Redemption Interest Proceeds in accordance with

Condition 3(k) (*Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date)* below):

(A) in payment of (1) the Issuer Fee in respect of such Payment Date, and (2) taxes owing by the Issuer which became due and payable during the related Due Period, if any, as certified in writing by an Authorised Officer of the Issuer to the Collateral Administrator (save for any Irish corporate income tax in relation to the Issuer Fee and any VAT payable in respect of any Investment Management Fee or any other tax payable in relation to any amount payable to the Secured Parties);

(B) in payment of due and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap, **provided that** upon the occurrence of a Note Event of Default, the Senior Expenses Cap shall not apply to this paragraph (B);

(C) in payment of due and unpaid Administrative Expenses in the order of priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap less any amounts paid pursuant to paragraph (B) above in respect of the related Due Period;

(D) to the Expense Reserve Account of an amount up to the Ongoing Expense Reserve Amount;

(E) in payment on a *pro rata* and *pari passu* basis of any Scheduled Periodic Interest Rate Hedge Issuer Payments, to the extent not paid out of the Interest Account or Scheduled Periodic Asset Swap Issuer Payments due, to the extent not paid from the funds available in the applicable Asset Swap Account, converted into the applicable currency at the applicable Spot Rate and payable to any applicable Hedge Counterparty at the direction of the Investment Manager;

(F) in payment:

(1) *firstly*, to the Investment Manager of the Senior Investment Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) (save for any Deferred Senior Investment Management Amounts) provided that the Investment Manager may, in its sole discretion, defer payment of some or all of the amounts that would have been payable to the Investment Manager under this paragraph (F) (any such amounts, being "**Deferred Senior Investment Management Amounts**") on any Payment Date, and any such amount shall either (a) be used to purchase Substitute Portfolio Assets or (b) be deposited in the Principal Account pending investment in Portfolio Assets (provided that such deposit or purchase would not cause a Retention Deficiency) or (c) be applied in payment of amounts in accordance with paragraphs (G) to (AA) (inclusive) and paragraphs (CC) to (HH) (inclusive) below, subject to the Investment Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so deferred. Any deferral of the Senior Investment Management Fee under this paragraph (F) shall not be treated as non-payment for the purposes of making further payments pursuant to this Condition 3(c)(i);

(2) *secondly*, to the Investment Manager of any previously due and unpaid Senior Investment Management Fees (other than Deferred Senior Investment Management Amounts) and any VAT in respect

thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(G) in payment on a *pro rata* and *pari passu* basis of any Hedge Termination Payment due to any Hedge Counterparty (other than any Defaulted Hedge Termination Payment), in each case to the extent not paid from funds available in the applicable Hedge Termination Account;

(H) in payment on a *pro rata* and *pari passu* basis of any Hedge Replacement Payment due to any replacement Hedge Counterparty, in each case, to the extent not paid from funds available in the applicable Hedge Termination Account;

(I) in payment on a *pro rata* and *pari passu* basis of

(1) *pro rata* and *pari passu*, (a) the Interest Amounts due and payable on the Class X Notes in respect of the Interest Period ending on such Payment Date, (b) the Class X Principal Amortisation Amount due and payable on such Payment Date, and (c) any Unpaid Class X Principal Amortisation Amount as of such Payment Date; and

(2) *pro rata* and *pari passu*, (a) the Interest Amounts due and payable on the Class A Notes in respect of the Interest Period ending on such Payment Date, and (b) all other Interest Amounts due and payable on such Class A Notes;

(J) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class B-1 Notes and the Class B-2 Notes in respect of the Interest Period ending on such Payment Date and all other Interest Amounts due and payable on such Class B-1 Notes and the Class B-2 Notes;

(K) if (i) the Class A/B Par Value Test is not satisfied on any Determination Date falling after the Effective Date or (ii) the Class A/B Interest Coverage Test is not satisfied on any Interest Coverage Test Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A/B Coverage Test to be satisfied if recalculated following such redemption;

(L) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Interest Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Interest Period);

(M) in payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(N) if (i) the Class C Par Value Test is not satisfied on any Determination Date falling after the Effective Date or (ii) the Class C Interest Coverage Test is not satisfied on any Interest Coverage Test Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class C Coverage Test to be satisfied if recalculated following such redemption;

(O) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Interest Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Interest Period);

(P) in payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(Q) if (i) the Class D Par Value Test is not satisfied on any Determination Date falling after the Effective Date or (ii) the Class D Interest Coverage Test is not satisfied on any Interest Coverage Test Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be satisfied if recalculated following such redemption;

(R) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class E Notes in respect of the Interest Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Interest Period);

(S) in payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class E Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(T) if (i) the Class E Par Value Test is not satisfied on any Determination Date falling after the Effective Date or (ii) the Class E Interest Coverage Test is not satisfied on any Interest Coverage Test Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E Coverage Test to be satisfied if recalculated following such redemption;

(U) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class F Notes in respect of the Interest Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Interest Period);

(V) in payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(W) if the Class F Par Value Test is not satisfied on any Determination Date falling after the Effective Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause the Class F Par Value Test to be satisfied if recalculated following such redemption;

(X) on the Payment Date next following the Effective Date (and on each Payment Date thereafter to the extent required), in the event of the occurrence of an Effective Date Rating Event which is continuing on the second Business Day prior to such Payment Date, to redeem the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(Y) in the event that, on any Payment Date following the Effective Date and each Payment Date thereafter during the Reinvestment Period only, after giving effect to the payment of all amounts payable in respect of paragraphs (A) to (X) (inclusive) above, the Reinvestment Test has not been met, at the discretion of the Investment Manager (acting on behalf of the Issuer) either (1) in payment to the Principal Account for the acquisition of additional Portfolio Assets or (2) to redeem the Notes in accordance with the Note Payment Sequence, in either case, in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (x) 50 per cent. of all remaining Interest Proceeds available for payment and (y) the amount which, after giving effect to such payment to the Principal Account, or the

redemption of the Notes would be sufficient to cause the Reinvestment Test to be satisfied if recalculated immediately following such payment;

(Z) in payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(AA) in payment of Administrative Expenses (if any) in the order of priority stated in the definition thereof not paid by reason of the Senior Expenses Cap;

(BB) in payment:

(1) *firstly*, to the Investment Manager of the Subordinated Investment Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) (save for any Deferred Subordinated Investment Management Amount) **provided that** the Investment Manager may, in its sole discretion, defer payment of some or all of the amounts that would have been payable to the Investment Manager under this paragraph (BB) (any such amounts, being "**Deferred Subordinated Investment Management Amounts**") on any Payment Date, and any such amount shall either (a) be used to purchase Substitute Portfolio Assets or (b) be deposited in the Principal Account pending investment in Portfolio Assets (provided that such deposit or purchase would not cause a Retention Deficiency) or (c) be applied in payment of amounts in accordance with paragraphs (CC) to (HH) (inclusive) below, subject to the Investment Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so deferred. Any deferral of the Subordinated Investment Management Fee under this paragraph (BB) shall not be treated as non-payment for the purposes of making further payments pursuant to this Condition 3(c)(i) (*Interest Priority of Payments*);

(2) *secondly*, to the Investment Manager of any previously due and unpaid Subordinated Investment Management Fee (other than Deferred Subordinated Investment Management Amounts) and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(CC) at the election of the Investment Manager (at its sole discretion), to the Investment Manager in payment of any Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts, in each case to the extent the same remain outstanding from any previous Payment Date following the election of the Investment Manager to defer such amounts and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(DD) in payment on a *pro rata* and *pari passu* basis of any Defaulted Hedge Termination Payment due to any Hedge Counterparty;

(EE) at the election of the Investment Manager (at its sole discretion), to the Investment Manager in payment of any Deferred Incentive Investment Management Amounts to the extent the same remain outstanding from any previous Payment Date following the election of the Investment Manager to defer such amounts and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(FF) on a *pro rata* basis, (i) to the Investment Manager in repayment of any Investment Manager Advances outstanding, together with any interest accrued thereon and (ii) during the Reinvestment Period at the discretion of the Investment Manager acting on behalf of the Issuer (but excluding any date on which the Subordinated Notes are to be redeemed and paid in full) in payment into the Collateral Enhancement Account of any Collateral Enhancement Amount;

(GG) until the Incentive Investment Management Fee IRR Threshold has been reached, any remaining Interest Proceeds to the payment of interest on the Subordinated Notes on a pro rata basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption); and

(HH) if, on any Payment Date after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date in accordance with the Interest Priority of Payments, the Principal Priority of Payments and the Collateral Enhancement Obligation Priority of Payments, the Incentive Investment Management Fee IRR Threshold has been reached on or prior to such Payment Date:

(1) first, 20 per cent. of any remaining Interest Proceeds, to the payment to the Investment Manager as an Incentive Investment Management Fee (including any Deferred Incentive Investment Management Amounts); and any VAT in respect thereof (whether payable to the Investment Manager or directly to the taxing authority), provided that the Investment Manager may, in its sole discretion, defer payment of some or all of the amounts that would have been payable to the Investment Manager under this paragraph (HH) (any such amounts, being "**Deferred Incentive Investment Management Amounts**") on any Payment Date, and any such amount shall either (i) be used to purchase Substitute Portfolio Assets or (ii) be deposited in the Principal Account pending investment in Portfolio Assets (provided that such deposit or purchase would not cause a Retention Deficiency), subject, in the case of (i) and (ii), to the Investment Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so deferred. Any deferral of the Incentive Investment Management Fee under this paragraph (HH) shall not be treated as non-payment for the purposes of making further payments pursuant to this Condition 3(c)(i); and

(2) second, of any remaining Interest Proceeds, to the payment of interest on the Subordinated Notes on a pro rata basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(ii) Principal Priority of Payments

Prior to (a) the Maturity Date, (b) such other date on which all Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) the delivery date of an Acceleration Notice (and, if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), from and including the date on which such Acceleration Notice is rescinded or annulled until any of the

events described in (a), (b) or (c) above subsequently occurs) Principal Proceeds in respect of each Due Period shall be applied, on the Payment Date immediately following such Due Period in the following order of priority (and, in the case of any Payment Date that is a Partial Redemption Date, only after the application of Refinancing Proceeds and Partial Redemption Interest Proceeds in accordance with Condition 3(k) (*Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date*)):

(A) in payment, on a sequential basis, of the amounts referred to in paragraphs (A) to (J) (inclusive) of the *Interest Priority of Payments*, but only to the extent not paid in full thereunder;

(B) in payment of the amounts referred to in paragraph (K) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class A/B Coverage Tests that are applicable on such Payment Date with respect to the Class A Notes and the Class B Notes to be satisfied;

(C) in payment of the amounts referred to in paragraph (L) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(D) in payment of the amounts referred to in paragraph (M) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(E) in payment of the amounts referred to in paragraph (N) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be satisfied;

(F) in payment of the amounts referred to in paragraph (O) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(G) in payment of the amounts referred to in paragraph (P) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(H) in payment of the amounts referred to in paragraph (Q) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class D Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be satisfied;

(I) in payment of the amounts referred to in paragraph (R) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(J) in payment of the amounts referred to in paragraph (S) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(K) in payment of the amounts referred to in paragraph (T) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class E Coverage Tests that is applicable on such Payment Date with respect to the Class E Notes to be satisfied;

(L) in payment of the amounts referred to in paragraph (U) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(M) in payment of the amounts referred to in paragraph (V) of the Interest Priority of Payments, but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(N) in payment of the amounts referred to in paragraph (W) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class F Par Value Test that is applicable on such Payment Date with respect to the Class F Notes to be satisfied;

(O) in payment of the amounts referred to in paragraph (X) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(P) in payment of an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date if it is a Special Redemption Date falling during the Reinvestment Period pursuant to Condition 7(g) (*Special Redemption*);

(Q) during the Reinvestment Period, at the direction of the Investment Manager (acting on behalf of the Issuer) (i) in the purchase of Substitute Portfolio Assets or (ii) to transfer to the Principal Account pending reinvestment in Substitute Portfolio Assets at a later date, in accordance with and subject to the provisions of the Investment Management Agreement;

(R) after the Reinvestment Period, at the direction of the Investment Manager (acting on behalf of the Issuer) in the purchase of Substitute Portfolio Assets with Unscheduled Principal Proceeds, Sale Proceeds from Credit Impaired Obligations or Credit Improved Obligations at the discretion of the Investment Manager and with respect to the Due Period corresponding to the first Payment Date following the end of the Reinvestment Period, Principal Proceeds representing any Scheduled Principal Proceeds or Sale Proceeds received from Discretionary Sales committed to prior to the end of the Reinvestment Period, shall in each case be applied either to the purchase of Substitute Portfolio Assets or to the credit of the Principal Account pending reinvestment in Substitute Portfolio Assets at a later date, each in accordance with and subject to the provisions of the Investment Management Agreement;

(S) after the Reinvestment Period, all remaining Principal Proceeds (other than those permitted to be and actually designated for reinvestment in accordance with the terms of the Investment Management Agreement, and to the extent so designated such amounts shall be applied in accordance with paragraph (R) above); to redeem the Notes in accordance with the Note Payment Sequence until all of the Rated Notes are fully redeemed;

(T) in payment on a sequential basis of the amounts referred to in paragraphs (Z) to (DD) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(U) to any Contributing Noteholders (whether or not any such Contributing Noteholder continues on such Payment Date to hold any Subordinated Notes) in repayment of any Contribution Amounts accrued and not previously paid pursuant to this paragraph (U), *pro rata* among such Contributing Noteholders in accordance with the respective aggregate outstanding Contribution Amounts of such Contributing Noteholders;

(V) to the Investment Manager in repayment of any Investment Manager Advances outstanding, together with any interest accrued thereon;

(W) until the Incentive Investment Management Fee IRR Threshold has been reached, any remaining Principal Proceeds to the payment of the principal on the Subordinated Notes on a pro rata basis and thereafter in payment of interest on the Subordinated Notes on a pro rata basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption); and

(X) if, on any Payment Date after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date in accordance with the Interest Priority of Payments, the Principal Priority of Payments and the Collateral Enhancement Obligation Priority of Payments,, the Incentive Investment Management Fee IRR Threshold has been reached on or prior to such Payment Date:

(1) first, 20 per cent. of any remaining Principal Proceeds, to the payment to the Investment Manager as an Incentive Investment Management Fee (including any Deferred Incentive Investment Management Amounts); and any VAT in respect thereof (whether payable to the Investment Manager or directly to the taxing authority), provided that the Investment Manager may, in its sole discretion, defer payment of some or all of the amounts that would have been payable to the Investment Manager under this sub-paragraph (X) (any such amounts, being "**Deferred Incentive Investment Management Amounts**") on any Payment Date, and any such amount shall either (i) be used to purchase Substitute Portfolio Assets or (ii) be deposited in the Principal Account pending investment in Portfolio Assets (provided that such deposit or purchase would not cause a Retention Deficiency), subject, in the case of (i) and (ii), to the Investment Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so deferred. Any deferral of the Incentive Investment Management Fee under this sub-paragraph (X) shall not be treated as non-payment for the purposes of making further payments pursuant to this Condition 3(c)(ii); and

(2) second, any remaining Principal Proceeds, to payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(iii) *Collateral Enhancement Obligation Priority of Payments*

Prior to (a) the Maturity Date, (b) such other date on which all Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) the delivery date of an Acceleration Notice (and, if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), from and including the date on which such Acceleration Notice is rescinded or annulled until any of the events described in (a), (b) or (c) above subsequently occurs), at the discretion of the Investment Manager, all or part of the Balance standing to the credit of the Collateral Enhancement Account as of the Business Day prior to the Payment Date shall be transferred to the Payment Account for distribution on such Payment Date in the following order of priority:

(A) at the discretion of the Investment Manager, in repayment of any Investment Manager Advances outstanding, together with any interest accrued thereon;

(B) if (1) the Incentive Investment Management Fee IRR Threshold has not yet been reached on or prior to such Payment Date, any amounts remaining after payment of the amount at paragraph (A) above, to the payment of payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption) and thereafter in payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption), until the Incentive Investment Management Fee IRR Threshold is reached; and (2) on any Payment Date after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date in accordance with the Interest Priority of Payments, the Principal Priority of Payments and the Collateral Enhancement Obligation Priority of Payments, the Incentive Investment Management Fee IRR Threshold has been reached on or prior to such Payment Date, (a) *first*, 20 per cent. of the amount remaining after payment of the amount at paragraph (A) (if applicable) in payment to the Investment Manager as an Incentive Investment Management Fee (including any Deferred Incentive Investment Management Amounts); and any VAT in respect of such Incentive Investment Management Fee (whether payable to the Investment Manager or directly to the taxing authority); and (b) *second*, in payment of principal on the Subordinated Notes on a *pro rata* basis and thereafter in payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(d) Non-payment of Amounts

Failure on the part of the Issuer to pay the Interest Amounts on the Class X Notes, the Class A Notes, the Class B-1 Notes or the Class B-2 Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payment by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not be a Note Event of Default unless and until such failure continues for a period of five Business Days, save as the result of any deduction therefrom or the imposition of withholding thereon as set out in Condition 9 (*Taxation*).Failure on the part of the Issuer to pay Interest Amounts on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or, with respect to the Subordinated Notes, Interest Proceeds or Principal Proceeds, shall not at any time constitute a Note Event of Default.

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to Condition 6(c) (*Deferral of Interest*) and save as otherwise provided in respect of any unpaid Investment Management Fees (plus VAT payable in respect thereof) or Contribution Amounts, in the event of non-payment of any amounts referred to in Condition 3(c)(i) (*Interest Priority of Payments*) or Condition 3(c)(ii) (*Principal Priority of Payments*) on any Payment Date, such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition 3(c) (*Priorities of Payment*). References to amounts in the Interest Priority of Payments and the Principal Priority of Payments shall include any amounts thereof not paid when due on any preceding Payment Date.

(e) Determination and Payment of Amounts

The Collateral Administrator (on behalf of the Issuer) will, in consultation with the Investment Manager, on each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payment and shall make available the Payment Date Report, determined as of such Determination Date, to the persons entitled thereto pursuant to the Collateral Administration and Agency Agreement no later than the Business Day before the relevant Payment Date. The Account Bank and the Custodian, as applicable (acting in accordance with the instructions of the Collateral Administrator who is acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer in consultation with the Investment Manager), shall, on behalf of the Issuer not later than the Business Day preceding each Payment Date, cause the amounts standing to the credit of the Principal Account and if applicable the Interest Account and the Collateral Enhancement Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Priority of Payments, the Principal Priority of Payments, the Collateral Enhancement Obligation Priority of Payments and the Acceleration Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) De Minimis Amounts

The Collateral Administrator may, in consultation with the Investment Manager, adjust the amounts required to be applied in payment of principal on the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes from time to time pursuant to the Priorities of Payment so that the amount to be so applied in respect of each Class X Note, Class A Note, Class B-1 Note, Class B-2 Note, Class C Note, Class D Note, Class E Note, Class F Note and Subordinated Note is a whole amount, not involving any fraction of a 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(g) Publication of Amounts

The Collateral Administrator will cause details as to the amounts of interest and principal to be paid, and any amounts of interest payable but which will not be paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Trustee, the Principal Paying Agent and the Registrar by no later than the second Business Day following the applicable Determination Date.

(h) Notifications to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Investment Manager, the Originator, the Trustee, the Registrar, the Principal Paying Agent, the Paying Agents, the Transfer Agent, the Exchange Agent, other Agents and all Noteholders and (in the absence of fraud, negligence or wilful default) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(i) Accounts

The Issuer shall, prior to the Issue Date (and where necessary also following the Issue Date), establish the following accounts with the Account Bank or (as the case may be) with the Custodian:

- the Principal Account;
- the Interest Account;
- the Unused Proceeds Account;

- the Hedge Termination Accounts;
- the Asset Swap Accounts;
- the Collateral Enhancement Account;
- the Payment Account;
- the Revolving Reserve Account;
- the Refinancing Account;
- the Counterparty Downgrade Collateral Accounts;
- the Custody Account;
- the Expense Reserve Account;
- the Interest Smoothing Account;
- the First Period Reserve Account; and
- the Contribution Account.

The Issuer will grant certain control rights over the Accounts to the Trustee consistent with Rule 3a-7. Such control rights include the following:

(i) neither the Investment Manager nor the Collateral Administrator shall debit or credit any Account absent a prior instruction (which may be a standing instruction) from the Trustee; and

(ii) the Collateral Administrator shall provide a draft Payment Date Report detailing distributions to be made from the Payment Account on such Payment Date in accordance with the terms of the Collateral Administration and Agency Agreement. The Collateral Administrator shall instruct such distributions to be made from the Payment Account unless the Trustee notifies the Collateral Administrator that it objects to such payments.

The Account Bank and the Custodian shall at all times each be required to be a financial institution satisfying the Rating Requirement applicable thereto (or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement) which has the necessary regulatory capacity and licences to perform the services required by it. If either the Account Bank or the Custodian at any time fails to satisfy the Rating Requirement, the Issuer shall use commercially reasonable efforts to procure that a replacement Account Bank and/or Custodian acceptable to the Trustee, which satisfies the Rating Requirement is appointed within 30 calendar days in accordance with the provisions of the Collateral Administration and Agency Agreement.

Amounts standing to the credit of the Accounts (other than the Payment Account, the Counterparty Downgrade Collateral Accounts, the Hedge Termination Accounts, the Asset Swap Accounts and the Refinancing Account) from time to time may be invested by the Investment Manager on behalf of the Issuer in Eligible Investments.

All interest accrued on any of the Accounts from time to time shall be paid into the Interest Account (other than interest accrued on (i) the Collateral Enhancement Account from time to time which shall only be paid into the Collateral Enhancement Account and (ii) each Counterparty Downgrade Collateral Account from time to time which shall only be paid into the relevant Counterparty Downgrade Collateral Account). All principal amounts received in respect of Eligible Investments standing to the credit of any Account from time to time shall be credited to that Account upon maturity. All interest accrued on such Eligible Investments (including capitalised interest received upon the sale, maturity or termination of any such investment) shall be paid to the Interest Account as, and to the extent provided, above.

To the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition 3 (Status) are denominated in a currency which is not that in which the Account is denominated, the Investment Manager, acting on behalf of the Issuer, may convert such amounts into the currency of the Account at the Spot Rate.

For the avoidance of doubt, applications of amounts in respect of Hedge Tax Credits received by the Issuer shall be paid out of the Interest Account to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement, without regard to the Priority of Payments.

(j) Payments to and from the Accounts

(i) Principal Account

The Issuer shall procure that the following amounts are paid into the Principal Account as soon as reasonably practicable upon receipt thereof, but in each case, if applicable, excluding any Trading Gains that are required to be paid into the Interest Account in accordance with Condition 3(j)(ii)(M) (*Interest Account*) below:

(A) all principal payments received in respect of any Portfolio Asset, including, without limitation:

(1) amounts received in respect of any maturity, scheduled amortisation, mandatory or optional prepayment or mandatory sinking fund payment and any redemption or early redemption on a Portfolio Asset;

(2) Scheduled Principal Proceeds and Unscheduled Principal Proceeds;

(3) any other principal payments with respect to Portfolio Assets to the extent not included in the Sale Proceeds; and

(4) all accrued or capitalised interest included in any Sale Proceeds, Scheduled Principal Proceeds or Unscheduled Principal Proceeds with respect to Portfolio Assets, in respect of which no designation has been made pursuant to Condition 3(j)(ii)(C);

but excluding (i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Obligation, to the extent required to be paid into the Revolving Reserve Account; (ii) any such payments received in respect of any Asset Swap Obligation; and (iii) any Interest Rate Hedge Replacement Receipts or Interest Rate Hedge Termination Receipts;

(B) all interest and other amounts received in respect of any Defaulted Obligations save for any Defaulted Obligation Excess Amounts;

(C) all Sale Proceeds received in respect of any Portfolio Asset save for any Asset Swap Obligations to the extent paid to any Asset Swap Counterparty or to any other Account;

(D) all fees and commissions received in connection with the purchase or sale of any Portfolio Assets or Eligible Investments or the work out or restructuring of any Portfolio Assets;

(E) all Distributions and Sale Proceeds received in respect of Exchanged Securities;

(F) all Purchased Accrued Interest;

(G) all Interest Proceeds payable into the Principal Account pursuant to paragraph (Y) of the Interest Priority of Payments upon the failure to meet the Reinvestment Test during the Reinvestment Period;

(H) all proceeds received from any additional issuance of Notes after the Ramp-up Period that are not (i) invested in Portfolio Assets, (ii) in the case of the issue proceeds of additional Subordinated Notes, paid into the Interest Account at the discretion of the Investment Manager (acting on behalf of the Issuer) or (iii) required to be paid into the Refinancing Account;

(I) all premiums (including prepayment premiums) receivable upon redemption of any Portfolio Assets at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Portfolio Asset;

(J) the proceeds of an Investment Manager Advance, to the extent designated as Principal Proceeds in accordance with the terms of the Investment Management Agreement;

(K) all Deferred Investment Management Amounts designated for reinvestment;

(L) all amounts transferred from the Collateral Enhancement Account;

(M) all amounts payable into the Principal Account pursuant to this Condition 3(j) (*Payments to and from the Accounts*);

(N) any other amounts received in respect of the Collateral which are not required to be paid into another Account; and

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Principal Account:

(1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal Priority of Payments, save for (x) amounts deposited after the end of the related Due Period and (y) any Unscheduled Principal Proceeds deposited prior to the end of the related Due Period to the extent such Unscheduled Principal Proceeds are permitted to be and have been designated for reinvestment by the Investment Manager (on behalf of the Issuer) pursuant to the Investment Management Agreement for a period beyond such Payment Date, **provided that** no such payment shall be made to the extent that such amounts are not required to be distributed pursuant to the Principal Priority of Payments on such Payment Date;

(2) at any time, in accordance with the terms of, and to the extent permitted under, the Investment Management Agreement, in the acquisition of Portfolio Assets (including any payments to an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to any Asset Swap Transaction entered into in respect thereof) and amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Obligations which are required to be deposited in the Revolving Reserve Account;

(3) at any time, any Hedge Termination Payment payable by the Issuer (save to the extent it is a Defaulted Hedge Termination Payment) to the extent payable in Euro and not paid out from the relevant Hedge Termination Account;

(4) on any Payment Date, at the discretion of the Investment Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Investment Management Agreement, in payment of

the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(k) (*Purchase*); and

(5) at any time, all interest accrued from time to time on the Balance standing to the credit of the Principal Account, to the Interest Account.

(ii) Interest Account

The Issuer shall procure that the following amounts are paid into the Interest Account as soon as reasonably practicable upon receipt thereof:

(A) all cash payments of interest in respect of the Portfolio Assets (save for any Asset Swap Obligations) other than Purchased Accrued Interest together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of any reimbursement received by the Issuer in respect of any amounts previously withheld or deducted, but excluding any interest received in respect of any Defaulted Obligations;

(B) all amendment and waiver fees, late payment fees, commitment fees, syndication fees and all other fees and commissions received in connection with (1) any Portfolio Asset (save for any Asset Swap Obligation) or (2) any Eligible Investment but excluding any fees and commissions received in connection with the purchase or sale of any Portfolio Assets or Eligible Investments or the work out or restructuring of any Portfolio Asset;

(C) all accrued or capitalised interest (save for any Purchased Accrued Interest or proceeds representing accrued interest received in respect of any Defaulted Obligation) included in any Sale Proceeds, Scheduled Principal Proceeds or Unscheduled Principal Proceeds with respect to Portfolio Assets (save for any Asset Swap Obligations), in respect of which no designation has been made pursuant to Condition 3(j)(i) (*Principal Account*);

(D) all Scheduled Periodic Asset Swap Counterparty Payments received by the Issuer under an Asset Swap Transaction and all Scheduled Periodic Interest Rate Hedge Counterparty Payments received by the Issuer under an Interest Rate Hedge Transaction;

(E) all scheduled commitment fees received by the Issuer in respect of any Revolving Obligations or Delayed Drawdown Obligations (save for any Asset Swap Obligations);

(F) the proceeds of an Investment Manager Advance, to the extent designated as Interest Proceeds in accordance with the terms of the Investment Management Agreement;

(G) all proceeds received from any additional issuance of Subordinated Notes that are not reinvested or retained for reinvestment in Portfolio Assets;

(H) all interest accrued on the Interest Account from time to time and all interest accrued in respect of Balances standing to the credit of the other Accounts (other than (i) the Collateral Enhancement Account and (ii) any Counterparty Downgrade Collateral Account);

(I) all Hedge Tax Credits received by the Issuer;

(J) all interest and other amounts received in respect of any Defaulted Obligations and constituting Defaulted Obligation Excess Amounts;

(K) all amounts payable into the Interest Account pursuant to this Condition 3(j) (*Payments to and from the Accounts*);

(L) all amounts transferred from the Collateral Enhancement Account; and

(M) (1) any Trading Gains realised in respect of any Portfolio Asset to the extent that the deposit of such amounts into the Principal Account would, in the sole discretion of the Investment Manager, cause (or would be likely to cause), a Retention Deficiency; or (2) such amounts the Investment Manager determines in its sole discretion shall be paid into the Interest Account if after giving effect to such designation as Interest Proceeds and the distribution thereof in accordance with the Priorities of Payment, (t) the Weighted Average Life Test is satisfied, (u) paragraphs (n) and (o) of the Portfolio Profile Test are satisfied, (v) a Restricted Trading Period is not subsisting, (w) the rating of the Class A Notes has not been downgraded by Moody's or Fitch by one or more rating subcategories below its rating on the Issue Date (unless subsequently upgraded by Moody's or Fitch, as applicable, to the relevant rating on the Issue Date), (x) the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lesser of its Fitch Collateral Value and its Moody's Collateral Value) is greater than or equal to the Reinvestment Target Par Balance, (y) the Class F Par Value Ratio is no less than the Class F Par Value Ratio on the Effective Date and (z) the Moody's Maximum Weighted Average Rating Factor Test is satisfied, then the Investment Manager may, in its discretion, determine that up to 1.0 per cent. of the Target Par Amount (on an aggregate cumulative basis) the Trading Gains shall be paid into the Interest Account upon receipt.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Interest Account:

(1) on the Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the Interest Account to the Payment Account for disbursement pursuant to the Interest Priority of Payments and save for amounts deposited after the end of the related Due Period and any Hedge Tax Credits;

(2) at any time, in accordance with the terms of, and to the extent permitted under, the Investment Management Agreement, in the acquisition of Portfolio Assets to the extent that any such acquisition costs represent accrued interest

(3) at any time, to any Asset Swap Account up to an amount equal to any shortfall in the Balance standing to the credit of such Asset Swap Account with respect to any payment obligation of the Issuer pursuant to Condition 3(j)(v) (Asset Swap Accounts) at such time;

(4) at any time, to any Hedge Counterparty of amounts payable by the Issuer under any Interest Rate Hedge Transaction save for any Interest Rate Hedge Termination Payments that are Defaulted Hedge Termination Payments;

(5) at any time, in payment of Trustee Fees and Expenses and Administrative Expenses, in an amount in any Due Period not to exceed the Senior Expenses Cap;

(6) at any time, all Hedge Tax Credits received by the Issuer to the relevant Hedge Counterparty in accordance with the relevant Hedge Agreement; and

(7) on the Business Day following each Determination Date save for (i) the first Determination Date following the Issue Date; (ii) a Determination Date following the occurrence of a Note Event of

Default which is continuing; (iii) the Determination Date immediately prior to any redemption of the Notes in full, and (iv) any Determination Date on or following the occurrence of a Frequency Switch Event, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account in respect of each Interest Smoothing Obligation; and

(iii) Unused Proceeds Account

The Issuer shall procure that the following amounts are paid into the Unused Proceeds Account as soon as reasonably practicable upon receipt thereof:

(A) an amount equal to the net proceeds of issue of the Notes; and

(B) all proceeds received during the Ramp-up Period from any additional issuance of Notes that are not invested in Portfolio Assets or paid into the Principal Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Unused Proceeds Account:

(1) on or about the Issue Date, (i) to the Expense Reserve Account in the amount contemplated by Condition 3(j)(xi)(A) (*Expense Reserve Account)*, (ii) to repay the financing provided to the Issuer pursuant to the Warehouse Arrangements, (iii) to fund the First Period Reserve Account in an amount equal to €1,500,000, and (iv) the balance, to the Unused Proceeds Account;

(2) at any time up to and including the last day of the Ramp-up Period, in accordance with the terms of, and to the extent permitted under, the Investment Management Agreement, in the acquisition of Portfolio Assets (including any payments to an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to any Asset Swap Transaction entered into in respect thereof) and amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Obligations which are required to be deposited in the Revolving Reserve Account;

(3) if an Effective Date Rating Event occurs, on the Business Day prior to the Payment Date falling after the Effective Date (and, if required, any Payment Date thereafter), to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer occurring;

(4) upon the Effective Date Requirements being met, the Balance save for such amounts representing interest accrued on the Unused Proceeds Account, to the Principal Account (*provided that* such transfer to the Principal Account would not cause a Retention Deficiency) or the Interest Account, in each case, at the discretion of the Investment Manager, acting on behalf of the Issuer, *provided that* as at such date: (i) the Rating Agencies have confirmed the Initial Ratings of the Rated Notes following delivery of the Effective Date Report; (ii) no more than 1.0 per cent. of the Target Par Amount may be transferred to the Interest Account (on a cumulative basis after taking into account all transfers to the Interest Account from such Account) and such transfer to the Interest Account occurs on or before the initial Payment Date and

(iii) the Adjusted Collateral Principal Amount equals or exceeds the Target Par Amount immediately following such transfer; and

(5) at any time, all interest accrued from time to time on the Balance standing to the credit of the Unused Proceeds Account, to the Interest Account.

(iv) Hedge Termination Accounts

The Issuer shall procure that all Hedge Termination Receipts and Hedge Replacement Receipts due to the Issuer in respect of a Hedge Transaction shall, as soon as reasonably practicable upon receipt thereof, be deposited in the relevant Hedge Termination Account maintained in the currency of such Hedge Transaction.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Hedge Termination Accounts:

(A) at any time, in the case of any Hedge Replacement Receipts paid into a Hedge Termination Account, in payment of any Hedge Termination Payment due and payable to the relevant Hedge Counterparty under the Hedge Transaction being replaced or, to the extent not required to make such Hedge Termination Payment, to the Principal Account (*provided that* such transfer to the Principal Account would not cause a Retention Deficiency);

(B) at any time, in the case of any Hedge Termination Receipt paid into a Hedge Termination Account, in payment of any Hedge Replacement Payment payable by the Issuer upon entry into a replacement Hedge Transaction in accordance with the Investment Management Agreement, and in the event that:

(1) the Hedge Termination Receipts available in the relevant Hedge Termination Account exceed the cost of entering into a replacement Hedge Transaction;

(2) the Investment Manager (acting on behalf of the Issuer) determines not to replace the Hedge Transaction in respect of which such amounts were received and Rating Agency Confirmation is received in respect of such determination; or

(3) termination of the Hedge Transaction under which such Hedge Termination Receipts are payable occurs on or in respect of a Redemption Date,

in payment of such amounts to the Principal Account (*provided that* such transfer to the Principal Account would not cause a Retention Deficiency); and

(C) at any time, all interest accrued from time to time on the Balance standing to the credit of the Hedge Termination Accounts, to the Interest Account.

(v) Asset Swap Accounts

The Issuer shall procure that the following amounts are paid into the relevant Asset Swap Account maintained in the currency of such Asset Swap Obligation:

(A) all amounts due to the Issuer in respect of each Asset Swap Obligation (including any payments from an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to an Asset Swap Transaction);

(B) all amounts payable into the relevant Asset Swap Account pursuant to this Condition 3(j) (*Payments to and from the Accounts*).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Asset Swap Accounts:

(1) at any time, to the extent of any initial principal exchange amount deposited in an Asset Swap Account, in accordance with the terms of and to the extent permitted under the Investment Management Agreement, in the acquisition of Asset Swap Obligations;

(2) on each day that such amounts are due and payable, Scheduled Periodic Asset Swap Issuer Payments due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction;

(3) on each day that such amounts are due and payable, Asset Swap Issuer Principal Exchange Amounts due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction;

(4) at any time, cash amounts representing any excess standing to the credit of each Asset Swap Account after provisioning for any amounts to be paid to any Asset Swap Counterparty pursuant to any Asset Swap Transaction in any currency, to the Interest Account or the Principal Account (*provided that* any such transfer to the Principal Account would not cause a Retention Deficiency) at the discretion of the Investment Manager (acting on behalf of the Issuer) following conversion thereof into Euro at the applicable Spot Rate, *provided that* no such transfer into the Interest Account shall be permitted to the extent that the Euro equivalent of the full amount of the principal amount of any related Asset Swap Obligation has not been paid into the Principal Account; and

(5) at any time, all interest accrued from time to time on the Balance standing to the credit of the Asset Swap Accounts, to the Interest Account.

(vi) Collateral Enhancement Account

The Issuer shall procure that the following amounts are paid into the Collateral Enhancement Account as soon as reasonably practicable upon receipt thereof:

(A) all interest accrued on the Collateral Enhancement Account from time to time;

(B) all Collateral Enhancement Obligation Proceeds;

(C) on each Payment Date, any Collateral Enhancement Amount which the Issuer, or the Investment Manager on its behalf, determines in its discretion shall be applied in payment into the Collateral Enhancement Account pursuant to paragraph (FF) of the Interest Priority of Payments; and

(D) the proceeds of any Investment Manager Advance provided by the Investment Manager to fund the purchase or exercise of one or more Collateral Enhancement Obligations.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Collateral Enhancement Account:

(1) in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Obligations, in accordance with the terms of the Investment Management Agreement;

(2) on the Business Day prior to each Payment Date, at the discretion of the Investment Manager, acting on behalf of the Issuer, all or part of the Balance standing to the credit of the Collateral Enhancement Account to the Payment Account for distribution on such Payment Date in accordance with the Collateral Enhancement Obligation Priority of Payments; and

(3) upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Balance to the Payment Account for distribution in accordance with the Acceleration Priority of Payments.

(vii) Payment Account

The Issuer shall procure that, on the Business Day prior to each Payment Date, all amounts standing to the credit of each of the Accounts which are required to be transferred to the Payment Account pursuant to Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) are so transferred, and on such Payment Date, the Collateral Administrator shall instruct the Account Bank to disburse such amounts in accordance with the applicable Priority of Payments. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with Condition 7(b) (*Optional Redemption*) in the Payment Account on or before the Business Day prior to the applicable Redemption Date (or in the case of a Refinancing, on the applicable Redemption Date). No amounts shall be transferred to or withdrawn from the Payment Account at any other time or in any other circumstances.

(viii) Revolving Reserve Account

The Issuer shall procure that the following amounts are paid into the Revolving Reserve Account as soon as reasonably practicable upon receipt thereof:

(A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation or Delayed Drawdown Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Revolving Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and/or Delayed Drawdown Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Obligation);

(B) all principal payments received by the Issuer in respect of any Revolving Obligation or Delayed Drawdown Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Obligation or Delayed Drawdown Obligation; and

(C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to paragraph (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the Revolving Reserve Account:

(1) at any time, all amounts required to fund any Delayed Drawdown Obligations or Revolving Obligation;

(2) at any time, all amounts required to be deposited in the Issuer's name with any third party which satisfies the Rating Requirement applicable to an Account Bank as collateral for any reimbursement or indemnification obligations of the Issuer owed under a Revolving Obligation or Delayed Drawdown Obligation (subject to such security documentation as may be agreed between the relevant parties and the Investment Manager acting on behalf of the Issuer);

(3) at any time at the direction of the Investment Manager (acting on behalf of the Issuer) upon the sale (in whole or in part) of a Revolving Obligation or Delayed Drawdown Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (a) the amount standing to the credit of the Revolving Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Obligations, after taking into account such sale or such reduction, cancellation or expiry of commitment, to the Principal Account (*provided that* such transfer to the Principal Account would not cause a Retention Deficiency); and

(4) at any time, all interest accrued on the Balance standing to the credit of the Revolving Reserve Account from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the Interest Account.

(ix) Refinancing Account

The Issuer shall procure that an amount equal to the Refinancing Proceeds is credited to the Refinancing Account as soon as reasonably practicable upon receipt thereof. In addition, the Subordinated Noteholders acting by Ordinary Resolution may direct that all or a portion of the proceeds of an additional issuance of Notes pursuant to Condition 17 (*Additional Issuances*) may be paid into the Refinancing Account as a Permitted Use. In the case of an Optional Redemption effected in part through Refinancing, no distribution from Refinancing Proceeds shall be made to the Subordinated Noteholders.

The Issuer shall procure payment of the Refinancing Costs and the Principal Amount Outstanding of the Notes the subject of the Refinancing out of the Refinancing Account on any Payment Date occurring after the expiry of the Non-Call Period in accordance with Condition 7(b)(ii) (*Optional Redemption by Refinancing*) (and shall ensure that payment of no other amount is made).

(x) Counterparty Downgrade Collateral Accounts

The Issuer shall procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in a separate Counterparty Downgrade Collateral Account in respect of each Hedge Counterparty and such Hedge Agreement and that all interest accrued on the Balance standing to the credit of a Counterparty Downgrade Collateral Account shall be deposited into such Counterparty Downgrade Collateral Account. The Issuer shall procure the payment of the following amounts out of a Counterparty Downgrade Collateral Account solely in accordance with the following:

(A) prior to the occurrence or designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" (as defined in such Hedge Agreement) entered into under such Hedge Agreement pursuant to which all such "Transactions" under such Hedge Agreement are terminated early, solely in or towards payment or transfer of:

(1) any "Return Amounts" (if applicable and as defined in such Hedge Agreement);

(2) any "Interest Amounts" and "Distributions" (if applicable and each as defined in such Hedge Agreement); and

(3) any other return or transfer of collateral or other payment amounts in the nature of interest or distributions in respect of collateral in accordance with the terms of such Hedge Agreement (including without limitation in connection with any permitted novation or

other transfer of the Hedge Counterparty's obligations in respect of all "Transactions" thereunder),

directly to the Hedge Counterparty in accordance with the terms of such Hedge Agreement;

(B) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where the Issuer enters into one or more replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) first, in or towards payment of any Hedge Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);

(2) second, in or towards payment of any Hedge Replacement Payments in respect of replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(3) third, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account (*provided that* such transfer would not cause a Retention Deficiency);

(C) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early and if the Issuer, or the Investment Manager on its behalf, determines not to replace such terminated "Transactions" and Rating Agency Confirmation is received in respect of such determination or termination of such "Transactions" occurs on a Redemption Date or if for any reason the Issuer is unable to enter into one or more replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) first, in or towards payment of any Hedge Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(2) second, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account (*provided that* such transfer would not cause a Retention Deficiency).

The funds or securities credited to the Counterparty Downgrade Collateral Account and any interest or distributions thereon or liquidation proceeds thereof are held separate from (on the books and records of the Custodian) and do not form part of Principal Proceeds, Interest Proceeds or Collateral Enhancement Obligation Proceeds (save where set out immediately above) and accordingly, are not available to fund general distributions of the Issuer. The cash amounts standing to the credit of the relevant Counterparty Downgrade Collateral Account shall be segregated on the Custodian's books and records.

(xi) Expense Reserve Account

The Issuer shall procure that the following amounts are paid into the Expense Reserve Account as soon as reasonably practicable upon receipt thereof:

(A) on the Issue Date, an amount transferred from the Principal Account determined on the Issue Date for the payment of certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes;

(B) any Ongoing Expense Reserve Amount to be paid into the Expense Reserve Account pursuant to paragraph (D) of the Interest Priority of Payments; and

(C) any amounts received by the Issuer by way of indemnity payments from Secured Parties ("**Third Party Indemnity Receipts**").

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

(1) other than Third Party Indemnity Receipts, at any time, amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of the Notes and the entry into the Transaction Documents;

(2) other than Third Party Indemnity Receipts, at any time, amounts standing to the credit of the Expense Reserve Account, on or after the Effective Date, in the sole discretion of the Issuer (or the Investment Manager acting on its behalf) to the Payment Account for disbursement as Interest Proceeds pursuant to the applicable Priorities of Payment;

(3) other than Third Party Indemnity Receipts, at any time, the amount of any Trustee Fees and Expenses and Administrative Expenses which have accrued and become payable prior to the immediately following Payment Date, upon receipt of invoices therefor from the relevant creditor, **provided that** any such payments, in aggregate, shall not cause the balance of the Expense Reserve Account to fall below zero;

(4) other than Third Party Indemnity Receipts, at any time, all interest accrued from time to time on the Balance standing to the credit of the Expense Reserve Account, to the Interest Account;

(5) on any date, any Third Party Indemnity Receipts due and payable by the Issuer to the Trustee, in an amount which shall not at any time exceed the lesser of (i) the amount paid into the Expense Reserve Account in accordance with paragraph (C) above; and (ii) the amount of any indemnity payments payable by the Issuer to the Trustee. Any such amount so paid shall not be taken into account for the purposes of the application of the Senior Expenses Cap; and

(6) any Third Party Indemnity Receipts in excess of the amount paid pursuant to paragraph (5) above shall be transferred to the Payment Account on the Business Day prior to each Payment Date for application in accordance with the Interest Priorities of Payment on such Payment Date.

(xii) Interest Smoothing Account

On the Business Day following each Determination Date save for:

(A) the first Determination Date following the Issue Date;

(B) a Determination Date following the occurrence of a Note Event of Default which is continuing;

(C) the Determination Date immediately prior to any redemption of the Notes in full; and

(D) any Determination Date on or following the occurrence of a Frequency Switch Event,

the Interest Smoothing Amount (if any) in respect of each Interest Smoothing Obligation shall be credited to the Interest Smoothing Account from the Interest Account.

The Issuer shall, on the Business Day falling after each Payment Date, transfer to the Interest Account an amount equal to:

(1) if any Interest Smoothing Amount was transferred to the Interest Smoothing Account on the immediately prior Determination Date in respect of an Interest Smoothing Obligation with a Payment Frequency greater than three and less than or equal to six, an amount equal to such Interest Smoothing Amount; and

(2) if any Interest Smoothing Amount was transferred to the Interest Smoothing Account on any of the prior three Determination Dates in respect of an Interest Smoothing Obligation with a Payment Frequency greater than nine, an amount equal to such Interest Smoothing Amount divided by three.

(xiii) First Period Reserve Account

The Issuer shall procure that on or about the Issue Date €1,500,000 is paid into the First Period Reserve Account from the Unused Proceeds Account.

At any time up to and including the last day of the Ramp-up Period, the Investment Manager, in its sole discretion (acting on behalf of the Issuer), may direct some or all amounts standing to the credit of the First Period Reserve Account to be used for (A) the acquisition of Portfolio Assets or (B) to the Principal Account pending such acquisition, subject to and in accordance with the Investment Management Agreement, in each case, *provided that* to do so would not cause a Retention Deficiency. Following the Ramp-up Period, all of the funds in the First Period Reserve Account (save for amounts transferred to the Principal Account) (including all interest accrued thereon) shall be transferred to the Interest Account for distribution pursuant to the Interest Priority of Payments.

(xiv) Contribution Account

The Issuer shall procure that any Contribution Amount contributed by a Contributing Noteholder is credited to the Contribution Account as soon as reasonably practicable upon receipt thereof.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Contribution Account:

(A) at any time, at the discretion of the Investment Manager, to the Principal Account for (x) investment in Portfolio Assets or (y) distribution on the next following Payment Date in accordance with the Principal Priority of Payments (*provided that* such transfer to the Principal Account would not cause a Retention Deficiency); and

(B) the Balance standing to the credit of the Contribution Account to the Payment Account for distribution on such Payment Date in accordance with the Acceleration Priority of Payments automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*).

(k) Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date

Subject as further provided below, the Collateral Administrator shall, on behalf of the Issuer, on a Partial Redemption Date, instruct the Account Bank to disburse Refinancing Proceeds received in respect of the Optional Redemption in part of any Class or Classes of Rated Notes and Partial Redemption Interest Proceeds transferred to the Payment Account, in each case, in accordance with the following order of priority:

(i) to the payment of accrued and unpaid Trustee Fees and Expenses, to the extent incurred in connection with such Optional Redemption in part;

(ii) to the payment of Administrative Expenses in the priority stated in the definition thereof, to the extent incurred in connection with any Optional Redemption in part;

(iii) to the redemption of the Class or Classes of Rated Notes to be redeemed in part at the applicable Redemption Prices (in the case of any Partial Redemption Date that is a Payment Date, without duplication of any amounts due to be received by any Class of Notes pursuant to the Principal Priority of Payments, the Interest Priority of Payments and Acceleration Priority of Payments); and

(iv) any remaining amounts to be deposited in the Interest Account as Interest Proceeds,

provided that, in the case of an Optional Redemption effected in part through Refinancing, no distribution from Refinancing Proceeds shall be made to the Subordinated Noteholders.

4. Security

(a) Security

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes of each Class and each Transaction Document are secured in favour of the Trustee for the benefit of the Secured Parties by:

(i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Portfolio Assets, Exchanged Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and any other investments (other than the Counterparty Downgrade Collateral), in each case held by the Issuer from time to time where such rights are contractual rights (other than: (A) contractual rights the assignment of which would require the consent of a third party, (B) contractual rights the assignment of which would require the Trustee to enter into an intercreditor agreement or similar agreement or deed and (C) contractual rights that arise under securities), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a first fixed charge over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Portfolio Assets, Exchanged Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and any other investments (other than the Counterparty Downgrade Collateral), in each case held by the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(iii) a first fixed charge over all present and future rights of the Issuer in respect of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and all moneys from time to time standing to the credit of such Accounts (other than the Counterparty Downgrade Collateral Accounts) and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

(iv) a charge (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual rights) of, all present and future rights of the Issuer in respect of any Counterparty Downgrade Collateral standing to the credit of the Counterparty Downgrade Collateral Accounts; including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and over the Counterparty Downgrade Collateral Accounts and all moneys from time to time standing to the credit of the Counterparty Downgrade Collateral Accounts and the debts represented thereby and including, without limitation, all interest accrued and other monies received in respect thereof, subject, in each case, (x) to the rights of any Hedge Counterparty to Counterparty Downgrade Collateral pursuant to the terms of the relevant Hedge Agreement and *provided that* the foregoing shall, to the extent that the Issuer is required to repay or redeliver Counterparty Downgrade Collateral or other amounts standing to the credit of the applicable Counterparty Downgrade Collateral Account to the related Hedge Counterparty (for the purposes of this paragraph (iv), the "**Relevant Amount**"), be held solely for the benefit of such Hedge Counterparty in order to secure the Issuer's obligations to the Hedge Counterparty to account for the Relevant Amount and/or, (y) to any security interest entered into by the Issuer in relation thereto (whether such security interest is entered into on the Issue Date or subsequently) and Condition 3(j)(x) (*Counterparty Downgrade Collateral Account*);

(v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Collateral Administration and Agency Agreement (to the extent it relates to the Custody Account) and a first fixed charge over all of the Issuer's present and future rights, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;

(vi) a first fixed charge over all moneys held from time to time by the Principal Paying Agent and any other Agent for payment of principal, interest or other amounts on the Notes (if any);

(vii) an assignment by way of security of all of the Issuer's present and future rights under each Hedge Agreement (or any security interest entered into by the Issuer for the benefit of the relevant Hedge Counterparty) and each Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Hedge Agreement, provided that such assignment by way of security is without prejudice to, and after giving effect to, any contractual netting or set-off provision under the relevant Hedge Agreement and shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof);

(viii) an assignment by way of security of all the Issuer's present and future rights under the Investment Management Agreement and all sums derived therefrom;

(ix) an assignment by way of security of all of the Issuer's present and future rights under each other Transaction Documents and all sums derived therefrom; and

(x) a floating charge over the whole of the Issuer's undertaking and assets to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed,

excluding for the purpose of paragraphs (i) to (x) above, (A) the Issuer's rights under the Administration Agreement; and (B) amounts standing to the credit, and the Issuer's rights in respect, of the Issuer Irish Account.

The security created pursuant to paragraphs (i) to (x) above (inclusive) is granted to the Trustee for itself and as trustee for the other Secured Parties as continuing security for the payment of the Secured Obligations (as defined in the Trust Deed), provided that the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement will only be available to the Secured Parties (other than with respect to the collateral provided to the relevant Hedge Counterparty pursuant to such Hedge Agreement and Condition 3(j)(x) (Counterparty Downgrade Collateral Accounts) when such collateral is expressed to be available to the Issuer in accordance with the applicable Hedge Agreement and these Conditions and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the relevant Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(j)(x) (Counterparty Downgrade Collateral Accounts). The security will extend to the ultimate balance of all sums payable by the Issuer in respect of the above, regardless of any intermediate payment or discharge in whole or in part.

If, for any reason, the purported assignment by way of security of, and/or the grant of charge over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Collateral**"), the Issuer shall hold the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together, the "**Trust Collateral**") on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (**provided that**, subject to these Conditions and the terms of the Investment Management Agreement, if no Note Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security:

(i) by way of a first priority security interest to a Hedge Counterparty over:

(A) the Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the Counterparty Downgrade Collateral Account related to such Hedge Counterparty (including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, redemption and repayment, thereof); and

(B) the Counterparty Downgrade Collateral Account related to such Hedge Counterparty, all moneys from time to time standing to the credit of such Counterparty Downgrade Collateral Account and the debts represented thereby including without limitation, all interest accrued and other monies received in respect thereof;

in each case, as security for the Issuer's obligations to make any payment and/or delivery to the relevant Hedge Counterparty pursuant to the terms of the applicable Hedge Agreement and these Conditions (subject to such security documentation as may be agreed between such third party, the Investment Manager acting on behalf of the Issuer and the Trustee). For the avoidance of doubt, the Issuer may grant such security interest directly to the Hedge Counterparty; and/or

(ii) to a third party over amounts representing all or part of the Unfunded Amount of any Revolving Obligation or Delayed Drawdown Obligation as security for any

reimbursement or indemnification obligation of the Issuer under such Revolving Obligation or Delayed Drawdown Obligation, subject to the terms of Condition 3(j)(viii) (*Revolving Reserve Account*) (subject to such security documentation as may be agreed between such third party and the Issuer).

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the Portfolio will be deposited with or held by or on behalf of the Custodian until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, any Hedge Counterparty, a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian, any Hedge Counterparty or the Account Bank satisfies the Rating Requirement applicable to it or, in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement custodian, hedge counterparty or account bank. The Trustee has no responsibility for the management of the Portfolio by the Investment Manager or to supervise the administration of the Portfolio by the Collateral Administrator or for the performance by any other party of its obligations under the Transaction Documents and is entitled to rely on the written certificates or written notices of any relevant party without further enquiry or liability. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect. The Trustee has no responsibility for the value, sufficiency, adequacy or enforceability of the Collateral or the security conferred in respect thereof.

(b) Application of Proceeds upon Enforcement

The Trust Deed provides that the net proceeds of realisation of, or enforcement with respect to the security over the Collateral constituted by the Trust Deed shall (except as otherwise specified) be applied in accordance with the Acceleration Priority of Payments set out in Condition 10(c) (*Acceleration Priority of Payments*).

(c) Limited Recourse and Non-Petition

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payment. If the net proceeds of realisation of the security constituted by the Trust Deed, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a "**Shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payment. In such circumstances, the other assets (including the Issuer Irish Account and amounts standing to the credit thereof and the Issuer's rights in respect thereof and the Issuer's rights under the Administration Agreement) of the Issuer will not be available for payment of such shortfall which shall be borne by the Class X Noteholders, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders and the other Secured Parties in accordance with the Priorities of Payment (applied in reverse order). The rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee or the other Secured Parties (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer or its Directors, officers, successors or assigns, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency,

winding up, examinership or liquidation proceedings or other proceedings under any applicable bankruptcy or similar laws in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed (including by appointing a receiver or an administrative receiver).

Save to the extent to which any shareholder, officer, agent, employee or director of the Issuer commits fraud or engages in any wilful misconduct in connection with any Transaction Document, no recourse under any obligation, covenant or agreement of the Issuer contained in any Transaction Document may be sought by any of the Secured Parties, or their Affiliates, against any shareholder, officer, agent, employee or director of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the Transaction Documents are corporate obligations of the Issuer. No personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in any Transaction Document or implied therefrom, save to the extent to which any shareholder, officer, agent, employee or director commits fraud or engages in any wilful misconduct in connection with any Transaction Document, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is expressly waived by each of the Secured Parties, save to the extent to which any such shareholder, officer, agent, employee or director commits fraud or engages in any wilful misconduct in connection with any Transaction Document.

None of the Trustee, the Arranger, the Originator, the Directors, the Initial Purchaser, the Investment Manager, the Collateral Administrator, nor any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) Exercise of Rights in Respect of the Portfolio

Pursuant to the Investment Management Agreement, the Issuer authorises the Investment Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Investment Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any obligations forming part of the Portfolio.

(e) Information Regarding the Collateral

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is posted on a secured website at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Arranger, the Initial Purchaser, any Hedge Counterparty and the Noteholders from time to time) and such reports are made available on such website to the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Arranger, the Initial Purchaser, the Retention Holder, any Hedge Counterparty and the Rating Agencies and, to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator (subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes).

(f) Contribution Amounts

At any time during the Reinvestment Period, any holder of a beneficial interest in Subordinated Notes may notify the Issuer, the Trustee and the Investment Manager that it proposes to make a contribution of cash to the Issuer (each, a "**Contribution Amount**"). The Investment Manager (on behalf of the Issuer), in consultation with such holder (but in the Investment Manager's sole discretion), will determine whether to accept any proposed Contribution Amount and the Investment Manager will provide written notice of such determination to the applicable Contributing Noteholder. If a Contribution Amount is accepted it will be received into the Contribution Account and applied by the Investment Manager on behalf of the Issuer to a Permitted Use as directed by the Contributing Noteholder at the time such Contribution Amount is made by it (or, if no such direction is given, at the Investment Manager's sole discretion). Contribution Amounts paid to the Issuer shall not earn interest and shall not increase the principal balance of the Subordinated Notes or the beneficial interest therein of the applicable Contributing Noteholder. No Contribution Amount or part thereof will be repaid to the Contributing Noteholder at any time otherwise than by operation of the Priorities of Payment. The acceptance of Contribution Amounts by the Investment Manager, on behalf of the Issuer, shall be subject to the conditions that (i) on each occasion, to do so would not cause a Retention Deficiency; (ii) no more than three Contribution Amounts in aggregate shall be accepted by the Investment Manager on behalf of the Issuer; and (iii) on each occasion, each Contribution Amount shall be a minimum of €1,000,000.

5. Issuer Representations, Warranties and Covenants

The Trust Deed contains, *inter alia*, representations, warranties and covenants in favour of the Trustee which, *inter alia*, require the Issuer to comply with its obligations under the Transaction Documents and restrict the ability of the Issuer to create or incur any indebtedness (other than as permitted under the Trust Deed), to dispose of assets, change the nature of its business or to take or fail to take any action which may adversely affect the priority or enforceability of the security interest in the Collateral.

6. Interest

(a) Payment Dates

(i) Rated Notes

The Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes each bear interest from (and including) the Issue Date (or in the case of any Notes issued in connection with the Refinancing of any such Class of Notes, the relevant date of the Refinancing) and such interest will be payable quarterly at any time prior to the occurrence of a Frequency Switch Event and thereafter, semi-annually (or, in the case of interest accrued during the initial Interest Period, for the period from (and including) the Issue Date to (but excluding) the Payment Date falling in December 2018) in arrear on each Payment Date.

(ii) Subordinated Notes

Interest shall be payable on the Subordinated Notes to the extent funds are available in accordance with the relevant Priorities of Payment on each Payment Date and shall continue to be payable in accordance with this Condition notwithstanding redemption in full of any Subordinated Note at its applicable Redemption Price until there are no further amounts available to be distributed to the holders of the Subordinated Notes in accordance with the Priorities of Payment.

Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of each Subordinated Note remains outstanding at all times and any amounts which are to be applied in redemption of any Subordinated Notes which are in excess of the Principal Amount

Outstanding thereof minus €1, shall constitute interest payable in respect of such Subordinated Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, **provided always however that** such €1 principal shall no longer remain Outstanding and the Subordinated Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

(b) Interest Accrual

(i) Rated Notes

Each Rated Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition (both before and after judgement) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent, as applicable, has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) Subordinated Notes

Payments on the Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds, Principal Proceeds or Collateral Enhancement Obligation Proceeds remain available for distribution in accordance with the Priorities of Payment.

(c) Deferral of Interest

The Issuer shall only be obliged to pay any Interest Amount payable in respect of the Class C Notes in full on any Payment Date to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment. An amount of interest equal to any shortfall in payment of the Interest Amount that would otherwise be due and payable in respect of any such Class C Note on any Payment Date (each such amount being referred to as "**Class C Deferred Interest**") shall be deferred and shall, with effect from and including such Payment Date, be added to the Principal Amount Outstanding of the Class C Notes and the principal amount of each such Note shall be increased by the amount of its *pro rata* share of such Class C Deferred Interest, which shall itself bear interest in accordance with these Conditions from such date. The failure to pay Class C Deferred Interest to the holders of such Notes will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes.

The Issuer shall only be obliged to pay any Interest Amount payable in respect of the Class D Notes in full on any Payment Date to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment. An amount of interest equal to any shortfall in payment of the Interest Amount that would otherwise be due and payable in respect of any such Class D Note on any Payment Date (each such amount being referred to as "**Class D Deferred Interest**") shall be deferred and shall, with effect from and including such Payment Date, be added to the Principal Amount Outstanding of the Class D Notes and the principal amount of each such Note shall be increased by the amount of its *pro rata* share of such Class D Deferred Interest, which shall itself bear interest in accordance with these Conditions from such date. The failure to pay Class D Deferred Interest to the holders of such Notes will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes.

The Issuer shall only be obliged to pay any Interest Amount payable in respect of the Class E Notes in full on any Payment Date to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment. An amount of interest equal to any shortfall in payment of the Interest Amount that would

otherwise be due and payable in respect of any such Class E Note on any Payment Date (each such amount being referred to as "**Class E Deferred Interest**") shall be deferred and shall, with effect from and including such Payment Date, be added to the Principal Amount Outstanding of the Class E Notes and the principal amount of each such Note shall be increased by the amount of its *pro rata* share of such Class E Deferred Interest, which shall itself bear interest in accordance with these Conditions from such date. The failure to pay Class E Deferred Interest to the holders of such Notes will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes.

The Issuer shall only be obliged to pay any Interest Amount payable in respect of the Class F Notes in full on any Payment Date to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment. An amount of interest equal to any shortfall in payment of the Interest Amount that would otherwise be due and payable in respect of any such Class F Note on any Payment Date (each such amount being referred to as "**Class F Deferred Interest**") shall be deferred and shall, with effect from and including such Payment Date, be added to the Principal Amount Outstanding of the Class F Notes and the principal amount of each such Note shall be increased by the amount of its *pro rata* share of such Class F Deferred Interest, which shall itself bear interest in accordance with these Conditions from such date. The failure to pay Class F Deferred Interest to the holders of such Notes will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes.

(d) Payment of Deferred Interest

Deferred Interest shall only become payable by the Issuer to the extent that Interest Proceeds, Principal Proceeds or the proceeds of the enforcement of security over the Collateral are available to make such payment in accordance with the Priorities of Payment.

(e) Interest on the Rated Notes

(i) Floating Rate of Interest

The rate of interest from time to time in respect of the Class X Notes (the "**Class X Floating Rate of Interest**"), in respect of the Class A Notes (the "**Class A Floating Rate of Interest**"), in respect of the Class B-1 Notes (the "**Class B-1 Floating Rate of Interest**"), in respect of the Class C Notes (the "**Class C Floating Rate of Interest**"), in respect of the Class D Notes (the "**Class D Floating Rate of Interest**"), in respect of the Class E Notes (the "**Class E Floating Rate of Interest**") and in respect of the Class F Notes (the "**Class F Floating Rate of Interest**") (and each a "**Floating Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(A) On each Interest Determination Date, the Calculation Agent will determine:

(1) in the case of the initial Interest Period, a straight line interpolation of the offered rate for 6 and 9 month Euro deposits;

(2) in the case of an Interest Period prior to the occurrence of a Frequency Switch Event, the offered rate for 3 month Euro deposits; and

(3) in the case of an Interest Period following the occurrence of a Frequency Switch Event, (i) the offered rate for 6 month Euro deposits, or (ii) if such Interest Determination Date falls in September 2030, the offered rate for 3 month Euro deposits, **provided that** if a Frequency Switch Event occurs on a date which is not a Payment Date, the Calculation Agent will determine the offered rate for 3 month Euro deposits or 6 month Euro deposits, as the case may be, as at the Interest Determination Date immediately prior to such Frequency Switch Event for the Interest Period in which the Frequency Switch Event occurs; and

in each case as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question. Such offered rate will be that which appears on the display designated as Reuters EURIBOR01 (or such other page or service as may replace it for the purpose of displaying three month EURIBOR). The Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such Interest Period shall be the aggregate of the Applicable Margin and the rate which so appears, all as determined by the Calculation Agent.

(B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) above shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks (selected by the Investment Manager) in the Euro zone interbank market acting in each case through its principal Euro zone office (the "**Reference Banks**") to provide the Calculation Agent with its offered quotation to leading banks for Euro deposits in the Euro zone interbank market:

(1) in the case of the initial Interest Period, a straight line interpolation of the offered rate for 6 and 9 month Euro deposits;

(2) in the case of an Interest Period prior to the occurrence of a Frequency Switch Event, for a period of 3 months; and

(3) in the case of an Interest Period following the occurrence of a Frequency Switch Event, (i) for a period of 6 months, or (ii) if such Interest Determination Date falls in September 2030, for a period of 3 months, **provided that** if a Frequency Switch Event occurs on a date which is not a Payment Date, the Calculation Agent will determine the offered rate for 3 month Euro deposits or 6 month Euro deposits, as the case may be, as at the Interest Determination Date immediately prior to such Frequency Switch Event for the Interest Period in which the Frequency Switch Event occurs,

in each case, as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question. The Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such Interest Period shall be the aggregate of the Applicable Margin and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of such quotations (or of such of them, being at least two, as are so provided), all as determined by the Calculation Agent.

(C) If on any Interest Determination Date one only or none of the Reference Banks provides such quotations, for the next Accrual Period:

(1) the Investment Manager may (but is not be obliged to) propose an alternative to the offered quotations referred to in Condition 6(e)(i)(B)(1), (2) and (3) (the "**Investment Manager Alternative Quotations**") to the Controlling Class by notification thereof in accordance with Condition 16 within 5 Business Days of the Interest Determination Date which the Controlling Class may

consent to by way of Ordinary Resolution within 5 Business Days of delivery of such notification;

(2) if (a) the Investment Manager does not propose a Investment Manager Alternative Quotations pursuant to paragraph (1) above, then the Controlling Class may (but shall not be obliged to) (acting by Ordinary Resolution) propose its own alternative to the offered quotations referred to in Condition 6(e)(i)(B)(1), (2) and (3) (the "**Controlling Class Alternative Quotations**") to the Investment Manager within 5 Business Days of the Interest Determination Date; or (b) the Investment Manager proposes a Investment Manager Alternative Quotations to be applied pursuant to paragraph (1) above and the Controlling Class (acting by way of Ordinary Resolution) does not consent to the use of such Investment Manager Alternative Quotations within 5 Business Days of delivery of notice thereof in accordance with Condition 16, then the Controlling Class may (but shall not be obliged to) (acting by Ordinary Resolution) propose a Controlling Class Alternative Quotations within 5 Business Days of delivery of the written proposal from the Investment Manager under paragraph (1) above. The use of any such Controlling Class Alternative Quotations is subject to the consent of the Investment Manager to be given within 5 Business Days of receipt of the proposal for the Controlling Class Alternative Quotations from the Controlling Class.

(3) if the Investment Manager and the Controlling Class agree the Investment Manager Alternative Quotations described in paragraph (1) above or the Controlling Class Alternative Quotations described in paragraph (2) above, then the Investment Manager shall promptly notify the Calculation Agent in writing of such Investment Manager Alternative Quotations or Controlling Class Alternative Quotations and the Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such next Accrual Period shall be the aggregate of the Applicable Margin (if any) and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the relevant Investment Manager Alternative Quotations or Controlling Class Alternative Quotations (as applicable) or with such modifications to such calculations as may be agreed as part of the Investment Manager Alternative Quotations or Controlling Class Alternative Quotations, all as determined by the Calculation Agent;

(4) if (a) the Investment Manager does not make a proposal for a Investment Manager Alternative Quotations or such Investment Manager Alternative Quotations are not consented to by the Controlling Creditor under paragraph (1) above, or (b) the Controlling Class does not propose a Controlling Class Alternative Quotations or the Investment Manager does not consent to the Controlling Class Alternative Quotations proposed under paragraph (2) above, in each case within the relevant time period specified under paragraphs (1) and (2) above (as applicable), then then the Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest, respectively, for the next Interest Period shall be

calculated based on any alternative rate which has replaced EURIBOR in customary market usage for the purposes of determining floating rates of interest in respect of euro-denominated securities, as notified by the Calculation Agent to the Issuer, and promptly thereafter by the Issuer to the Noteholders in accordance with Condition 16, provided however that if the Calculation Agent determines (following consultation with the Issuer), that there is no clear market consensus as to whether any rate has replaced EURIBOR in customary market usage, the Issuer (or the Investment Manager on its behalf) will appoint in its sole discretion an independent financial advisor (the "**IFA**") to determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Investment Manager, the Calculation Agent and the Noteholders.

(D) Where:

"**Applicable Margin**" means:

(1) in the case of the Class X Notes: 0.35 per cent. per annum (the "**Class X Margin**");

(2) in the case of the Class A Notes: 0.82 per cent. per annum (the "**Class A Margin**");

(3) in the case of the Class B-1 Notes: 1.25 per cent. per annum (the "**Class B-1 Margin**");

(4) in the case of the Class C Notes: 1.70 per cent. per annum (the "**Class C Margin**");

(5) in the case of the Class D Notes: 2.60 per cent. per annum (the "**Class D Margin**");

(6) in the case of the Class E Notes: 4.63 per cent. per annum (the "**Class E Margin**"); and

(7) in the case of the Class F Notes: 6.22 per cent. per annum (the "**Class F Margin**"),

subject to any Refinancing, when the Applicable Margin will be as notified to Noteholders pursuant to Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*).

(E) Notwithstanding paragraphs (A) and (B) above, if, in relation to any Interest Determination Date, EURIBOR (or any other benchmark rate that may apply under this Condition 6(e)(i) (*Floating Rate of Interest*)) in respect of any Class of Rated Notes as determined in accordance with paragraphs (A) and (B) above would yield a rate less than zero, EURIBOR (or such other benchmark rate) shall be deemed to be zero for the purposes of determining the Floating Rates of Interest pursuant to this Condition 6(e)(i) (*Floating Rate of Interest*).

(ii) Determination of Floating Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each Interest Determination Date, but in no event later than the second Business Day after such date, determine the Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest and calculate the interest amount payable in respect of each of the Class X Notes, Class A Notes, Class B-1 Notes, Class C Notes,

Class D Notes, Class E Notes and Class F Notes for the relevant Interest Period. The amount of interest (an "**Interest Amount**") payable in respect of such Notes shall be calculated by applying the Class X Floating Rate of Interest in the case of Class X Notes, the Class A Floating Rate of Interest in the case of the Class A Notes, the Class B-1 Floating Rate of Interest in the case of the Class B-1 Notes, the Class C Floating Rate of Interest in the case of the Class C Notes, the Class D Floating Rate of Interest in the case of the Class D Notes, the Class E Floating Rate of Interest in the case of the Class E Notes and the Class F Floating Rate of Interest in the case of the Class F Notes, respectively, to the Principal Amount Outstanding of such Note, multiplying the product by the actual number of days in the Interest Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(iii) Calculation of Fixed Amounts

The Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each Interest Determination Date, but in no event later than the second Business Day after such date, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Class B-2 Notes for the relevant Interest Period by applying the Class B-2 Fixed Rate to an amount equal to the Principal Amount Outstanding in respect of the Class B-2 Notes, *multiplying* the product by the number of days in the Interest Period concerned (the number of days to be calculated on the basis of a year with 12 months of 30 days each) *divided* by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards) where:

"**Class B-2 Fixed Rate**" means 2.20 per cent. per annum.

(iv) Reference Banks and Calculation Agent

The Issuer will procure that, so long as any Class X Note, Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note remains Outstanding:

(A) a Calculation Agent shall be appointed and maintained for the purposes of determining the interest rate and interest amount payable in respect of the Notes; and

(B) in the event that the Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*) are appointed.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Floating Rate of Interest for any Interest Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer (or the Investment Manager (acting on behalf of the Issuer)) shall (with the prior written approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) Interest Proceeds in respect of Subordinated Notes

The Collateral Administrator will on each Determination Date calculate the Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds payable in respect of an original principal amount of Subordinated Notes equal to the Minimum Denomination and Authorised Integral Amount applicable thereto for the relevant Interest Period. The Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds payable on

each Payment Date in respect of an original principal amount of Subordinated Notes equal to the Minimum Denomination and Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds to be applied on the applicable Payment Date pursuant to the Interest Priority of Payments and the amount of Principal Proceeds to be applied as interest on the applicable Payment Date pursuant to the Principal Priority of Payments and the amount of Collateral Enhancement Obligation Proceeds to be applied on the applicable Payment Date pursuant to the Collateral Enhancement Obligation Priority of Payments by fractions equal to the amount of such Minimum Denomination or Authorised Integral Amount, as applicable, divided by the aggregate original principal amount of the Subordinated Notes.

(g) Publication of Floating Rates of Interest, Interest Amounts and Deferred Interest

The Calculation Agent (on behalf of the Issuer) will cause the Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest and the Interest Amounts payable in respect of each Class of Rated Notes, the amount of any Deferred Interest due but not paid on any Class C Notes, Class D Notes, Class E Notes or Class F Notes for each Interest Period and Payment Date and the Principal Amount Outstanding of each Class of Notes as of the applicable Payment Date to be notified to the Registrar, the Principal Paying Agent, the Paying Agents, the Trustee and the Investment Manager and for so long as the Notes are listed on the Global Exchange Market of Euronext Dublin, Euronext Dublin as soon as possible after their determination but in no event later than the fourth Business Day thereafter, and the Principal Paying Agent shall cause each such rate, amount and date to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts in respect of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Payment Date in respect of any Class of Notes so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent, or the Collateral Administrator, as the case may be, in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) Notifications, etc. to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 (*Interest*), whether by the Reference Banks (or any of them), the Calculation Agent or the Collateral Administrator, will (in the absence of manifest error) be binding on the Issuer, the Reference Banks, the Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent, the Collateral Administrator, the Transfer Agent and all Noteholders and (in the absence of fraud, negligence or wilful default) no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent or the Collateral Administrator in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition 6(h) (*Notifications, etc. to be Final*).

7. Redemption and Purchase

(a) Final Redemption

Save to the extent previously redeemed in full and cancelled, the Notes of each Class will be redeemed on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Notes will be redeemed at their Redemption Price in accordance with the Priorities of Payment. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) Optional Redemption

(i) Redemption at Option of the Subordinated Noteholders

Subject to the provisions of Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption*), Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*), the Notes may be redeemed in whole but not in part by the Issuer from Available Proceeds (which may include without limitation Refinancing Proceeds) on any Call Date at the option of the Subordinated Noteholders acting by Ordinary Resolution evidenced by delivery to the Issuer of duly completed Redemption Notices.

(ii) Optional Redemption by Refinancing

Subject to the provisions of Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*), the Rated Notes may be redeemed in whole or in part by the Issuer by the redemption in whole of one or more Classes of Rated Notes solely from Refinancing Proceeds on any Call Date at the option of the Subordinated Noteholders acting by Ordinary Resolution evidenced by delivery to the Issuer of duly completed Redemption Notices.

(iii) Optional Redemption upon the occurrence of a Collateral Tax Event

Subject to the provisions of Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*), the Notes may be redeemed in whole but not in part by the Issuer from Available Proceeds on any Payment Date upon the occurrence of a Collateral Tax Event at the option of the Subordinated Noteholders acting by Ordinary Resolution evidenced by delivery to the Issuer of duly completed Redemption Notices.

(iv) Optional Redemption of Subordinated Notes

Subject to the provisions of Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*), the Subordinated Notes may be redeemed in whole but not in part by the Issuer on any Business Day occurring after the expiry of the Non-Call Period on or after the Payment Date on which the redemption or repayment in full of the Rated Notes occurs, at the direction of the Subordinated Noteholders acting by Ordinary Resolution.

(v) Terms and Conditions of an Optional Redemption

In connection with any Optional Redemption:

(A) the Issuer shall procure that at least 10 Business Days' prior written notice of an Optional Redemption, including the applicable Redemption Date, and the relevant Redemption Price therefor, is given to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 16 (*Notices*);

(B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices, subject, in the case of an Optional Redemption of the Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes. Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer, the Principal Paying Agent and the Investment Manager no later than five Business Days (or

such shorter period of time as may be agreed by the Trustee and the Investment Manager, acting reasonably) prior to the relevant Redemption Date;

(C) neither the holders of the Rated Notes nor the Investment Manager shall have the right or other ability to prevent an Optional Redemption directed by the Subordinated Noteholders in accordance with this Condition 7(b) (*Optional Redemption*); and

(D) any such redemption must comply with the procedures set out in Condition 7(b)(viii) (*Mechanics of Redemption*).

(vi) Optional Redemption effected in whole or in part through Refinancing

Following receipt of, or as the case may be, confirmation from the Issuer or the Principal Paying Agent of receipt of, a direction in writing from the Subordinated Noteholders (acting by Ordinary Resolution), in each case to exercise any right of optional redemption pursuant to Condition 7(b)(i) (*Redemption at Option of the Subordinated Noteholders*) or Condition 7(b)(ii) (*Optional Redemption by Refinancing*), the Issuer shall in the case of a redemption in whole of all Classes of Rated Notes or in the case of a redemption of an entire Class of Rated Notes, issue replacement notes (each, a "**Refinancing Note**" and, together "**Refinancing Notes**") (any such refinancing, a "**Refinancing**"). The disclosure of the identity of any financial institutions acting as purchasers thereunder is subject to the prior written consent of the Investment Manager and a direction in writing from the Subordinated Noteholders (acting by Ordinary Resolution).

Refinancing Proceeds may be applied in addition to (or in place of) other Available Proceeds in the redemption of the Rated Notes in whole pursuant to Condition 7(b)(i) (*Redemption at Option of the Subordinated Noteholders*). Refinancing Proceeds shall be applied in the redemption of the Rated Notes in whole or in part pursuant to Condition 7(b)(ii) (*Optional Redemption by Refinancing*).

A Refinancing relating to the redemption of the Rated Notes in whole (but not in part) will be effective only if:

(A) the Issuer provides prior written notice thereof to the Rating Agencies and, if applicable, each Hedge Counterparty;

(B) the sum of (x) the Refinancing Proceeds and any amount standing to the credit of the Refinancing Account to cover Refinancing Costs, (y) the amount of Interest Proceeds standing to the credit of the Interest Account applied in accordance with the Interest Priority of Payments and (z) other Available Proceeds (if any), will be at least sufficient to pay in full:

(1) the aggregate Redemption Prices of the entire Classes of the Rated Notes;

(2) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing in addition to any other fees, costs and expenses payable in connection with such Refinancing;

(3) all amounts ranking *pari passu* with or senior to any amounts payable in respect of the Rated Notes; and

(4) the fees and expenses for the rating by each Rating Agency of the Refinancing Notes;

(C) the Refinancing Proceeds and other Available Proceeds are used (to the extent necessary) to make such redemption;

(D) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed;

(E) all Refinancing Proceeds and other Available Proceeds are received by (or on behalf of) the Issuer into the Refinancing Account on or prior to the applicable Redemption Date; and

(F) the following conditions are satisfied:

(1) so long as the existing Notes of the Class being refinanced are listed on the Global Exchange Market, the Refinancing Notes to be issued are in accordance with the requirements of Euronext Dublin and are listed on the Global Exchange Market (for so long as the rules of Euronext Dublin so require);

(2) such issuances of Refinancing Notes are in accordance with all applicable laws,

in each case, as certified to the Issuer and the Trustee by the Investment Manager (upon which certification the Issuer and the Trustee shall be entitled to rely without further enquiry and without any liability for so relying).

A Refinancing relating to the redemption of the Rated Notes of a Class (but not the Rated Notes of each Class in whole) will be effective only if:

(A) the Issuer provides prior written notice thereof to the Rating Agencies and, if applicable, each Hedge Counterparty;

(B) all terms and conditions (save for the relevant issue date, the initial interest period, the first payment date and the Applicable Margin or Class B-2 Fixed Rate (as applicable)) of each Class of Refinancing Notes are identical to the terms and conditions of the Class or Classes of Rated Notes being redeemed with the Refinancing Proceeds (other than any modification to remove the right of the Subordinated Noteholders or any other person to direct the Issuer to redeem by Refinancing the Refinancing Notes);

(C) any redemption of a Class or Classes of Rated Notes is a redemption in whole of the entire Class or Classes of Rated Notes being refinanced and redeemed;

(D) the sum of (x) the Refinancing Proceeds and any amount standing to the credit of the Refinancing Account to cover Refinancing Costs, and (y) the amount of Partial Redemption Interest Proceeds, will be at least sufficient to pay in full:

(1) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes which are the subject of the Refinancing;

(2) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing in addition to any other fees, costs and expenses payable in connection with such Refinancing;

(3) all amounts ranking *pari passu* with or senior to any amounts payable in respect of Rated Notes subject to the Refinancing; and

(4) the fees and expenses for the rating by each Rating Agency of the Refinancing Notes;

(E) if the Partial Redemption Date is not otherwise a Payment Date, the Investment Manager reasonably determines that Interest Proceeds will be

available on the next following Payment Date in an amount at least equal to the amount that will be required for distribution under the Interest Priority of Payments for the payment of all Trustee Fees and Expenses and Administrative Expenses on the next following Payment Date (for the avoidance of doubt, after taking into account any reduction in the Senior Expenses Cap on such Payment Date in connection with the application of Partial Redemption Interest Proceeds on the applicable Redemption Date in accordance with the definition of Senior Expenses Cap);

(F) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;

(G) the Refinancing Proceeds and Partial Redemption Interest Proceeds are applied in accordance with the Partial Redemption Priority of Payments;

(H) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed;

(I) the aggregate principal amount of each Class of Refinancing Notes is equal to the aggregate Principal Amount Outstanding of the corresponding Class of Rated Notes being redeemed with Refinancing Proceeds and Partial Redemption Interest Proceeds;

(J) the Applicable Margin of each Class of Refinancing Notes or the interest rate of each Class of Refinancing Notes that are fixed rate notes (as applicable) may be different to, but will not be greater than, the Applicable Margin or interest rate (as applicable) of the corresponding Class of Rated Notes being redeemed with Refinancing Proceeds;

(K) payments in respect of the Refinancing Notes are subject to the Priorities of Payment and rank at the same priority pursuant to the Priorities of Payment as the relevant Class or Classes of Rated Notes being redeemed with Refinancing Proceeds;

(L) all Refinancing Proceeds are received by (or on behalf of) the Issuer into the Refinancing Account on or prior to the applicable Redemption Date;

(M) the following conditions are satisfied:

(1) so long as the existing Notes of the Class being refinanced are listed on the Global Exchange Market, the Refinancing Notes to be issued are in accordance with the requirements of Euronext Dublin and are listed on the Global Exchange Market (for so long as the rules of Euronext Dublin so require);

(2) such issuances of Refinancing Notes are in accordance with all applicable laws; and

(N) the Issuer has notified the Noteholders of the new Applicable Margin or Class B-2 Fixed Rate (as applicable) of the Refinancing Notes in accordance with Condition 16 (*Notices*),

in each case, as certified to the Issuer and the Trustee by the Investment Manager (upon which certification the Issuer and the Trustee shall be entitled to rely without further enquiry and without any liability for so relying).

If any of the conditions specified in this Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give written notice of such cancellation to the Trustee, the Investment Manager and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Investment Manager, the Originator, the Collateral Administrator, the Trustee and any Agent shall be liable to any party, including the Subordinated Noteholders, for any failure to effect a Refinancing or for the terms or sufficiency or legality of any Refinancing.

(vii) Optional Redemption effected through Liquidation only

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Principal Paying Agent of receipt of (i) a direction in writing from the Subordinated Noteholders acting by Ordinary Resolution to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or (ii) a direction in writing from the Controlling Class acting by Extraordinary Resolution to exercise any right of optional redemption pursuant to Condition 7(f) (*Redemption following Note Tax Event*), in either case to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than (x) two Business Days following written request therefor by the Investment Manager and (y) in the absence of any request described in the foregoing clause (x), five Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount.

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

(A) at least five Business Days before the scheduled Redemption Date the Investment Manager shall have certified to the Trustee in writing (upon which certificate the Trustee shall be entitled to rely without further enquiry and without any liability for so relying) that the Investment Manager on behalf of the Issuer has entered into a binding agreement or agreements with (I) a financial or other institution or institutions (which (1) either (x) has a short-term senior unsecured rating of at least "P–1" by Moody's or (y) in respect of which Rating Agency Confirmation from Moody's has been received and (2) either (x) has a long-term issuer default rating of at least "A" by Fitch or, if it does not have a long-term issuer default rating by Fitch, a short-term issuer default rating of at least "F1" by Fitch, or (y) in respect of which a Rating Agency Confirmation from Fitch has been received or (II) subject to the receipt of Rating Agency Confirmation from both Moody's and Fitch, a bankruptcy remote special purpose vehicle that is a fund, account, collateralised loan obligation issuer or warehouse entity managed by the Investment Manager or its Affiliates, in each case with sufficient available funding capacity to purchase (directly or by participation or other arrangement) from the Issuer, not later than two Business Days immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Portfolio at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to meet the Redemption Threshold Amount; or

(B) (i) prior to the Investment Manager on behalf of the Issuer entering into any agreement to sell any Portfolio Assets and/or Eligible Investments, the Investment Manager certifies to the Trustee in writing (upon which certificate the Trustee shall be entitled to rely without further enquiry and without any liability for so relying) that, in its judgement, the aggregate sum of (a) expected proceeds from the sale of Eligible Investments, and (b) for each Portfolio Asset, the product of its Principal Balance and its Market Value, shall be at least sufficient to meet the Redemption Threshold Amount; and (ii) at least two Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient to meet the Redemption Threshold Amount.

Prior to the scheduled Redemption Date, the Collateral Administrator shall give notice to the Investment Manager in writing of the amount of all expenses incurred by the Issuer up to and including the scheduled Redemption Date in effecting such liquidation.

Any certification delivered by the Investment Manager pursuant to this Condition must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Portfolio Assets and/or Eligible Investments and (2) all calculations required by this Condition 7(b) (*Optional Redemption*). If the Investment Manager does not negotiate the private sale of the Portfolio Assets but instead bidders for the Portfolio Assets are generally solicited, any Noteholder, the Investment Manager or any of the Investment Manager's Affiliates shall have the right, subject to the same terms and conditions afforded to such bidders, to bid on and purchase Portfolio Assets to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*).

If neither paragraph (A) nor (B) of this Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*) is satisfied, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Investment Manager and the Noteholders in accordance with Condition 16 (*Notices*).

(viii) Mechanics of Redemption

Following calculation by the Collateral Administrator of the relevant Redemption Threshold Amount, if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Collateral Administration and Agency Agreement and shall notify the Issuer, the Trustee, the Investment Manager, the Principal Paying Agent and the Noteholders (in accordance with Condition 16 (*Notices*)).

The option of the Subordinated Noteholders and the Controlling Class pursuant to this Condition 7 (*Redemption and Purchase*) may be exercised by the Subordinated Noteholders or the Controlling Class (as applicable) giving notice to the Principal Paying Agent of the principal amounts of Subordinated Notes or Notes representing the Controlling Class (as applicable) in respect of which the option is exercised and, in the case of Notes that are represented by Definitive Certificates, presenting the relevant Definitive Certificate(s) for endorsement of exercise within the time limit specified herein.

Any exercise of a right of redemption by the Subordinated Noteholders or by the Controlling Class pursuant to this Condition 7 (*Redemption and Purchase*) shall be effected by delivery to the Principal Paying Agent of (x) the requisite amount of Subordinated Notes or (y) the requisite amount of Notes from the Noteholders comprising the Controlling Class together with duly completed Redemption Notices (if applicable) not less than 30 Business Days, or such shorter period of time as the Principal Paying Agent and the Investment Manager find reasonably acceptable, prior to the proposed Redemption Date. Redemption Notices and Subordinated Notes so delivered may be withdrawn by the Subordinated Noteholders who delivered such Redemption Notices and Subordinated Notes by notice in writing to the Issuer, the Trustee, the Principal Paying Agent, the Collateral Administrator and the Investment Manager no later than 6 Business Days prior to the scheduled Redemption Date. No Redemption Notice and Subordinated Notes or Notes comprising the Controlling Class so delivered may otherwise be withdrawn without the prior consent of the Issuer. The Principal Paying Agent shall copy each Redemption Notice received to each of the Trustee, the Collateral Administrator, the Issuer and, if applicable, the Investment Manager and any Hedge Counterparty.

The Investment Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty, the Registrar and each Rating Agency in writing upon satisfaction of any of the conditions set out in this Condition 7

(*Redemption and Purchase*) and shall arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Investment Management Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for a redemption of the Notes in accordance with this Condition 7 (*Redemption and Purchase*) in the Payment Account or the Refinancing Account, as applicable, on or before the Business Day prior to the applicable Redemption Date (or in the case of a Refinancing, on the applicable Redemption Date). Principal Proceeds, Interest Proceeds and Sale Proceeds received in connection with a redemption of the Notes in whole shall be payable in accordance with the Acceleration Priority of Payments. Refinancing Proceeds shall be payable in accordance with Condition 3(j)(ix) (*Refinancing Account*).

(c) Mandatory Redemption upon Breach of Coverage Tests

(i) Class A Notes and Class B Notes

If (a) the Class A/B Par Value Test is not met on any Determination Date falling after the Effective Date or (b) if the Class A/B Interest Coverage Test is not met on any Interest Coverage Test Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B-1 Notes and the Class B-2 Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, **provided that** the Class A/B Coverage Tests shall be deemed to be satisfied if the Class A Notes, the Class B-1 Notes and the Class B-2 Notes have been redeemed in full.

(ii) Class C Notes

If (a) the Class C Par Value Test is not met on any Determination Date falling after the Effective Date or (b) if the Class C Interest Coverage Test is not met on any Interest Coverage Test Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes and the Class C Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, **provided that** the Class C Coverage Tests shall be deemed to be satisfied if the Class A Notes, the Class B-1 Notes, the Class B-2 Notes and the Class C Notes have been redeemed in full.

(iii) Class D Notes

If (a) the Class D Par Value Test is not met on any Determination Date falling after the Effective Date or (b) if the Class D Interest Coverage Test is not met on any Interest Coverage Test Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, **provided that** the Class D Coverage Tests shall be deemed to be satisfied if the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes have been redeemed in full.

(iv) Class E Notes

If (a) the Class E Par Value Test is not met on any Determination Date falling after the Effective Date or (b) the Class E Interest Coverage Test is not met on any Interest Coverage Test Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B-1 Notes,

the Class B-2 Notes, the Class C Notes, the Class D Notes and the Class E Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until such Class E Par Value Test is satisfied if recalculated following such redemption, **provided that** the Class E Coverage Tests shall be deemed to be satisfied if the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full.

(v) Class F Notes

If the Class F Par Value Test is not met on any Determination Date falling after the Effective Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Rated Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until the Class F Par Value Test is satisfied if recalculated following such redemption, **provided that** the Class F Par Value Test shall be deemed to be satisfied if the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes have been redeemed in full.

(d) Redemption upon Effective Date Rating Event

In the event that, as at the second Business Day prior to the Payment Date following the Effective Date an Effective Date Rating Event has occurred and is continuing, Interest Proceeds and thereafter Principal Proceeds shall be applied in the redemption of the Rated Notes on such Payment Date and thereafter on each subsequent Payment Date (to the extent required) in accordance with the Note Payment Sequence, in each case until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing.

(e) Redemption following Expiry of the Reinvestment Period

The Issuer shall, on each Payment Date falling after the expiry of the Reinvestment Period, apply Principal Proceeds (save only for any Principal Proceeds which may at such time be re-invested in accordance with and subject to the terms of the Investment Management Agreement) in redemption of the Notes at their applicable Redemption Prices in accordance with the Priorities of Payment.

(f) Redemption following Note Tax Event

Upon the occurrence of a Note Tax Event, the Issuer shall, subject to and in accordance with the terms of the Trust Deed, use all reasonable efforts to remedy the Note Tax Event (which may include changing the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would not give rise to a Note Tax Event). Upon the earlier of (a) the date upon which the Issuer certifies (upon which certification the Trustee may rely without further enquiry and without liability) to the Trustee and notifies the Noteholders in accordance with Condition 16 (*Notices*) that it is not able to remedy the Note Tax Event and (b) the date which is 90 days from the date upon which the Issuer first becomes aware of such Note Tax Event (**provided that** such 90 day period shall be extended by a further 90 days in the event that during the former period the Issuer has notified (or procured the notification of) the Noteholders that, based on advice received by it, it expects that it shall have remedied the Note Tax Event by the end of the latter 90 day period), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Ordinary Resolution, may, subject to the provisions of Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*), elect that the Notes of each Class are redeemed, in whole but not in part, on any Payment Date thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so redeem the Notes on such terms, **provided that** (i) such Note Tax Event would affect payment of principal or interest in respect of the Controlling Class or, as the case may be, the Subordinated Notes (in addition to any other Class of Notes) on such Payment Date; and (ii) such redemption of the Notes, whether

pursuant to the exercise of such option by the Controlling Class or the Subordinated Noteholders, shall take place in accordance with the procedures set out in Condition 7(b)(viii) (*Mechanics of Redemption*).

(g) Special Redemption

Principal payments on the Notes shall be made in accordance with the Principal Priority of Payments at the discretion of the Investment Manager (acting on behalf of the Issuer), if at any time during the Reinvestment Period, the Investment Manager (acting on behalf of the Issuer) certifies (upon which certification the Trustee may rely without enquiry or liability) to the Trustee that, using commercially reasonable endeavours, it has been unable, for a period of 20 consecutive Business Days, to identify Substitute Portfolio Assets that are deemed appropriate by the Investment Manager in its sole discretion which meet the Eligibility Criteria and the Reinvestment Criteria, in sufficient amounts to permit the reinvestment of all or a portion of the funds then in the Principal Account that are available to be invested in Substitute Portfolio Assets (a "**Special Redemption**"). On the first Payment Date following the Due Period in which such certification is given (a "**Special Redemption Date**"), the funds in the Principal Account representing Unscheduled Principal Proceeds which, using commercially reasonable endeavours, cannot be reinvested in Substitute Portfolio Assets by the Investment Manager (a "**Special Redemption Amount**") will be applied in accordance with paragraph (P) of the Principal Priority of Payments. The exercise of a Special Redemption shall be at the sole and absolute discretion of the Investment Manager (acting on behalf of the Issuer) and the Investment Manager shall be under no obligation to, or have any responsibility to, any Noteholder or any other person for the exercise or non-exercise (as applicable) of such Special Redemption.

(h) Redemption on Breach of Reinvestment Test

If on any Payment Date occurring after the Effective Date and during the Reinvestment Period, after giving effect to the payment of all amounts payable in respect of paragraphs (A) to (X) (inclusive) of the Interest Priority of Payments, the Reinvestment Test is not satisfied, the Investment Manager (acting on behalf of the Issuer) may at its discretion redeem the Notes in accordance with the Note Payment Sequence, In an amount equal to the Required Diversion Amount to the extent required to satisfy the Reinvestment Test.

(i) Redemption from Principal Proceeds

The Issuer shall, on each Payment Date apply Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date in redemption of the Notes at their applicable Redemption Prices in accordance with the Priorities of Payment.

(j) Redemption

Unless otherwise specified in this Condition 7 (*Redemption and Purchase*), all Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices and to the extent specified in such notice and in accordance with the requirements of this Condition 7 (*Redemption and Purchase*) and the applicable Priorities of Payment.

(k) Purchase

No purchase of Rated Notes by the Issuer may occur. Rated Notes may only be redeemed by the Issuer in accordance with this Condition 7 (*Redemption and Purchase*).

(l) Cancellation

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold. No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for registration of transfer, exchange or redemption, for replacement in connection with any Note mutilated, defaced or deemed lost or stolen or if redeemed in full by the Issuer in accordance with the Condition 7 (*Redemption and Purchase*). The cancellation (and/or decrease, as applicable) of any surrendered Notes (except

as aforesaid) shall not be taken into account for purposes of any relevant calculations (including but not limited to the Coverage Tests and the Reinvestment Test).

In respect of Notes represented by a Global Certificate, cancellation of any Note required by these Conditions to be cancelled will be effected by a reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

(m) Notice of Redemption

The Issuer shall procure that written notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*), which notice shall be irrevocable, is given to the Trustee and Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies and each Hedge Counterparty.

(n) Mandatory Redemption of Class X Notes

The Class X Notes shall be subject to mandatory redemption in part on each of the first eight Payment Dates immediately following the Issue Date, in each case in an amount equal to the Class X Principal Amortisation Amount.

8. Payments

(a) Method of Payment

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of any Paying Agent by wire transfer. Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made by wire transfer. Upon application of the holder to the specified office of any Paying Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to a Euro account maintained by the payee with a bank in Western Europe.

Payments of principal and interest in respect of Notes represented by a Global Certificate will be made to the registered holder and, if no further payment falls to be made in respect of the relevant Notes, upon surrender of such Global Certificate to or to the order of the Principal Paying Agent or the Transfer Agent as shall have been notified to the relevant Noteholders. On each occasion on which a payment of interest (unless the Notes represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

(b) Payments

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(c) Payments on Presentation Days

A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date. If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) Registrar, Paying Agents and Transfer Agent

The names of the initial Registrar, Principal Paying Agent and Transfer Agent and their initial specified offices are set out in the Collateral Administration and Agency Agreement. The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and appoint additional or other Agents, **provided that** it will maintain (i) a Principal Paying Agent, (ii) a Registrar and (iii) a Transfer Agent having specified offices in at least two major European cities, in each case, as approved in writing by the Trustee and shall procure that it shall at all times maintain a Calculation Agent, Custodian, Account Bank, Investment Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Investment Manager or Collateral Administrator will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

9. Taxation

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland, or any other jurisdiction, or any political sub-division or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law (including FATCA). The Issuer shall not be required to gross up any payments made to Noteholders of any Class, and shall withhold or deduct from any such payments any amounts on account of such tax where so required by law (including FATCA). Any such withholding or deduction shall not constitute a Note Event of Default under Condition 10(a) (*Note Events of Default*).

Subject as provided below, if the Issuer certifies to the Trustee (upon which certification the Trustee shall be entitled to rely without further enquiry and without any liability for so relying) that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by law to withhold, deduct or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax and that it is not otherwise able to remedy the Note Tax Event as contemplated by Condition 7(e) (*Redemption following Note Tax Event*), the Issuer (save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Notes of such Class, or to change its tax residence to another jurisdiction chosen by it and approved by the Trustee, subject to receipt by the Issuer and/or the Trustee of Rating Agency Confirmation in relation to such change, and subject to confirmation from tax counsel of at least ten years' call in such other jurisdiction chosen by it and so approved by the Trustee that such a substitute and/or change in tax residence would be effective in eliminating such an imposition of tax. The Trustee will not give any approval to any such substitution and/or change in tax residence under this Condition 9 (*Taxation*) unless (i) the Trustee has received written advice from legal counsel or an internationally recognised tax expert (such advice to be paid for by the Issuer) to the effect that such substitution and/or change in tax residence will not (1) result in the Issuer becoming subject to U.S. federal income taxation with respect to its net income, (2) result in the Issuer being treated as engaged in a trade or business within the United States for U.S. federal income tax purposes, or (3) have a materially adverse effect on, or result in an materially adverse alteration to, the taxation consequences described in the Offering Circular and (ii) Rating Agency Confirmation has been received in respect of such substitution.

Notwithstanding the above, if any taxes referred to in this Condition 9 (*Taxation*) arise:

(a) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with Ireland (including without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member of shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having had a permanent establishment therein) otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof;

(b) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence, treaty status or exemption eligibility or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or other applicable taxing authority;

(c) in connection with FATCA; or

(d) any combination of the preceding paragraphs (a) to (c) (inclusive) above,

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

10. Events of Default

(a) Note Events of Default

The occurrence of any of the following events shall constitute a "**Note Event of Default**":

(i) Non-payment of interest

The Issuer fails to pay any interest in respect of any Class X Notes, Class A Notes or Class B Notes, when the same becomes due and payable (save, in each case, as the result of any deduction therefrom or the imposition of withholding thereon in the circumstances described in Condition 9 (*Taxation*)), and, in each case, failure to pay such interest in such circumstances continues for a period of at least five Business Days;

(ii) Non-payment of principal

The Issuer fails to pay any principal when the same becomes due and payable on any Note on any Redemption Date or the Maturity Date, **provided that** any such failure to pay such principal in such circumstances continues for a period of at least five Business Days or, in the case of a failure to disburse due to an error in any calculation made by the Calculation Agent or due to an administrative error or omission (as notified by the relevant party in writing to the Issuer and the Trustee), such failure continues for a period of at least ten Business Days and **provided further that** (1) failure to effect any redemption for which notice is withdrawn in accordance with the Conditions and (2) failure to effect any redemption with respect to which a Refinancing fails, in each case, will not constitute a Note Event of Default;

(iii) Default under Priorities of Payment

The failure on any Payment Date to disburse amounts (other than paragraph (i) or (ii) above) available in the Payment Account in excess of €1,000 for that purpose in accordance with the Priorities of Payment, which failure continues for a period of five Business Days;

(iv) Breach of Other Obligations

The Issuer does not perform or comply with any other of its covenants, warranties or other agreements of the Issuer under the Notes, the Trust Deed, the Collateral Administration and Agency Agreement, the Investment Management Agreement, or any other Transaction Document (other than (1) a covenant, warranty or other agreement referred to in paragraph (i) or (ii) above or (2) the failure to meet any Collateral Quality Test, Portfolio Profile Test or Coverage Test), or any representation, warranty or statement of the Issuer made in the Trust Deed, the Collateral Administration and Agency Agreement, the Investment Management Agreement, or any other Transaction Document or in any certificate or other writing delivered pursuant thereto or in connection therewith was untrue in any material respect when the same shall have been made, and the continuation of such default, breach or failure for a period of 30 days after notice thereof shall have been given by registered or certified mail or courier, to the Issuer by the Trustee, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**", except for any such default, breach or failure which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Controlling Class, **provided that** if the Issuer (as notified to the Trustee by the Investment

Manager in writing) has commenced curing such default, breach or failure during the 45 day period specified above, such default, breach or failure shall not constitute a Note Event of Default under this paragraph (iv) unless it continues for a period of 60 days (rather than, and not in addition to, such 30 day period specified above) after notice thereof in accordance herewith;

(v) Insolvency Proceedings

Proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation, examinership, suspension of payments, controlled management or other similar laws (together, "**Insolvency Law**"), or a Receiver is appointed pursuant to judicial proceedings under any applicable Insolvency Law in relation to the Issuer or in relation to the whole or any substantial part, in the opinion of the Trustee, of the undertaking or assets of the Issuer and in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 60 days; or the Issuer is subject to, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver pursuant to judicial proceedings under any applicable Insolvency Law, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by an Extraordinary Resolution of the Controlling Class);

(vi) Illegality

It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes or the Transaction Documents;

(vii) Investment Company Act

The Issuer or the pool of Collateral becomes required to register as an "Investment Company" under the Investment Company Act; or

(viii) Portfolio Assets

On any Measurement Date on and after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to the Aggregate Collateral Balance, and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes, to equal or exceed 102.5 per cent.

(b) Acceleration

(i) If a Note Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by Ordinary Resolution (subject, in each case, to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith), give notice to the Issuer, the Investment Manager and each Hedge Counterparty that all the Notes are immediately due and repayable (such notice, an "**Acceleration Notice**").

(ii) Upon any such notice being given to the Issuer in accordance with Condition 10(b)(i), all of the Notes shall immediately become due and repayable at their applicable Redemption Prices, **provided that** the security constituted under the Trust Deed over the Collateral shall only become enforceable in accordance with Condition 11 (*Enforcement*).

(c) Acceleration Priority of Payments

Interest Proceeds, Principal Proceeds and other amounts (if any) standing to the credit of the Accounts including Sale Proceeds and/or the net proceeds of enforcement of the security over the Collateral (save for any Counterparty Downgrade Collateral which will be paid or returned

to the relevant Hedge Counterparty solely in accordance with the relevant Hedge Agreement and Condition 3(j)(x)(*Counterparty Downgrade Collateral Accounts*)) (the "**Available Proceeds**") will be applied (a) on the Maturity Date, (b) on such other date on which the Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) on and following the delivery date of an Acceleration Notice (**provided that** if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), only up to the date on which such Acceleration Notice is rescinded or annulled), in accordance with the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Acceleration Priority of Payments**"):

(A) other than following enforcement of the security constituted under the Trust Deed in accordance with Condition 11 (*Enforcement*), in payment of (1) the Issuer Fee and (2) taxes owing by the Issuer which became due and payable in the current tax year as certified in writing by an Authorised Officer of the Issuer to the Collateral Administrator, if any (save for any Irish corporate income tax in relation to the Issuer Fee and any VAT payable in respect of any Investment Management Fee or any other tax payable in relation to any amount payable to the Secured Parties);

(B) to the payment of any due and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap **provided that** upon the occurrence of a Note Event of Default, the Senior Expenses Cap shall not apply to this paragraph (B);

(C) in payment of any due and unpaid Administrative Expenses (**provided that**, following an enforcement of the security constituted under the Trust Deed in accordance with Condition 11 (*Enforcement*), such payment shall only be made to recipients thereof that are Secured Parties) in the order of priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap less any amounts paid pursuant to paragraph (B) above **provided that** following an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Senior Expenses Cap shall not apply to this paragraph (C);

(D) in payment on a *pro rata* and *pari passu* basis of any Scheduled Periodic Interest Rate Hedge Issuer Payments (to the extent not paid out of the Interest Account), Scheduled Periodic Asset Swap Issuer Payments and Hedge Termination Payments due to any Hedge Counterparty (other than Defaulted Hedge Termination Payments), in each case to the extent not paid from funds available in the applicable Hedge Termination Account;

(E) in payment:

(1) *firstly*, to the Investment Manager of the Senior Investment Management Fee due and payable and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) save for any Deferred Senior Investment Management Amounts;

(2) *secondly*, to the Investment Manager of any previously due and unpaid Senior Investment Management Fees (other than Deferred Senior Investment Management Amounts) and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(F) in payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class X Notes and the Class A Notes;

(G) to the redemption on a *pro rata* and *pari passu* basis of the Class X Notes and the Class A Notes, until the Class X Notes and the Class A Notes have been redeemed in full;

(H) in payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class B-1 Notes and the Class B-2 Notes;

(I) to the redemption on a *pro rata* and *pari passu* basis of the Class B-1 Notes and the Class B-2 Notes, until the Class B-1 Notes and the Class B-2 Notes have been redeemed in full;

(J) in payment on a *pro rata* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C Notes;

(K) in payment on a *pro rata* basis of any Deferred Interest on the Class C Notes;

(L) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(M) in payment on a *pro rata* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D Notes;

(N) in payment on a *pro rata* basis of any Deferred Interest on the Class D Notes;

(O) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(P) in payment on a *pro rata* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class E Notes;

(Q) in payment on a *pro rata* basis of any Deferred Interest on the Class E Notes;

(R) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(S) in payment on a *pro rata* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class F Notes;

(T) in payment on a *pro rata* basis of any Deferred Interest on the Class F Notes;

(U) to the redemption on a *pro rata* basis of the Class F Notes, until the Class F Notes have been redeemed in full;

(V) in payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(W) in payment of Administrative Expenses (if any) in the order of priority stated in the definition thereof, not paid by reason of the Senior Expenses Cap;

(X) in payment:

(1) *firstly*, to the Investment Manager of the Subordinated Investment Management Fee due and payable and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) save for any Deferred Subordinated Investment Management Amounts;

(2) *secondly*, to the Investment Manager of any previously due and unpaid Subordinated Investment Management Fees (other than Deferred Subordinated Investment Management Amounts) and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(3) *thirdly*, to the Investment Manager of any Deferred Senior Investment Management Amounts, Deferred Subordinated Investment Management Amounts or Deferred Incentive Investment Management Amounts and any

VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(Y) in payment on a *pro rata* and *pari passu* basis of any Defaulted Hedge Termination Payments due to any Hedge Counterparty;

(Z) to the Investment Manager in repayment of any Investment Manager Advances outstanding, together with any interest accrued thereon

(AA) to any Contributing Noteholders (whether or not any such Contributing Noteholder continues on such Payment Date to hold any Subordinated Notes) in repayment of any Contribution Amounts accrued and not previously paid pursuant to paragraph (U) of Condition 3(c)(ii) (*Principal Priority of Payments*), *pro rata* among such Contributing Noteholders in accordance with the respective aggregate outstanding Contribution Amounts of such Contributing Noteholders; and

(BB) (1) if the Incentive Investment Management Fee IRR Threshold has not been reached, to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption), until the Incentive Investment Management Fee IRR Threshold is reached; and

(2) if, after taking into account (i) all distributions to Subordinated Noteholders prior to the relevant Payment Date and (ii) any distributions to be made on the relevant Payment Date to Subordinated Noteholders in accordance with the Interest Priority of Payments, the Principal Priority of Payments and the Collateral Enhancement Obligation Priority of Payments, the Incentive Investment Management Fee IRR Threshold has been reached on or prior to such date:

1. *first*, 20 per cent. of any remaining Interest Proceeds on such date in payment to the Investment Manager as an Incentive Investment Management Fee (including any Deferred Incentive Investment Management Amounts); and any VAT in respect thereof (whether payable to the Investment Manager or directly to the taxing authority); and

2. *second*, any remaining Interest Proceeds, to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(d) Curing of Default

At any time after an Acceleration Notice has been given and prior to enforcement of the security pursuant to Condition 11(b) (*Enforcement*), the Trustee may, and shall if requested by the Controlling Class acting by Extraordinary Resolution and subject, in each case, to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith, rescind and annul such Acceleration Notice and its consequences if:

(i) the Issuer has paid or deposited with the Trustee or to its order a sum sufficient to pay:

(A) all overdue payments of interest and principal on the Notes, other than the Subordinated Notes;

(B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee; and

(C) all due but unpaid Administrative Expenses and Trustee Fees and Expenses;

(D) all amounts due and payable by the Issuer under any Hedge Transaction; and

(ii) the Trustee has determined that all Note Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under Condition 10(b) (*Acceleration*) above due to such Note Events of Default, have been cured or waived.

Any previous rescission and annulment of an Acceleration Notice pursuant to this paragraph (d) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or as subsequently requested, accelerates the Notes in accordance with paragraph (i) of Condition 10(b) (*Acceleration*) above.

(e) Restriction on Acceleration of Notes

No acceleration of the Notes shall be permitted pursuant to this Condition at the request of a Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(f) Notification and Confirmation of No Default

The Issuer shall promptly notify in writing the Trustee, the Collateral Administrator, the Agents, the Investment Manager, the Noteholders in accordance with Condition 16 (*Notices*) and each Rating Agency and each Hedge Counterparty upon becoming aware of the occurrence of a Note Event of Default or a Potential Note Event of Default (as defined in the Trust Deed). The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and each Rating Agency on an annual basis that no Note Event of Default or Potential Note Event of Default (as defined in the Trust Deed) has occurred.

11. Enforcement

(a) Security Becoming Enforceable

The security constituted under the Trust Deed over the Collateral shall become enforceable upon an acceleration of the maturity of any of the Notes pursuant to and in accordance with Condition 10(b) (*Acceleration*), subject always to such notice accelerating the Notes not having been rescinded or annulled by the Trustee pursuant to Condition 10(b)(d) (*Curing of Default*). The security constituted under the Trust Deed shall not become enforceable in any other circumstances including, without limitation, in the event that the Issuer defaults under any of its payment obligations to any of the other Secured Parties.

(b) Enforcement

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion, and shall, if so directed by the Controlling Class acting by Ordinary Resolution (subject, in each case, to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) institute such proceedings against the Issuer or take any other action or steps as it may think fit to enforce the terms of the Trust Deed and the Notes and, pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce the security over the Collateral (such actions together, "**Enforcement Actions**"), in each case without any liability as to the consequence of any action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)) to the effect of such action on individual Noteholders of such Class or any other Secured Party **provided, however, that**:

(i) no such Enforcement Action may be taken by the Trustee unless:

(A) subject to it being indemnified and/or prefunded and/or secured to its satisfaction, the Trustee (or an Appointee on its behalf) determines that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) other than the Subordinated Notes and all amounts payable in priority thereto pursuant to the Acceleration Priority of Payments (such amount, the "**Enforcement Threshold**" and such determination, an "**Enforcement Threshold Determination**"); or

(B) if the Enforcement Threshold will not have been met, then:

(1) in the case of a Note Event of Default specified in sub-paragraphs (i), (ii), (v), (vii) or (viii) of Condition 10(a) (*Note Events of Default*), the Controlling Class acting by way of Ordinary Resolution directs the Trustee to take such Enforcement Action; or

(2) in the case of any other Note Event of Default, the Noteholders of each Class of Rated Notes, voting separately and acting by way of Extraordinary Resolution direct the Trustee to take such Enforcement Action; and

(ii) the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith. Following redemption and payment in full of the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the Trustee shall (**provided** it is indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith), if so directed, act upon the directions of the Subordinated Notes acting by Ordinary Resolution.

For the purposes of determining all issues relating to the execution of a sale, liquidation or valuation of the Portfolio, the anticipated proceeds to be realised from any Enforcement Action and any Enforcement Threshold Determination (and all and any other matters or actions required to be determined or made by the Trustee pursuant to this Condition 11 (*Enforcement*)), the Trustee may appoint an independent investment banking firm or other appropriate advisor to advise it and may obtain and rely (without any liability for so relying) on an opinion and/or advice of such independent investment banking firm or other appropriate advisor (the cost of which shall be payable by the Issuer as Trustee Fees and Expenses).

The Trustee shall notify the Noteholders (in accordance with Condition 16 (*Notices*)), the Issuer and the Investment Manager and each Hedge Counterparty in the event that it makes an Enforcement Threshold Determination at any time or takes any Enforcement Action at any time.

(c) Only Trustee to Act

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure or neglect. Any proceeds received by such Noteholder or other Secured Party

pursuant to any such proceedings brought by such Noteholder or other Secured Party shall be paid promptly following receipt thereof to the Trustee for application pursuant to the terms of the Trust Deed.

(d) Purchase of Collateral by Noteholders

Upon any sale of any part of the Collateral following the occurrence of a Note Event of Default, whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder, the Investment Manager or any of its Affiliates may (but shall not be obliged to) bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability. In addition, any purchaser in any such sale which is a Noteholder may deliver Notes held by it in place of payment of the purchase price for such Collateral where the amount payable to such Noteholder in respect of such Notes pursuant to the Priorities of Payment out of the net proceeds of such sale is equal to or exceeds the purchase moneys so payable.

12. Prescription

Claims in respect of principal and interest payable on redemption in full of the relevant Notes will become void unless presentation for payment is made as required by Condition 8 (*Payments*) within a period of five years, in the case of interest, and ten years, in the case of principal, from the appropriate Record Date.

Notwithstanding the above, claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

13. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Transfer Agent, subject in each case to all applicable laws and Euronext Dublin requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (**provided that** the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes must be surrendered before replacements will be issued.

14. Meetings of Noteholders, Modification, Waiver and Substitution

(a) Provisions in Trust Deed

The Trust Deed contains provisions for convening meetings of the Noteholders (and of passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of and subject to the detailed provisions of the Trust Deed.

(b) Decisions and Meetings of Noteholders

(i) General

Decisions may be taken by Noteholders by way of Ordinary Resolution or Extraordinary Resolution, in each case, either acting together or, to the extent specified in any applicable Transaction Document, as a Class of Noteholders acting independently. Such Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "Minimum Percentage Voting Requirements" in Condition 14(b)(iii) (*Minimum Voting Rights*). Meetings of the Noteholders may be convened by the Issuer or the Trustee and shall be convened by the Issuer or the Trustee (subject to the Trustee being indemnified

and/or secured and/or pre-funded to its satisfaction) upon request by one or more Noteholders holding not less than 10 per cent. of the Principal Amount Outstanding of a Class of Notes, subject to certain conditions including minimum notice periods.

The holder of each Global Certificate will be treated as being one person for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €1,000 of principal amount of Notes for which the relevant Global Certificate may be exchanged.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects the holders of only one or more Classes of Notes, in which event the required quorum and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution may be determined by reference only to the holders of that Class or Classes of Notes and not the holders of any other Notes as set out in the tables below.

(ii) Quorum

The quorum required for any meeting convened to consider an Ordinary Resolution or Extraordinary Resolution, in each case, of all the Noteholders or of Noteholders of a Class of Notes, or at any adjourned meeting to consider such a Resolution, shall be as set out in the relevant column and row corresponding to the type of resolution in the table "Quorum Requirements" below.

Quorum Requirements

Type of Resolution	Any meeting other than a meeting adjourned for want of quorum	Meeting previously adjourned for want of quorum
Extraordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than $66^{2}/_{3}$ per cent. of the aggregate of the Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of any Notes (or of the relevant Class or Classes only, if applicable)
Ordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 50 per cent. of the aggregate of the Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of any Notes (or of the relevant Class or Classes only, if applicable)

The Trust Deed does not contain any provision for higher quorums in any circumstances.

(iii) Minimum Voting Rights

Set out in the table "Minimum Percentage Voting Requirements" below are the minimum percentages required to pass the Resolutions specified in such table which (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the number of votes cast in favour as a percentage of the number of votes cast on such Resolution and (B) in the case of any Written Resolution, shall be determined by reference to the aggregate Principal Amount Outstanding of each Class of Notes entitled to vote in respect of such Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.

Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	At least $66^2/_3$ per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	More than 50 per cent.

(iv) Written Resolutions

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Extraordinary Resolution or Ordinary Resolution may be passed by way of Written Resolution. A Written Resolution shall for all purposes be as valid and effective as a Resolution passed at a meeting of the Noteholders of the relevant Class.

(v) All Resolutions Binding

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*), any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more Classes is not required) duly passed shall be binding on all Noteholders (regardless of Class and regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed).

(vi) Extraordinary Resolution

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (including, for the avoidance of doubt, by way of Written Resolution):

(A) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity other than in connection with a Refinancing;

(B) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Notes of the relevant Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated) (other than in the case of a Refinancing);

(C) the modification of any of the provisions of the Trust Deed which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Note (other than in the case of a Refinancing);

(D) the adjustment of the outstanding principal amount of the Notes Outstanding of the relevant Class (other than in connection with a further issue of Notes pursuant to Condition 17 (*Additional Issuances*));

(E) a change in the currency of payment of the Notes of a Class;

(F) any change in the Priorities of Payment or of any payment items in the Priorities of Payment;

(G) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution or any other provision of these Conditions which requires the written consent of the holders of a requisite principal amount of the Notes of any Class Outstanding;

(H) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;

(I) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document; and

(J) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*).

(vii) Ordinary Resolution

The Noteholders shall, subject to these Conditions and the Transaction Documents, have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in Condition 14(b)(vi) (*Extraordinary Resolution*).

(c) Modification and Waiver

The Trust Deed provides that without the consent of the Noteholders (other than in respect of paragraph (xviii), (xix), (xx), (xxi) and (xxii) below to the extent specified therein) or any other Secured Party, the Issuer and the Investment Manager (acting on behalf of the Issuer) may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Investment Management Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto) other than any such amendment, modification, supplement and/or waiver that is not pursuant to paragraphs (xvi) and (xvii) below and has the effect of sanctioning an item which is required to be passed by an Extraordinary Resolution under Condition 14(b)(vi) (*Extraordinary Resolution*), and the Trustee shall (without the consent of the Noteholders (other than in respect of paragraph (xviii), (xix), (xx), (xxi) and (xxii) below to the extent specified therein) consent to such amendment, modification, supplement or waiver (other than, in the case of an amendment, modification, supplement or waiver pursuant to paragraphs (xvi) and (xvii) below, which shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph) for any of the following purposes:

(i) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power in the Trust Deed or the Investment Management Agreement (as applicable) conferred upon the Issuer;

(ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or subject to the security of the Trust Deed any additional property;

(iv) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee, pursuant to the requirements of the relevant provisions of the Trust Deed;

(v) to make any changes necessary or advisable in order for the Notes of each Class to be (or to remain) listed on the Global Exchange Market or any other exchange;

(vi) save as contemplated in paragraph 14(d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;

(vii) to take any action advisable to prevent the Issuer from being treated as resident outside of Ireland for any tax purpose, as trading outside of Ireland for any tax

purpose, otherwise subject to tax on net income, profits or gains outside of Ireland or as subject to any VAT in respect of any Investment Management Fee;

(viii) to take any action necessary, advisable, or helpful to prevent the Issuer or payments on the Notes from being subject to (or to otherwise reduce) withholding or other taxes, fees or assessments, including by complying with FATCA, or to reduce the risk that the Issuer will be treated as engaged in a trade or business in the United States or otherwise subject to U.S. federal, state or local income tax on a net income basis;

(ix) to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) to enable the Issuer to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required thereunder;

(x) to amend the name of the Issuer;

(xi) to make any changes necessary to enable the Issuer to comply with EMIR, CRA3, AIFMD, the Dodd-Frank Act (including, without limitation, the Volcker Rule), Rule 17g-5, the CRS, the EU Retention Requirements, the Securitisation Regulation any/or any other regulatory requirements applicable to the Issuer that come into force after the Issue Date (including, in each case any implementing regulations, technical standards and guidance related thereto);

(xii) to make any changes necessary to facilitate any additional issuances of Notes in accordance with Condition 17 (*Additional Issuances*);

(xiii) to make any changes necessary to facilitate the Issuer effecting a Refinancing (including any modification(s) to remove any rights of the Subordinated Noteholders or any other party to direct the Issuer to redeem by refinancing the Class(es) of Notes subject to a Refinancing);

(xiv) to make any changes necessary to facilitate the transfer of any Hedge Agreement to a replacement hedge counterparty or the roles of any Agent to a replacement agent, subject to such replacement hedge counterparty or agent (as applicable) having the applicable Rating Requirements and satisfying the other applicable requirements in the Transaction Documents;

(xv) to modify the restrictions on and procedures for resales and other transfers of Notes and to make any other modification of any of the provisions of the Trust Deed, the Investment Management Agreement or any other Transaction Document to reflect any changes in the Foreign Safe Harbour or corresponding exemption (or the interpretation thereof) to enable the Issuer to continue relying upon such exemption from compliance with the U.S. Risk Retention Rules;

(xvi) to make any other modification of any of the provisions of the Transaction Documents which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error;

(xvii) to make any other modification (save as otherwise provided in the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of any Transaction Document which, in the opinion of the Trustee, is not materially prejudicial to the Noteholders of any Class;

(xviii) subject to the consent of the Controlling Class acting by way of Ordinary Resolution, to modify, amend or replace any components of (i) the Moody's Test Matrix, or (ii) the Fitch Tests Matrices (subject to receipt of Rating Agency Confirmation from Fitch or Moody's, as applicable, which may be provided by way of email from the relevant Rating Agency);

(xix) notiwthstanding paragraph (xviii) above, subject to the consent of the Controlling Class acting by way of Ordinary Resolution, to evidence any waiver of or modification to the rating methodology by any Rating Agency or as to any requirement or condition of such Rating Agency set out in the Transaction Documents;

(xx) without prejudice to paragraph (xix) above, subject to (A) Rating Agency Confirmation and (B) the consent of the Controlling Class, acting by way of Ordinary Resolution, to make any modifications to the Collateral Quality Tests, Portfolio Profile Tests, Reinvestment Test, Reinvestment Criteria or Eligibility Criteria and all related definitions;

(xxi) subject to the consent of the Controlling Class acting by way of Ordinary Resolution, to enter into any additional agreements not expressly prohibited by the Transaction Documents, *provided that* any such additional agreements include customary limited recourse and non-petition provisions;

(xxii) to enter into one or more supplemental trust deeds or any other modification, authorisation or waiver of the provisions of the Transaction Documents to permit the use of an Alternative Base Rate for the purpose of (i) changing the reference rate, or the methodology of calculating the reference rate in respect of the Floating Rate Notes from EURIBOR, (ii) replacing references to "LIBOR", "EURIBOR", "London Interbank Offered Rate" and "Euro Interbank Offered Rate" or any other similar term referring to an applicable reference rate as the context requires when used with respect to a calculation relating to a Floating Rate Portfolio Asset, (iii) amending provisions which refer to an index intended to have an equivalent frequency and setting date to a Floating Rate Portfolio Asset to the extent that no such index is available and (iv) subject to the consent of the Controlling Class (acting by Ordinary Resolution), making such other amendments as are necessary or advisable in the reasonable judgment of the Investment Manager to facilitate the foregoing changes (in each case. a "**EURIBOR Replacement Modification**"). The Investment Manager shall propose a EURIBOR Replacement Modification if there is (x) a material disruption to LIBOR or EURIBOR, (y) a change in the methodology of calculating LIBOR or EURIBOR (or any other applicable or related benchmark) or (z) LIBOR or EURIBOR (or another applicable or related benchmark) ceasing to be available or published (or of the Investment Manager's reasonable expectation that any of the events specified in sub-clauses (x), (y) or (z), will occur) (in each case, a "**EURIBOR Disruption**"), *provided that*:

(A) such amendments and modifications are only undertaken after the Investment Manager has notified the Issuer and the Trustee (who will forward such notice to the Noteholders) and the Rating Agencies of such EURIBOR Disruption; and

(B) if no EURIBOR Replacement Modification has been entered into within fifteen (15) Business Days of the Investment Manager notifying the Trustee and the Issuer of a EURIBOR Disruption, then the Investment Manager shall select (in its commercially reasonable discretion) an Alternative Base Rate from either sub-paragraph (b)(i) or sub-paragraph (b)(ii) of the definition of "Alternative Base Rate" (to be used for the applicable EURIBOR Replacement Modification, and such EURIBOR Replacement Modification shall take effect without the execution of a supplemental trust deed or other modification, authorisation or waiver; and

(xxiii) to amend, modify or otherwise accommodate changes to the Trust Deed to comply with any rule or regulation, including without limitation Rule 3a-7 of the Investment Company Act, enacted or modified by any regulatory agency of the United States federal government after the Issue Date that is applicable to the Notes;

Any such amendment, modification, supplement or waiver shall be binding on all Noteholders and shall be notified by the Issuer (or the Investment Manager on its behalf) to the

Noteholders in accordance with Condition 16 (*Notices*) and the Rating Agencies as soon as practicable.

Notwithstanding anything to the contrary herein, no amendment, modification, supplement and/or waiver of any provision of the Trust Deed or the Investment Management Agreement shall become effective unless such amendment, modification, supplement or waiver will not, in the reasonable judgement of the Issuer in consultation with legal counsel experienced in such matters, as certified by the Issuer to the Trustee (upon which certification the Trustee may conclusively rely without further enquiry and without liability for so relying), (1) result in the Issuer becoming subject to U.S. federal income taxation with respect to its net income, (2) result in the Issuer being treated as engaged in a trade or business within the United States for U.S. federal income tax purposes, or (3) have a material adverse effect on the tax treatment of the Issuer or the tax consequences to the Noteholders, as described herein under the heading "*Certain Tax Considerations – Certain U.S. Federal Income Tax Considerations*".

The Trustee shall (other than in respect to paragraphs (xviii), (xix), (xx), (xxi) and (xxii) above to the extent specified therein), without the consent or sanction of any of the Noteholders or any other Secured Party, concur with the Issuer, in making any amendment, modification, supplement or waiver which the Issuer certifies to the Trustee (upon which certification the Trustee is entitled to rely without making any further enquiry or without any liability for so relying) is required pursuant to the paragraphs above (other than a modification, waiver or authorisation pursuant to paragraphs (xvi) and (xvii) above, in which the Trustee may, without the consent of Noteholders or any other Secured Party, concur with the Issuer), *provided that* the Trustee shall not be obliged to agree to any amendment, modification, supplement or waiver or any other matter which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, indemnities, rights and powers, of the Trustee in respect of the Transaction Documents.

Any amendment, modification, supplement or waiver to any provision of any Transaction Document shall be notified by the Issuer to the Noteholders in accordance with Condition 16 (*Notices*) no later than 15 Business Days prior to any such amendment, modification, supplement or waiver becoming effective.

The Issuer shall notify each Hedge Counterparty of any proposed amendment, modification or supplement to any provisions of the Transaction Documents and seek the consent of such Hedge Counterparty in respect thereof, in each case to the extent required in accordance with and subject to these Conditions and the terms of the relevant Hedge Agreement. For the avoidance of doubt, such notice shall only be given and such consent shall only be sought to the extent required in accordance with and subject to the terms of these Conditions and the relevant Hedge Agreement.

The Trust Deed provides that the Trustee shall be entitled to obtain and rely and act upon, such legal or other professional advice as it sees fit in connection with (a) giving its consent to any amendment, modification, supplement or wavier in accordance with this Condition 14(c) (*Modification and Waiver*) and (b) determining whether or not the amendment, modification, supplement or waiver falls within any of the paragraphs as set out in this Condition 14(c) (*Modification and Waiver*).

The Issuer shall procure that, so long as the Notes are listed on the Global Exchange Market, any material amendments or modifications to the Conditions of the Notes, the Trust Deed or such other conditions made pursuant to this Condition (c) (*Modification and Waiver*) shall be notified to Euronext Dublin.

(d) Substitution

The Trust Deed contains provisions permitting the Trustee to agree with the Issuer, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor

under the Trust Deed and the Notes of each Class, if required for taxation purposes, **provided that** (A) such substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class and (B) the Trustee has received written advice from legal counsel or a recognised tax expert (such advice to be paid for by the Issuer) to the effect that such substitution and/or change in tax residence will not (1) result in the Issuer becoming subject to U.S. federal income taxation with respect to its net income, (2) result in the Issuer being treated as engaged in a trade or business within the United States for U.S. federal income tax purposes, or (3) have a materially adverse effect on, or result in a materially adverse alteration to, the taxation consequences described under the heading "*Certain Tax Considerations*" of this Offering Circular. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to the consent of the Controlling Class (acting by way of Ordinary Resolution) and to receipt of Rating Agency Confirmation, to a change of the law governing the Notes and/or the Trust Deed and/or any other Transaction Documents; **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders in accordance with Condition 16 (*Notices*) no later than 15 Business Days prior to any such substitution becoming effective. The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, **provided** the Issuer does all such things as the Trustee may reasonably require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may reasonably direct.

No Noteholder shall, in connection with any substitution or change in residence, be entitled to claim any indemnity or payment in respect of any tax consequences thereof for such Noteholder.

(e) Entitlement of the Trustee and Conflicts of Interest

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition), the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 (*Taxation*).

In considering the interests of Noteholders while the Global Certificates are held on behalf of a Clearing System, the Trustee may have regard to any information provided to it by such Clearing System or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, the interests of the holders of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of: (i) the Class X Noteholders and the Class A Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, and the Subordinated Noteholders; (ii) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (iii) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (iv) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (v) the Class E Noteholders over the Class F Noteholders and the Subordinated Noteholders; and (vi) the Class F Noteholders over the Subordinated Noteholders. If the Trustee receives conflicting or inconsistent requests from

two or more groups of holders of a Class, given priority as described in this Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*), each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater aggregate principal amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)) in such circumstances subject to being indemnified and/or secured and/or pre-funded to its satisfaction, and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Notes.

In addition, the Trust Deed provides that, so long as any Note is Outstanding, the Trustee shall have no regard to the interests of any Secured Party other than the Noteholders or, at any time, to the interests of any other person.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any other party to any Transaction Document and any entity related to the Issuer or any other party to any Transaction Document without accounting for any profit. The Trustee is exempted from any liability in respect of any loss, disposal, reduction in value or theft of the Collateral from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, under the Trust Deed the Trustee is under no such obligation) and from any claim arising from the fact that the Collateral is held by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Custodian or any other Agent of any of its duties under the Collateral Administration and Agency Agreement or for the performance by the Investment Manager of any of its duties under the Investment Management Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Administration and Agency Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management, sufficiency or adequacy or operation of the Collateral including the request by the Investment Manager to release any of the Collateral from time to time.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

16. Notices

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre-paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission) and (for so long as the Notes are listed on the Global Exchange Market and the rules of Euronext Dublin so require) shall be sent to the Company Announcements Office of Euronext Dublin. Any such notice shall be deemed to have been given to the Noteholders (a) in the case of inland mail three days after the date of dispatch thereof, (b) in the case of overseas mail, seven days after the dispatch thereof or, (c) in the case of electronic transmission, on the date of dispatch.

The Trustee may sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules or guidelines, as applicable, of the stock exchange on which the Notes are then listed and **provided that** notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

Notwithstanding the above, so long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Notes *provided that*

such notice is also made to the Company Announcements Office of Euronext Dublin for so long as such Notes are listed on the Global Exchange Market and the rules of Euronext Dublin so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.

17. Additional Issuances

(a) Further Notes

The Issuer may from time to time during the Reinvestment Period, subject to the approval of the Subordinated Noteholders acting by Ordinary Resolution (or, solely in order to issue additional Class A Notes, subject to the consent of the Controlling Class acting by way of Ordinary Resolution), create and issue further Notes having the same terms and conditions as existing Classes of Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Notes of each such Class. No further issuance of Notes may be made pursuant to this Condition 17(a) (*Further Notes)* unless the following conditions are met:

(i) such further issuances in relation to each Class of Notes may not exceed 100 per cent. in the aggregate of the original aggregate principal amount of such Class of Notes;

(ii) such additional Notes must be issued for a cash sale price and the net proceeds invested in Portfolio Assets or, pending such investment, during the Ramp-up Period deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments;

(iii) subject to paragraph (b) (*Further Subordinated Notes*) below, such additional Notes must be of each Class of Notes and issued in a proportionate amount among the Classes so that the relative proportions of the aggregate principal amount of the Classes of Notes (existing immediately prior to such additional issuance) remain unchanged immediately following such additional issuance;

(iv) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Notes must be identical to the terms of the previously issued Notes of the applicable Class of Notes;

(v) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance and obtain Rating Agency Confirmation in respect thereof;

(vi) the Coverage Tests are maintained or improved after giving effect to such additional issuance of Notes;

(vii) no Note Event of Default has occurred;

(viii) the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been notified in writing by the Issuer or the Investment Manager 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance (the "**Anti-Dilution Percentage**") of such additional Notes and on the same terms offered to investors generally; *provided that* this paragraph (viii) shall not apply to any additional issuance of Subordinated Notes if such issuance is required in order to prevent or cure a Retention Deficiency for any reason including, but not limited to, where such Retention Deficiency will occur due to an additional issuance of any Class of Notes;

(ix) so long as the existing Notes of the Class of Notes to be issued are listed on the Global Exchange Market, the additional Notes of such Class to be issued are in accordance with the requirements of Euronext Dublin and are listed on the Global Exchange Market (for so long as the rules of Euronext Dublin so require);

(x) advice of tax counsel of nationally recognised standing in the United States experienced in such matters will be delivered to the Issuer and the Trustee to the effect that (A) such additional issuance will not have a material adverse effect on the tax treatment of the Issuer or the tax consequences to the Noteholders of any Class Outstanding at the time of issuance of the additional Notes as described herein under the heading "*Certain Tax Considerations – Certain U.S. Federal Income Tax Considerations*", and (B) any additional Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated, and any additional Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes, *provided, however, that* the advice of tax counsel described in this subclause (B) will not be required with respect to any additional Notes that bear a different CUSIP number (or equivalent identifier) from the Notes of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance;

(xi) such additional issuances are in accordance with all applicable laws;

(xii) any issuance of additional Notes shall be accomplished in a manner that will allow the Issuer to provide the information required to be provided to the Noteholders of such additional Notes under U.S. Treasury Regulations Section 1.1275-3(b)(l); and

(xiii) the Retention Holder shall purchase and hold on the same terms of the Retention Undertaking Letter, sufficient additional Notes of each Class such that, after giving effect to the additional issuance, the requirements of the Retention Undertaking Letter are satisfied and no Retention Deficiency shall be continuing.

(b) Further Subordinated Notes

The Issuer may from time to time and subject to the approval of the Subordinated Noteholders acting by Ordinary Resolution (or, solely in order to prevent or cure a Retention Deficiency, the approval of the Retention Holder only), create and issue further Subordinated Notes having the same terms and conditions as the existing Class of Subordinated Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Subordinated Notes (the "**Further Subordinated Notes**"). No further issuance of Subordinated Notes may be made pursuant to this Condition 17(b) (*Further Subordinated Notes*) unless the following conditions are met:

(i) such further issuances may not exceed 100 per cent. in the aggregate of the original aggregate principal amount of the Subordinated Notes;

(ii) such Further Subordinated Notes must be issued for a cash sale price and the net proceeds applied to a Permitted Use;

(iii) the terms (other than the date of issuance, the issue price and the date from which interest will accrue but including the subordination terms) of such Further Subordinated Notes must be identical to the terms of the previously issued Subordinated Notes;

(iv) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance;

(v) the Issuer may only issue and sell Further Subordinated Notes three times and on each such occasion the aggregate principal amount of such issuance may not be less than €1,000,000;

(vi) the holders of the Subordinated Notes shall have been notified in writing by the Issuer or the Investment Manager 30 days prior to such issuance and shall have been afforded the opportunity to purchase Further Subordinated Notes in an amount not to exceed the percentage of the Subordinated Notes each holder held immediately prior to the issuance of such Further Subordinated Notes and on the same terms offered to investors generally;

(vii) so long as the existing Subordinated Notes are listed on the Global Exchange Market, the Further Subordinated Notes to be issued are in accordance with the requirements of Euronext Dublin and are listed on the Global Exchange Market (for so long as the rules of Euronext Dublin so require);

(viii) the Investment Manager determines that the U.S. Risk Retention Rules are satisfied with respect to such additional issuance or such additional issuance is exempt from the U.S. Risk Retention Rules;

(ix) such further issuances are in accordance with all applicable laws;

(x) such Further Subordinated Notes are only offered and sold to persons meeting the criteria in effect on the Issue Date for the purchase of Subordinated Notes;

(xi) such further issuances will not result in a Retention Deficiency;

(xii) such further issuances will be issued with a separate ISIN or other Security Identifier unless the Rated Notes of any Class and such additional issuance of the same Class of Rated Notes are fungible for U.S. federal income tax purposes; and

(xiii) the Issuer shall have provided written notice of such further issuance of Subordinated Notes to the Trustee at least 30 days prior to the proposed date of issue;

provided that the foregoing requirements of paragraphs (v), (vi) and (xii) shall not apply in respect of any additional issuance of Subordinated Notes if such additional issuance is required in order to prevent or cure a Retention Deficiency.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any further Notes issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes. Any further Subordinated Notes forming a single series with the Subordinated Notes shall be constituted by a deed supplemental to the Trust Deed.

18. Third Party Rights

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

19. Governing Law

(a) Governing Law

The Trust Deed and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature (whether contractual or non-contractual) arising out of or in any way relating to the Trust Deed or any Class of Notes including in each case any non-contractual obligations are governed by and shall be construed in accordance with English law.

(b) Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer appoints TMF Global Services (UK) Ltd. of 6 St. Andrew Street, 5th Floor, London EC4A 3AE (the "**Process Agent**") as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify in writing the Trustee and the Noteholders in accordance with Condition 16 (*Notices*) of such appointment. Until a substitute process agent has been notified to the Trustee, the parties' service of documents to the Process Agent shall continue to be effective. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Notes on the Issue Date after payment of fees and expenses payable on or accrued at the Issue Date is expected to be approximately €402,000,000.

The net proceeds of issue of the Notes shall be used by the Issuer on the Issue Date (i) to pay certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes which will be deposited in the Expense Reserve Account on the Issue Date, (ii) to repay the financing provided to the Issuer pursuant to the Warehouse Arrangements, and (iii) to fund the First Period Reserve Account in an amount equal to €1,500,000. The remaining net proceeds of issue of the Notes shall be deposited in the Unused Proceeds Account on the Issue Date for application during the Ramp-Up Period in the acquisition of additional Portfolio Assets.

FORM OF THE NOTES

References below to Notes and to the Global Certificates and the Definitive Certificates representing such Notes are to each respective Class of Notes, except as otherwise indicated.

Initial Issue of Notes

The Regulation S Notes of each Class will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of, a nominee of a common depositary acting on behalf of Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". Beneficial interests in a Regulation S Global Certificate may not be held by a U.S. Person or U.S. Resident at any time. By acquisition of a beneficial interest in a Regulation S Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is an institution that is not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only (i) to a person it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note; or (ii) to an institution that is a non U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S. See "*Transfer Restrictions*".

The Rule 144A Notes of each Class will be represented on issue by a Rule 144A Global Certificate deposited with a custodian for, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream Luxembourg. Beneficial interests in a Rule 144A Global Certificate may only be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. See "*Transfer Restrictions*".

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set out therein and in the Trust Deed and as set out in Rule 144A, and the Notes will bear the applicable legends regarding the restrictions set out under "*Transfer Restrictions*". In the case of each Class of Notes, a beneficial interest in a Regulation S Global Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes that the transferee is a QIB and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made to an institution that is a non-U.S. Person and in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Transfer Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

A purchaser or transferee of a Class E Note, a Class F Note or a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not and is not acting on behalf of (and for so long as it holds such Note or an interest therein will not be, and will not be acting on behalf of) a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Class E Note, Class F Note or Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee: (i) obtains the written consent of the Issuer; and (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex C (*Form of ERISA Certificate*)).

The Notes are not issuable in bearer form.

IM Removal and Replacement Voting and Non-Voting Notes

A beneficial interest in a Rule 144A Global Certificate in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or an entity that is not an Affiliate of the transferor who takes delivery in the form of an interest in a Rule 144A Global Certificate in the form of IM Removal and Replacement Voting Notes, in each case in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A beneficial interest in a Rule 144A Global Certificate in the form of IM Removal and Replacement Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A beneficial interest in a Regulation S Global Certificate in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or an entity that is not an Affiliate of the transferor who takes delivery in the form of an interest in a Regulation S Global Certificate in the form of IM Removal and Replacement Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate, in each case only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A beneficial interest in a Regulation S Global Certificate in the form of IM Removal and Replacement Voting Notes may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate only upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A Noteholder holding a beneficial interest in a Global Certificate representing Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes may request by the delivery to a Transfer Agent of a written request that such beneficial interest be exchanged for a beneficial interest in a Global Certificate representing Notes in the form of IM Removal and Replacement Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of such Noteholder, as provided above.

Beneficial interests in a Global Certificate representing Notes in the form of IM Removal and Replacement Exchangeable Non-Voting Notes shall not be exchanged for a beneficial interest in a Global Certificate representing Notes in the form of IM Removal and Replacement Voting Notes in any other circumstances.

Beneficial interests in a Global Certificate representing Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes shall not be exchangeable at any time for a beneficial interest in a Global

Certificate representing Notes in the form of IM Removal and Replacement Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes.

Amendments to Terms and Conditions

Each Global Certificate contains provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes in definitive form (See "*Terms and Conditions of the Notes*"). The following is a summary of those provisions:

- *Payments*: Payments of principal and interest in respect of Notes represented by a Global Certificate will be made to the person named on the Register as at the relevant Record Date and, against presentation and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Certificate to or to the order of the Principal Paying Agent or such other Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. On each occasion on which a payment of interest (unless the Notes represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

- *Notices*: So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Notes provided that such notice is also made to the Companies Announcements Office of Euronext Dublin for so long as such Notes are listed on the Global Exchange Market of Euronext Dublin and the rules of Euronext Dublin so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.

- *Prescription*: Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

- *Meetings*: The holder of each Global Certificate will (unless the Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and at any such meeting as having one vote in respect of each €1,000 of principal amount of Notes.

- *Trustee's Powers*: In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

- *Cancellation*: Cancellation of any Note required by the Terms and Conditions of the Notes to be cancelled will be effected by reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

- *Optional Redemption*: The Subordinated Noteholders' and the Controlling Class' options in Condition 7 (*Redemption and Purchase*) may be exercised by the Subordinated Noteholders or the Controlling Class (as applicable) giving notice to the Principal Paying Agent of the principal amount of Subordinated Notes or Notes representing the Controlling Class (as applicable) in respect of which the option is exercised and presenting such Global Certificate for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*).

- *Record Date*: The Record Date shall be the close of business on the Clearing System Business Day before the relevant due date for payment of principal and interest (where "**Clearing System Business Day**" means a day on which Euroclear and Clearstream, Luxembourg are open for business).

- *Forced Transfer*: In respect of any forced transfer referred to in Condition 2(h) (*Forced transfer of Rule 144A Notes*), Condition 2(i) (*Forced transfer pursuant to FATCA*), Condition 2(j) (*Forced transfer*

pursuant to ERISA) or Condition 22(k) (*Forced transfer pursuant to U.S. Risk Retention Rules*), each Noteholder hereby authorises the Registrar, Euroclear and Clearstream, Luxembourg and the Issuer to take such actions and steps as are necessary in order to effect such forced transfer provisions without the need for any further express instruction or approval from any affected Noteholder or the Noteholders as a whole or of any Class and each Noteholder hereby agrees to be bound by the same.

Exchange for Definitive Certificates

Exchange

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear, Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

"**Exchange Date**" means a day falling not less than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar and the Transfer Agent is located.

Delivery

In such circumstances, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or the Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*" *below*.

Legends

The holder of a Definitive Certificate in registered definitive form may transfer the Notes represented thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or the Transfer Agent, together with the completed form of transfer and to the extent applicable, consent of the Issuer and a duly completed ERISA certificate substantially in the form of Annex C (*Form of ERISA Certificate*). Upon the transfer, exchange or replacement of a Definitive Certificate in registered definitive form bearing the legend referred to under "*Transfer Restrictions*" below, or upon specific request for removal of the legend on a Definitive Certificate in registered definitive form, the Issuer will deliver only Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set out therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

BOOK ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Arranger, the Initial Purchaser, the Investment Manager, the Collateral Administrator or any Agent party to the Collateral Administration and Agency Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (See "*Settlement and Transfer of Notes*" *below*).

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

Euroclear and Clearstream, Luxembourg

Each Regulation S Global Certificate and each Rule 144A Global Certificate will have an ISIN and a Common Code and will be registered in the name of, and deposited with, a nominee of a common depositary acting on behalf of, Euroclear and Clearstream, Luxembourg.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any

aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Certificate held within a Clearing System is exchanged for Definitive Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

RATINGS OF THE NOTES

General

It is a condition of the issue and sale of the Notes that the Rated Notes be issued with at least the following ratings: the Class X Notes: "Aaa(sf)" from Moody's and "AAAsf" from Fitch; the Class A Notes: "Aaa(sf)" from Moody's and "AAAsf" from Fitch; the Class B-1 Notes: "Aa2(sf)" from Moody's and "AAsf" from Fitch; the Class B-2 Notes: "Aa2(sf)" from Moody's and "AAsf" from Fitch, the Class C Notes: "A2(sf)" from Moody's and "Asf" from Fitch; the Class D Notes: "Baa2(sf)" from Moody's and "BBBsf" from Fitch; the Class E Notes: "Ba2(sf)" from Moody's and "BBsf" from Fitch; and the Class F Notes: "B2(sf)" from Moody's and "B-sf" from Fitch. No application has been made for a rating on the Subordinated Notes and the Subordinated Notes are not expected to be rated.

The ratings assigned to the Class X Notes, the Class A Notes, the Class B-1 Notes and Class B-2 Notes address the timely payment of interest and ultimate payment of principal and the ratings assigned to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the ultimate payment of interest and principal.

In respect of any Rated Notes that are subject to a Refinancing in accordance with Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*), the ratings assigned to the Notes will not necessarily continue to be assigned to the Refinancing Notes issued pursuant thereto.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

Moody's Ratings

Moody's Ratings address the expected loss posed to investors by the legal final maturity on the Maturity Date.

Moody's analysis of the likelihood that each Portfolio Asset will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the portfolio based on the level of diversification by region, issuer and industry. There can be no assurance that the actual default rates on the Portfolio Assets held by the Issuer will not exceed the rates assumed by Moody's in its analysis.

In addition to these quantitative tests, Moody's Ratings take into account qualitative features of a transaction, including the experience of the Investment Manager, the legal structure and the risks associated with such structure and other factors that they deem relevant.

Fitch Ratings

The ratings assigned to the Rated Notes by Fitch are based upon Fitch's statistical analysis of historical default rates on debt obligations with similar characteristics to the Portfolio Assets and the various eligibility requirements that the Portfolio Assets are required to satisfy.

Fitch analyses the likelihood that each Portfolio Asset will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Fitch then determines the level of credit protection necessary based on a specific percentile of the portfolio default distribution determined by the Fitch "Portfolio Credit Model" which takes into account the correlation between assets in the portfolio based on the level of diversification by region, issuer and industry. The results of a statistical analysis are incorporated into a cash flow model built to mimic the structure of the transaction. In this regard, the results of several default scenarios, in conjunction with various qualitative tests (e.g. analysis of the strength of the Investment Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch Ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Portfolio Assets will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not differ from those assumed by Fitch.

In addition to those quantitative tests, Fitch Ratings take into account qualitative features of a transaction, including the experience of the Investment Manager, the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

RULE 17G-5 AND SECURITISATION REGULATION COMPLIANCE

Rule 17g-5

THE ISSUER, IN ORDER TO PERMIT THE RATING AGENCIES TO COMPLY WITH THEIR OBLIGATIONS UNDER RULE 17G-5 PROMULGATED UNDER THE EXCHANGE ACT, HAS AGREED TO POST (OR HAVE ITS AGENT POST) ON A PASSWORD-PROTECTED INTERNET WEBSITE (THE "**RULE 17G-5 WEBSITE**"), AT THE SAME TIME SUCH INFORMATION IS PROVIDED TO THE RATING AGENCIES, ALL INFORMATION (WHICH WILL NOT INCLUDE ANY REPORTS FROM THE ISSUER'S INDEPENDENT PUBLIC ACCOUNTANTS) THAT THE ISSUER (OR OTHER PARTIES ON ITS BEHALF, INCLUDING THE INVESTMENT MANAGER) PROVIDES TO THE RATING AGENCIES FOR THE PURPOSES OF DETERMINING THE INITIAL CREDIT RATING OF THE RATED NOTES OR UNDERTAKING CREDIT RATING SURVEILLANCE OF THE RATED NOTES; *PROVIDED HOWEVER, THAT*, PRIOR TO THE OCCURRENCE OF A NOTE EVENT OF DEFAULT, WITHOUT THE PRIOR WRITTEN CONSENT OF THE INVESTMENT MANAGER, NO PARTY OTHER THAN THE ISSUER MAY PROVIDE INFORMATION TO THE RATING AGENCIES ON THE ISSUER'S BEHALF.

ON THE ISSUE DATE, THE ISSUER WILL REQUEST THE BANK OF NEW YORK MELLON SA/NV, DUBLIN BRANCH, IN ACCORDANCE WITH THE INVESTMENT MANAGEMENT AGREEMENT, TO ASSIST THE ISSUER IN COMPLYING WITH CERTAIN OF THE POSTING REQUIREMENTS UNDER RULE 17G-5 (IN SUCH CAPACITY, THE "**INFORMATION AGENT**"). ANY NOTICES OR REQUESTS TO, OR ANY OTHER WRITTEN COMMUNICATIONS WITH OR WRITTEN INFORMATION PROVIDED TO, THE RATING AGENCIES, OR ANY OF THEIR OFFICERS, DIRECTORS OR EMPLOYEES PURSUANT TO, IN CONNECTION WITH OR RELATED DIRECTLY OR INDIRECTLY TO, THE TRUST DEED, THE INVESTMENT MANAGEMENT AGREEMENT, ANY TRANSACTION DOCUMENT RELATING THERETO, THE PORTFOLIO OR THE NOTES, WILL BE IN EACH CASE FURNISHED DIRECTLY TO THE RATING AGENCIES AFTER A COPY HAS BEEN DELIVERED TO THE INFORMATION AGENT OR THE ISSUER FOR POSTING TO THE RULE 17G-5 WEBSITE.

Securitisation Regulation

In the event that the Securitisation Regulation applies in the form that comes into force, the Issuer has agreed to assume the costs of compliance and making amendments to the Transaction Documents. In such circumstances the Issuer will establish and maintain a website or will procure that a website is established and maintained, in each case, for the purposes of ensuring compliance with the Securitisation Regulation.

DESCRIPTION OF THE ISSUER

General

The Issuer is a special purpose vehicle established for the purposes of issuing asset backed securities and was incorporated in Ireland as a designated activity company on 6 November 2017 under the Companies Act 2014 of Ireland under the name Bosphorus CLO IV Designated Activity Company and with company registration number 614693. The registered office of the Issuer is Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland and its telephone number is +353 1 614 6240.

Business

The principal objects of the Issuer are set forth in Article 3 of its Constitution and include, amongst others, the power to issue securities and to raise or borrow money, to grant security over its assets for such purposes, to lend with or without security and to enter into derivative transactions. Cash flow derived from the Collateral securing the Notes will be the Issuer's only source of funds to fund payments in respect of such Notes.

So long as any of the Notes remain outstanding, the Issuer will be subject to the restrictions set out in the Conditions and in the Trust Deed. In particular, the Issuer has undertaken not to carry out any business other than the issue of the Notes and acquiring, holding and disposing of the Portfolio in accordance with the Conditions and the Investment Management Agreement, entering into the Subscription Agreement, the Collateral Administration and Agency Agreement, the Trust Deed, the Investment Management Agreement, the Collateral Acquisition Agreements, each Hedge Agreement and the Administration Agreement and exercising the rights and performing the obligations under each such agreement and all other transactions incidental thereto.

The Issuer will not have any substantial liabilities other than in connection with the Notes and any secured obligations.

The Issuer will not have any subsidiaries and, save in respect of the fees and expenses generated in connection with the issue of the Notes (referred to below), any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the proceeds of the Issuer's issued share capital, the Issuer will not accumulate any surpluses.

The Issuer has, and will have, no material assets other than the Portfolio held from time to time, the Balances standing to the credit of the Accounts and the benefit of the Collateral Administration, the Agency Agreement, the Investment Management Agreement and any Hedge Agreements entered into by or on behalf of the Issuer from time to time, such fees (as agreed) payable to it in connection with the issue of the Notes, the sum of €1 representing the proceeds of its issued and paid-up share capital and the remainder of the amounts standing to the credit of the Issuer Irish Account. The only assets of the Issuer available to meet claims of the holders of the Notes and the other Secured Parties are the assets comprised in the Collateral.

The Notes are obligations of the Issuer alone and are not the obligation of, or guaranteed in any way by the Directors, the Company Secretary, the Trustee, the Custodian, the Investment Manager, the Collateral Administrator any Hedge Counterparty or any Obligor under any part of the Portfolio.

Business Activity

Prior to the Issue Date, the Issuer entered into the Warehouse Arrangements in order to enable the Issuer to acquire certain Portfolio Assets on or before the Issue Date. Amounts owing under the Warehouse Arrangements will be fully repaid on the Issue Date using the proceeds from the issuance of the Notes.

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the authorisation and entry into of the Warehouse Arrangements, the acquisition of the initial Portfolio, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Notes, the Subscription Agreement, the Collateral Administration and Agency Agreement, the Trust Deed, the Investment Management Agreement, the Collateral Acquisition Agreements, the Administration Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the initial Portfolio.

Management

The Issuer's Articles of Association provide that the board of Directors of the Issuer will consist of at least two directors (the "**Directors**"). The current Directors are:

Name	Occupation	Business Address
Stephen Healy	Company Director	Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland
Mohammad Zia	Company Director	Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland

The company secretary is TMF Administration Services Limited, an Irish company (the "**Company Secretary**").

TMF Administration Services Limited acts as the corporate administrator (the "**Administrator**") for the Issuer. The office of the Administrator serves as the general business office of the Issuer. Through that office and pursuant to the Administration Agreement, the Administrator performs various management functions on behalf of the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Administration Agreement. In consideration of the foregoing, the Administrator receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The terms of the Administration Agreement provide that either party may terminate the Administration Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Administration Agreement which is either incapable of remedy or which is not cured within 30 days of being required to do so. In addition, either party may terminate the Administration Agreement by giving not less than two months' prior written notice provided that any such termination by the Administrator will not take effect until such time as a replacement Administrator has been appointed in accordance with the terms of the Administration Agreement.

The Administrator's principal office is Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

Capital and Shares

The authorised share capital of the Issuer is €1,000 divided into 1000 ordinary shares of €1.00 each (the "**Shares**"). The Issuer has issued one share, which is fully paid up and held on trust by TMF Management (Ireland) Limited (the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 27 November 2017, whereby the Share Trustee holds the Share on trust for charitable purposes. The Share Trustee will have no beneficial interest in and will derive no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer. The Share Trustee will apply any income derived from the Issuer solely for the above purposes.

Administrative Expenses of the Issuer

The Issuer is expected to incur certain Administrative Expenses (as defined in Condition 1 (*Definitions*)).

Financial Statements

Since its date of incorporation, save as disclosed herein, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Offering Circular. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2018. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each year.

Each year, a copy of the audited profit and loss account and balance sheet of the Issuer together with the report of the Directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the Issuer and is available for inspection. The Issuer's profit and loss account and balance sheet can be obtained free of charge from the registered office of the Issuer. The Issuer must hold its first annual general meeting within 18 months of the date of its incorporation (and no more than 9 months after the financial year end) and thereafter the gap between its annual general meetings must not exceed 15 months. One annual general meeting must be held in each calendar year.

Save as disclosed herein, there has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation. The Issuer has no borrowing or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

The auditors of the Issuer are PWC, One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

DESCRIPTION OF THE INVESTMENT MANAGER

The information appearing in this section has been prepared by the Investment Manager and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Investment Manager assumes any responsibility for the accuracy or completeness of such information.

The delivery of this Offering Circular shall not create any implication that there has been no change in the affairs of the Investment Manager or of its Affiliates since the date of this Offering Circular, or that the information contained or referred to herein is correct as of any time subsequent to the date of this Offering Circular.

General

Pursuant to its appointment by the Issuer as Investment Manager under the Investment Management Agreement, Commerzbank AG, London Branch (the "**Investment Manager**") will perform certain Investment Management functions relating to the Portfolio. The Investment Manager may delegate certain of its management functions to, and may be assisted in the performance of such management functions by, certain of its Affiliates, subject to and in accordance with the terms of the Investment Management Agreement. See further the "*Description of the Investment Management Agreement*" section of this Offering Circular. The Investment Manager will not provide its services to the Issuer on an exclusive basis which may give rise to potential or actual conflicts of interest involving the Issuer. See "*Risk Factors – certain conflicts of interest – Investment Manager*" above.

Commerzbank AG, London Branch

Commerzbank AG is a stock corporation established under German law and incorporated in Germany as an Aktiengesellschaft ("**AG**") with its registered office in Frankfurt am Main. Commerzbank AG opened its first branch in London in 1973, Commerzbank AG, London Branch. Commerzbank AG is authorised as a financial services firm in the EEA. It is authorised and regulated in the conduct of its Investment Management business undertaken in the UK by Commerzbank AG, London Branch by the Financial Conduct Authority, which authorisation was effective as of 1 December 2001.

Commerzbank Debt Fund Management

The Investment Manager's London-based Debt Fund Management (the "**DFM team**") is the stand-alone fund management business of the Commerzbank leveraged finance franchise, investing in senior secured debt (leveraged loans & senior secured bonds) on behalf of external investors and Commerzbank. The five person team have over 60 years of cumulative leveraged finance experience and as of March 2018 managed approximately €1.1bn of assets.

Personnel

Set forth below is information regarding the background and principal occupations of those officers of the DFM team of the Investment Manager who are expected to be primarily responsible for managing the Portfolio under the Investment Management Agreement. These individuals are currently employed by the Investment Manager and hold the offices indicated below. Such persons may not necessarily continue to be so employed during the entire term of the Investment Management Agreement.

Guy Beeston, Chief Investment Officer

Prior to joining Commerzbank in 2007, Mr. Beeston ran HVB's (Unicredit) European leveraged debt buy-side business. Mr. Beeston's extensive experience includes structuring and distributing leveraged loan deals, secondary loan trading, portfolio management and involvement in a number of successful debt restructurings which provided full recovery to lenders. Mr. Beeston has 22 years of experience in all aspects of leveraged finance, including senior secured debt, subordinated debt, high yield and private equity, and has invested over €10bn in the leveraged loan asset class. Mr. Beeston holds a Bachelor of Arts with honours degree in Economics from Manchester University and spent the early part of his career at PricewaterhouseCoopers where he qualified as a Chartered Accountant.

Drew Morton, Investment Director

Mr. Morton joined the DFM team in 2009. Prior to joining the DFM team, Mr. Morton worked at Dresdner Kleinwort on the secondary loan trading desk as an analyst and the loan warehousing desk ramping up both client-specific and generic (propriety) CLO loan warehouse portfolios, via the primary and secondary loan market including the on-going management of the credits. Mr. Morton has 12 years of leveraged finance experience including leveraged loans, high yield bond and CDS across a range of sectors, covering principal investing, restructurings, LBOs, recapitalizations, and refinancings including senior secured and subordinated debt. Mr. Morton began his career as an accountant at PricewaterhouseCoopers and qualified as a Chartered Accountant. Mr. Morton holds a Bachelor of Science with honours degree in Economics and Mathematics from Royal Holloway, University of London.

Christoph Zens, Investment Director

Mr. Zens joined the DFM team in 2009. Prior to joining the DFM team, Mr. Zens worked as a transactor in Commerzbank's International Origination Group and has 13 years of leveraged finance experience. Prior to joining Commerzbank, Mr. Zens was an investment analyst in Credit Agricole's CLO Management team. Mr. Zens began his banking career as an analyst in the leveraged finance & securitisation team in the Global Head Office for Risk Management at Crédit Agricole CIB. Mr. Zens's transaction experience includes loan and high yield bond financings for leveraged buy-outs, corporate acquisitions, recapitalizations, refinancings as well as restructurings, across a broad range of industries and company credit profiles. In addition, he has experience in arranging and managing private debt funds. Mr. Zens holds a B.A. from Paris-IX-Dauphine University and an M.B.A. from Baruch College, City University of New York in Finance & Investments.

Zahra Husain, Investment Director

Ms. Husain joined the DFM team in 2011. Prior to joining Commerzbank, Ms. Husain worked in Nomura's Acquisition and Leveraged Finance Capital Markets team. Ms. Husain began her career at Merrill Lynch as an analyst in the European Leveraged Finance Origination team. Ms. Husain has 9 years of leveraged finance experience encompassing structuring, syndicating and investing in leveraged loan and high yield financings (LBOs, refinancings, recapitalizations, corporate acquisitions) for large cap European and cross-border leveraged companies across a variety of industry sectors. Ms. Husain holds a 1st Class Honours bachelors degree in Economics from the London School of Economics and an MSc in Economics for Development from Exeter College, Oxford University.

Priya Radia

Priya joined DFM in November 2017 and has 4 years of experience in Banking and Financial Services. Prior to joining Commerzbank, Priya worked with Deutsche Bank's Leveraged Finance Credit Risk team, working on LBOs, refinancings, and recapitalizations for large cap European companies across a variety of industries. She also spent time on the Securitisation Credit Risk team. She began her career at Ebury Partners after graduating in 2014, where she worked as a Credit Risk Analyst, analysing SMEs across the UK and Ireland. Whilst studying BSc Mathematics and Economics at the London School of Economics, Priya held internship positions at Deutsche Bank and Bloomberg. She is currently studying for the CFA qualification.

DESCRIPTION OF THE ORIGINATOR AND THE RETENTION REQUIREMENTS

The information appearing in the section entitled "Retention Requirements" below consists of a summary of certain provisions of the Retention Undertaking Letter which does not purport to be complete and is qualified by reference to the detailed provisions of such letter.

General

For a description of Taurus Corporate Financing LLP (the "**Originator**") see the section of this Offering Circular titled "*Description of the Originator and its Business*" below.

In consideration of the Originator's role in establishing the transaction described herein, the Investment Manager intends to rebate to the account of the Originator a proportion of the Investment Management Fee it earns in its capacity as Investment Manager to the Issuer, such proportion reflecting the amount of Subordinated Notes acquired by the Originator.

Retention Requirements

EU Retention Requirements

On the Issue Date, the Retention Holder will execute the Retention Undertaking Letter addressed to the Issuer, the Trustee, the Investment Manager, the Collateral Administrator, the Arranger and the Initial Purchaser, and will enter into the Retention Note Purchase Agreement. The Retention Holder will hold the Retention Notes, as described below, in its capacity as an "originator".

Pursuant to the Eligibility Criteria, the Issuer may only acquire a Portfolio Asset that is not an Originated Portfolio Asset if, immediately following such purchase, more than 50 per cent. of the Aggregate Principal Balance consists of Portfolio Assets which, pursuant to and in accordance with the requirements of the definition of Originator Requirement (subject to the proviso to the definition thereof), were acquired from the Originator.

Pursuant to the Retention Undertaking Letter, the Originator will, for the benefit of the Issuer, the Arranger, the Initial Purchaser, the Trustee, the Investment Manager and the Collateral Administrator:

(a) undertake to acquire on the Issue Date and hold on an ongoing basis for so long as any Class of Notes remains Outstanding, a material net economic interest in the first loss tranche of not less than 5 per cent. of the nominal value of the securitised exposures through the purchase and retention of Subordinated Notes with an original Principal Amount Outstanding (such original Principal Amount Outstanding calculated as of the date of issuance of such Subordinated Notes) *multiplied by* the price at which such Subordinated Notes were purchased by the Retention Holder , being an amount equal to no less than 5 per cent. of the Maximum Par Amount (the "**Retention Notes**"), in accordance with the EU Retention Requirements;

(b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes, except to the extent permitted by the EU Retention Requirements;

(c) subject to any regulatory requirements, agree to take such further reasonable action, provide such information (subject to any duty of confidentiality) and enter into such other agreements as may reasonably be required to satisfy the EU Retention Requirements as of (i) the Issue Date and (ii) following the Issue Date, solely as regards the provision of information in the possession of the Originator (at the cost and expense of the Issuer, if the party seeking such information is the Trustee, the Issuer, the Investment Manager or the Collateral Administrator);

(d) agree to confirm in writing (which may be by way of email):

  (i) promptly upon the request of the Trustee, the Collateral Administrator, the Investment Manager, the Initial Purchaser or the Issuer, in each case, to such party making such request; and

  (ii) to the Collateral Administrator on a monthly basis,

  its continued compliance with the covenants set out at paragraphs (a) and (b) above;

(e) undertake and agree that in relation to every Portfolio Asset it sells or transfers to the Issuer, that it either:

(i) purchased or will purchase such obligation for its own account prior to selling or transferring such obligation to the Issuer; or

(ii) either itself or through related entities, directly or indirectly, was involved or will be involved in the original agreement which created or will create such obligation;

(f) undertake and agree that, in relation to each Portfolio Asset that it sells or transfers to the Issuer in respect of which it has not undertaken the original credit-granting of the exposures to be securitised, or is not active in credit-granting the specific types of exposures that are being securitised, it shall ensure that it obtains all the information it reasonably determines as necessary to assess whether the criteria applied in the credit-granting for such exposures are as sound and well-defined as the criteria applied to non-securitised exposures;

(g) agree that it shall promptly notify the Issuer, the Trustee, the Investment Manager, the Collateral Administrator and the Initial Purchaser if for any reason it:

(i) ceases to hold the Retention Notes in accordance with (a) above;

(ii) fails to comply with the agreements and covenants (as applicable) set out in (b) or (c) above in any material way; or

(iii) any of the representations made by the Originator in the Retention Undertaking Letter fail to be true on any date in any material respect;

(h) represent that:

(i) it is not an entity that has been established or that operates for the sole purpose of securitising exposures; and

(ii) it has the capacity to meet a payment obligation from resources not related to the exposures it securitises; and

(i) acknowledge and confirm that the Originator established the transaction contemplated by the Transaction Documents and appointed the Initial Purchaser to provide certain specific services in order to assist with such establishment.

In addition, pursuant to the Retention Undertaking Letter, the Issuer will undertake that, in relation to each Portfolio Asset acquired by the Issuer from the Originator in order to satisfy the Originator Requirement, the Issuer will acquire such Portfolio Assets from the Originator after the Originator having held such Portfolio Assets for its own account for at least 15 Business Days for so long as such 15 Business Day seasoning period is required under the EU Retention Requirements.

The Originator shall be permitted to transfer the Retention Notes to the extent such transfer would not in and of itself cause the transaction described in this Offering Circular to be non-compliant with the EU Retention Requirements.

Prospective investors should consider the discussion in "*Risk Factors – Regulatory Initiatives - Risk Retention and Due Diligence Requirements*" above.

U.S. Risk Retention Requirements

The Investment Manager does not intend to retain a risk retention interest contemplated by the U.S. Risk Retention Rules in connection with the transaction described in this Offering Circular or the Notes. Accordingly, the transaction described in this Offering Circular and the Notes has been structured in reliance on the Foreign Safe Harbour. Consequently, (a) on the Issue Date the Notes may not be purchased by any person except for (i) persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**") or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager, and (b) during the Restricted Period, the Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons, or (ii) persons that have obtained a U.S. Risk Retention Waiver (as defined

herein) from the Investment Manager ("**U.S. Risk Retention Transfer Restriction**"). In any event, no more than 10 per cent. of the value of the Notes may be sold or transferred to Risk Retention U.S. Persons on the Issue Date or during the Restricted Period. Any purchase or transfer of the Notes in breach of these requirements will result in the affected Notes becoming subject to forced transfer provisions. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S. Each initial investor will be required to provide a representation to the Investment Manager in respect of their status under the U.S. Risk Retention Rules. See "*Risk Factors – Regulatory Initiatives*" and "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules*".

DESCRIPTION OF THE ORIGINATOR AND ITS BUSINESS

The information appearing in this section entitled "Description of the Originator and its Business" has been prepared by the Originator and has not been independently verified by the Issuer, the Investment Manager, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Issuer and the Originator assumes any responsibility for the accuracy or completeness of such information. The Issuer confirms that the information in this section has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information provided by the Originator, no facts have been omitted which would render the reproduced information inaccurate or misleading.

General Information

General

The Originator was established in Guernsey on 30 July 2015, under The Limited Liability Partnerships (Guernsey) Law 2013 (registration number 41). It is registered with the Guernsey Financial Services Commission as a Non-Regulated Financial Services Business pursuant to The Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008 (as amended). The Originator has established the Corporate Loans Business Unit, which is its business line for investment in corporate debt obligations, as further described below. The registered office and principal place of business of the Originator is Old Bank Chambers, La Grande Rue, St Martin's, Guernsey GY4 6RT. The statutory records of the Originator are kept at this address. The Originator has no subsidiaries or employees. The Originator has an unlimited life.

The Originator is self-managed and has been registered with the Guernsey Financial Services Commission as a Non-Regulated Financial Services Business (with GFSC reference number 2265927) since 28 September 2015 in respect of lending (including, without limitation, the provision of consumer credit or mortgage credit, factoring with or without recourse, financing of commercial transactions (including forfeiting) and advancing loans against cheques) and providing financial guarantees or commitments pursuant to The Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008 (as amended). The Originator has a substantive corporate governance structure and investment strategy (as described further below at "*Description of the Originator and its Business – Originator Investment Objective, Policy and Strategy – Principal Purpose*").

The Originator is wholly owned in direct and indirect holdings by Chenavari Toro Income Fund Limited ("**Toro**"), a Guernsey-based registered closed-ended collective investment scheme registered pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the Registered Collective Investment Schemes Rules 2015 issued by the Guernsey Financial Services Commission with shares admitted to trading on the Specialist Fund Segment of the London Stock Exchange and on the official list of the Channel Islands Securities Exchange Authority Limited. Toro seeks to invest in a diversified portfolio of exposures to predominantly European based obligors, and its investment strategies are (a) to opportunistically invest or trade in primary and secondary market asset backed securities and other structured credit investments including private asset backed finance investments and (b) to invest in transactions on a buy-to-hold basis, via a variety of means, including, without limitation, warehouse credit facilities, which can originate credits that may be refinanced in structured credit markets as well as other financing opportunities. The overall investment objective of Toro is to deliver an absolute return from (i) investing and trading in asset backed securities and other structured credit investments in liquid markets and (ii) investing directly or indirectly in asset backed transactions including, without limitation, through the origination of credit portfolios. Chenavari Credit Partners LLP ("**CCP**") has been appointed as portfolio manager for Toro.

The Originator's accounting period ends on 30 September of each year.

The Auditors of the Originator are Deloitte LLP. Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 with registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is Registered by the ICAEW to carry out audit work and is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee.

The Originator's annual report and accounts are prepared according to UK GAAP.

The administrator is Estera Administration (Guernsey) Limited (formerly Morgan Sharpe Administration Limited) of Old Bank Chambers, La Grande Rue, St Martin's, Guernsey GY4 6RT.

Board Members

The Originator's limited liability partnership agreement ("**LLPA**") provides that its board (the "**LLP Board**") will consist of at least five board members (each, a "**Board Member**").

LLP Board

The LLP Board (the constitution of which may change from time to time) currently consists of the following:

Paul Harris (Chairman)

Paul Harris is a former Senior Executive with Brevan Howard with seven years of experience sitting on and chairing group boards.

Paul has a twenty year track record working with and overseeing Channel Islands and Cayman Islands fund structures.

Paul is a qualified chartered accountant with considerable experience of advising on trust and corporate structures, and is a liaison with Jersey regulatory authorities on AIFMD working group and an expert knowledge of requirements for Channel Islands AIFMs.

Andrew Howat (Investment Committee Chairman)

Andrew Howat was formerly ING Financial Markets Asia Head of Operations, he led the Operations functions of ING's Banking and Treasury network in Asia resulting in robust operating processes and efficient use of each branch balance sheet. Andrew was a member of Asset and Liability Committee (ALCO), Business Risk Committee (BRC) – gatekeeper to the business unit's trading, lending and investment activities and Asia Operating Management Committee (OPCO) deciding on the strategic direction of the financial markets and debt business across Asia.

During his time with ING, Andrew had overall responsibility for the operational control, risk management and daily activity for a multi-million dollar turnover business across eight countries in Asia covering various trading and investment activities (fixed income, equities, interest rate derivatives, distressed debt, credit derivatives, structured products, debt origination & lending, FX, and exchange-traded futures and options).

Justin Partington (Audit Committee Chairman)

Justin Partington has spent fifteen years in fund administration across four different businesses in the hedge fund and private equity asset classes in the Cayman Islands, Toronto, London and Guernsey.

Justin earned a CFA charter in 2006 and has specific expertise in the application of sophisticated asset pricing models and finance theory in the valuation of alternative assets including private companies, exchanged traded products and derivatives including CDS, CDX and CDOs. While at UBS Fund Services, he set up and ran the hedge fund pricing models using Markit data feeds.

Justin is an executive Director and a board director with a leading fund administration business, and has held numerous executive and non-executive directorship roles in both operating financial services business and investment funds since 2001.

Justin is a Chartered Accountant (CA-CPA Canada) having trained in audits of financial services businesses and funds with Deloitte and PricewaterhouseCoopers.

Rene Mouchotte

Rene Mouchotte has over 40 years' experience in senior finance and banking positions including:

- global head of securitisation and tax lease for Crédit Agricole Indosuez;
- chairman of Eurotitrisation and global head of credit portfolio management for CALYON;
- independent board member of Banque AIG from 2009 to 2012;

- board member of IACPM (International Association of Credit Portfolio Managers) from 2007 to 2009;
- board member of Eurotitrisation;
- chairman of the Expert Committee of ESNI (Euro Secured Notes Issuer); and

Rene currently holds a number of non-executive board positions within the Chenavari group, including as a non-executive director of Chenavari Capital Solutions Limited, a Guernsey-based registered closed-ended collective investment scheme with shares admitted to trading at the Specialist Fund Segment of the London Stock Exchange.

Rene holds an MS in Engineering from Ecole des Mines, an MBA from Columbia University Graduate School of Business, an MA in Finance and Economics from Institut d'Etudes Politiques de Paris and a Post-Master's degree in Economics from Paris University.

Steve Sabatier

Steve Sabatier joined Chenavari in 2010 and, while still leading Chenavari's legal department as General Counsel, took over the Managing Director role of Chenavari Investment Managers (Luxembourg) S.à r.l in 2017. to enhance and further develop the Chenavari AIFM platform. Steve also operates as Conducting Officer in charge of the AIFM Operations. Prior to this, from 2012 to 2016, Steve acted as Chief Operating Officer of Chenavari Investment Managers.

Prior to joining Chenavari, Steve spent over ten years in derivatives and alternative asset management sectors. Steve was a senior legal counsel with AXA Investment Management in London, dedicated to the Hedge Funds and Funds of Hedge Funds business. From 1999 to 2006, Steve worked for Société Générale in Paris, as a derivatives legal adviser, two years as Deputy Head of the Debt Instruments Legal Department covering the Structured Credit business and two years for the Alternative Management Platform of Société Générale's subsidiary Lyxor Asset Management. Steve has a Master's in International Business Law from Tours University.

Corporate Loans Business Unit

On 5 August 2015, the LLP Board established the Corporate Loans Business Unit as the first (and currently, as of the date of this Offering Circular, only) business line pursuant to the LLPA. The Originator may during the course of this transaction establish further business lines focused on other lending activities.

Originator infrastructure

The Originator is a self-managed origination entity. It has management and investment infrastructure set out in its LLPA, adopted in LLP Board meetings and through its entry into a variety of arrangements with the purpose of assisting it in effectively originating and managing its portfolio on an ongoing basis. In addition to the LLP Board as previously described, such infrastructure includes:

Investment Committee

An Investment Committee has been authorised and established by the LLP Board in order to consider and approve investment proposals from the Introductory and Sales Adviser (as described below).

The Investment Committee is chaired by Andrew Howat and currently consists of each Board Member, which as a committee has overall responsibility for oversight of portfolio management and credit decisions, and its role is to receive and consider advice given by the Introductory and Sales Adviser with respect to Portfolio acquisition, disposal and originator activity. Any decisions related to the following are required to be approved by the Investment Committee (including at least two of the independent Board Members (being those Board Members who are not also executive officers, partners or senior portfolio managers in any entity within the Chenavari group otherwise than by being a Board Member)) acting by way of simple majority:

(a) the purchase or sale of a portfolio asset directly into the Originator; and

(b) any significant waiver, amendment or restructuring of a portfolio asset which would have the effect of altering the amount of principal or interest payable on such portfolio asset,

provided however that if the Introductory and Sales Adviser notifies a Board Member that, in its reasonable determination, the taking of any such action would require execution in a time frame which results in full Investment Committee approval being impracticable, the Board and Investment Committee may approve the delegation of their authority to any one independent Board Member, providing that no such authority shall be exercised in relation to an opportunity of value greater than EUR 10 million, and the Investment Committee shall subsequently review such decision as soon as reasonably practicable.

In deciding whether to approve any such action, the Investment Committee shall consider whether such action is (a) consistent with the Corporate Loans Business Unit Strategy (as described below) and (b) in the best interests of the Originator.

The Investment Committee of the Originator will review advice provided by its introductory and sales adviser, CPP, who will identify investment opportunities and potential debt obligations for purchase by the Originator, through sourcing opportunities to extend credit to corporate borrowers taking into consideration, in conjunction with advice received from the Originator's other advisers, all relevant legal, regulatory and tax issues. Any investment will follow the limits set out in the Corporate Loans Business Unit Strategy which are expected to diversify its portfolios to reduce the risk that any one obligor or industry will adversely impact overall returns.

Audit Committee

The Audit Committee of the Originator is responsible for monitoring the integrity of the financial statements of the Originator, including its annual reports. The Audit Committee reviews the adequacy and efficiency of the LLP's risk management systems and financial controls. The Audit Committee also reviews the adequacy and effectiveness of the Originator MLRO functions.

MLRO Compliance

The LLP is required to have an appointed MLRO. The Originator has appointed Mr Alan Tremlett, an employee of Estera Administration (Guernsey) Limited, as the MLRO. The MLRO is in charge of ensuring compliance with relevant law, regulation, code and guidance in respect of AML/CTF measures, and reports directly to the LLP Board.

Introduction and Sales Advisory Agreement

The Originator has entered into an introduction and sales advisory agreement (the "**ISAA**") with CCP pursuant to which CCP is appointed by the Originator as its Introductory and Sales Adviser, in order to provide advice and certain service support, credit research and analysis services in connection with origination and ongoing management of the Originator Portfolio by the Originator.

Services Support Agreement

The Originator has entered into a services support agreement (the "**SSA**") with Chenavari Investment Managers Holding Limited ("**CIMHL**") pursuant to which CIMHL will procure the provision of human capital in order to assist the Originator as its activities grow.

Administration Agreement

Estera Administration (Guernsey) Limited (the "**Originator Administrator**"), a Guernsey company, acts as the administrator for the Originator pursuant to the terms of the services agreement between the Originator and the Originator Administrator (the "**Originator Administration Agreement**"). Pursuant to the terms of the Originator Administration Agreement, the Originator Administrator performs various management functions on behalf of the Originator, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Originator Administration Agreement.

Sources and Uses of Funding

The Originator initially funded the establishment, operations and initial purchases of corporate loans within the scope of Corporate Loans Business Unit from equity capital contributions from the LLP partners. The Originator's current sources of funding consist of (but are not limited to) the following:

Equity Capital Contributions by LLP Partners

The Originator's equity capital contributions by its members are primarily allocated for use in connection with the Corporate Loans Business Unit Strategy (see "*General Information – Corporate Loans Business Unit*" above). These capital contributions are true loss-absorbing equity capital.

Debt financing

(a) The Originator has obtained debt financing (the "**Debt Financing**") in the form of a full recourse private credit facility with a large bank. The Debt Financing is a secured revolving credit line available to the Borrower and may be used for general Portfolio accumulation.

(b) In addition to the Debt Financing, the Originator also expects to use debt and equity financing to obtain Portfolio Assets for inclusion in the Portfolio at closing.

Originator Investment Objective, Policy and Strategy

Principal Purpose

The Originator's primary business purpose is to purchase or undertake lending, including lending to corporate entities, in accordance with the registration of the Originator with the Guernsey Financial Services Commission as a non-regulated financial services business pursuant to the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008 (as amended). Pursuant to this registration, the Originator is entitled to undertake the financial services business of lending (including, without limitation, the provision of the services described in "*Description of the Originator and its Business*").

Corporate Loans Business Unit Strategy

The strategy of the Corporate Loans Business Unit (the "**Corporate Loans Business Unit Strategy**") is to seek to originate, purchase or transact in credit investments predominantly in a diverse portfolio of senior secured debt obligations, unsecured senior loans, mezzanine obligations, second lien loans or high yield bonds (together, "**Corporate Loan Obligations**") and CLO Income Notes (as defined below) in order to generate attractive risk-adjusted returns from such portfolios. The strategy will be implemented by investing predominantly in portfolios of senior secured obligations.

CLOs

As part of the strategy to fund its exposures to these investments, the Originator seeks to obtain leverage, diversify its overall holdings or take advantage of preferential funding by periodically securitising portfolios of Corporate Loan Obligations into a collateralised loan obligation transaction ("**CLO**") originated by it (in conjunction with the relevant investment manager or sponsor, as applicable). When the Originator decides to establish such a CLO, it commits to buy and hold to maturity a proportion of the CLO securities ("**CLO Income Notes**") with a principal amount being not less than 5 per cent. of the maximum portfolio principal amount of the total securitised exposures in such CLO with the intention of complying with the EU Retention Requirements. It is anticipated that the Originator will eventually retain CLO Income Notes in a number of CLOs, and in addition will continue to directly hold floating rate senior secured loans. As of the date hereof, the Originator owns CLO Income Notes in five CLO transactions.

Investment

The Originator intends to pursue its investment policy by investing proceeds from its sources of financing (*less* any amounts retained for working capital purposes) in:

(a) Corporate Loan Obligations which will be acquired in the primary and secondary market; and

(b) CLO Income Notes,

along with certain other investments (together, the "**Originator Portfolio**").

Sale of Originated Portfolio Assets

General principles of sales to CLOs

Depending on its funding requirements or objectives set by the LLP Board, the Originator may periodically sell Corporate Loan Obligations in the Originator Portfolio into CLOs which it has established and in which it holds the CLO Income Notes with the intention of complying with the EU Retention Requirements.

Market risk reduction strategy of the Originator

With a view to effectively managing its access to wholesale funding and exposure to unnecessary market price volatilities of its portfolio, the Originator is likely to enter into a significant number of (A) forward purchase agreements ("**Forward Purchase Agreements**") and/or (B) funded participations ("**Funded Participations**") with CLO issuers in respect of assets in the Originator Portfolio (although there will not be any "hard-wired" mechanism resulting in every asset being subject to these). Such Forward Purchase Agreements and Funded Participations may be entered into at the same time or shortly after the origination or acquisition of the relevant Originator Portfolio asset by the Originator, at a later date, or not at all. Settlement of any such Forward Purchase Agreements entered into prior to the closing of the relevant CLO will be conditional upon:

(a) the occurrence of the closing date of the relevant CLO; and

(b) the assets which are the subject of the Forward Purchase Agreements remaining compliant with the relevant CLO's eligibility criteria (including that the assets are not subject to defaults or other credit impairments).

If the conditions in a Forward Purchase Agreement are not fulfilled at the relevant settlement date then the relevant assets which are the subject of such Forward Purchase Agreement will remain as part of the Originator Portfolio.

Notwithstanding the above, the Originator may from time to time, depending on its funding requirements or objectives set by the LLP Board:

(a) hold assets within the Originator Portfolio to maturity;

(b) sell assets within the Originator Portfolio to the market; or

(c) sell assets within the Originator Portfolio into CLOs as described above.

Whilst the Originator will provide certain assets to each CLO it decides to establish, the balance of its own assets may vary from time to time depending on, amongst other things:

(a) the availability of CLO funding generally;

(b) the required eligibility criteria and profile of CLOs which the Originator desires to establish and invest in (including a variation in the stringency of rating agency criteria on eligibility criteria and portfolio requirements and investor requirements in the CLO marketplace);

(c) any changes in legal and/or regulatory requirements on CLOs and their eligibility criteria, constitution or concentration;

(d) the Originator's view on the desired constitution of its own portfolio;

(e) decisions by the Originator on the potential yield it may achieve from holding assets in the Originator Portfolio directly as opposed to through CLO Income Notes; and/or

(f) any other factors the Originator considers relevant for the effective management of the Originator Portfolio.

Contribution of Portfolio Assets

In relation to each Portfolio Asset acquired by the Issuer from the Originator in order to satisfy the Originator Requirement, the Issuer will acquire such Portfolio Assets from the Originator after the Originator having held

such Portfolio Assets for its own account for at least 15 Business Days for so long as such 15 Business Day seasoning period is required under the EU Retention Requirements.

Please also refer to "*Description of the Originator and its Business – Originator Investment Objective, Policy and Strategy – Corporate Loans Business Unit Strategy*" and "*Description of the Originator and its Business – Sources and Uses of Funding*" above.

DESCRIPTION OF THE PORTFOLIO

The following description of the Portfolio consists of a summary of certain provisions of the Investment Management Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

Capitalised terms used and not otherwise defined herein shall have the meaning given to them in Condition 1 (Definitions) of the "*Terms and Conditions of the Notes*".

Introduction

Pursuant to the Investment Management Agreement, the Investment Manager undertakes to manage the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer, to the extent and in accordance with the information provided to it by, amongst others, the Investment Manager.

Acquisition of Portfolio Assets

The Issuer anticipates that by the Issue Date it will have purchased or committed to purchase Portfolio Assets, the Aggregate Principal Balance of which equals approximately €340,000,000 (representing approximately 85 per cent. of the Target Par Amount).

The net proceeds of issue of the Notes shall be used by the Issuer on the Issue Date (i) to pay certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes which will be deposited in the Expense Reserve Account on the Issue Date, (ii) to repay the financing provided to the Issuer pursuant to the Warehouse Arrangements, and (iii) to fund the First Period Reserve Account in an amount equal to €1,500,000. The remaining net proceeds of issue of the Notes shall be deposited in the Unused Proceeds Account on the Issue Date for application during the Ramp-up Period in the acquisition of additional Portfolio Assets.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, the Portfolio Profile Tests and the Coverage Tests prior to the Effective Date.

The Issuer (or the Investment Manager on behalf of the Issuer) may not acquire (whether during the Reinvestment Period or thereafter) or dispose of any Portfolio Assets (during the Reinvestment Period) unless either (i) the Originator Requirement is satisfied immediately after giving effect to such acquisition or disposal, or (ii) in connection with an acquisition at a time when the Originator Requirement was not met, such Portfolio Assets is acquired from the Originator unless and to the extent the Originator Requirement is determined (in accordance with the definition thereof) no longer to apply.

The Investment Manager, acting on behalf of the Issuer, shall procure that:

(a) the Collateral Administrator compiles and makes available to the Investment Manager and the Accountants, the Effective Date Report; and

(b) an Accountants' Report is obtained and delivered to the Collateral Administrator and the Issuer.

Upon receipt the Issuer shall confirm such receipt to the Rating Agencies.

The Investment Manager shall promptly following receipt of the Effective Date Report, request that each of the Rating Agencies confirm its Initial Ratings of the Rated Notes, *provided that* if (i) the Effective Date Rating Agency Condition is satisfied then such rating confirmation shall be deemed to have been received from Moody's and (ii) the Effective Date Rating Agency Condition is satisfied then such rating confirmation shall be deemed to have been received from Fitch. If the Effective Date Rating Agency Condition is not satisfied within 30 Business Days following the Effective Date the Investment Manager shall promptly notify the Rating Agencies. If (a) (i) the Effective Date Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure; and (ii) the Investment Manager does not present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation is not received in respect of such Rating Confirmation Plan; or (b) where the Effective Date Rating Agency Condition is not satisfied, following a request therefor from the Investment Manager after the Effective Date, Rating Agency Confirmation from the Rating Agencies is not received, an Effective Date Rating Event shall have occurred; *provided that* any

downgrade or withdrawal of any of the Initial Ratings of the Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by the Rating Agencies shall not constitute an Effective Date Rating Event.

In the event that an Effective Date Rating Event has occurred and is continuing on the second Business Day prior to the Payment Date next following the Effective Date, Interest Proceeds and thereafter Principal Proceeds shall be applied in the redemption of the Rated Notes in accordance with the Priorities of Payment on such Payment Date and thereafter on each Payment Date (to the extent required) in accordance with the Priorities of Payment, in each case until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing, pursuant to Condition 7(d) (*Redemption upon Effective Date Rating Event*). The Investment Manager shall notify the Rating Agencies upon the discontinuance of an Effective Date Rating Event.

Upon the Effective Date Requirements being met, the Balance standing to the credit of the Unused Proceeds Account, save for such amounts representing interest accrued on the Unused Proceeds Account, will be transferred to the Principal Account or the Interest Account, in each case, at the discretion of the Investment Manager, acting on behalf of the Issuer, subject to and in accordance with Condition 3(j)(iii) (*Unused Proceeds Account*).

The Investment Manager will promptly upon determination, and in any event at least three Business Days prior to the anticipated Effective Date, provide to the Issuer, with a copy to each of the Collateral Administrator and the Trustee, details of the Portfolio Assets to be comprised in the Portfolio as at the Effective Date and any later date on which the Initial Ratings of the Rated Notes are confirmed by each Rating Agency.

Eligibility Criteria

The Investment Manager, in respect of each Portfolio Asset, is required to determine in accordance with the Investment Management Agreement that the following criteria (the "**Eligibility Criteria**") are satisfied as at the time of the Investment Manager entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer:

(a) it is a Senior Secured Loan, Senior Secured Bond, Second Lien Loan, Mezzanine Obligation, Unsecured Obligation or High Yield Bond;

(b) it is (i) (x) denominated in Euro or (y) denominated in a Qualifying Currency other than Euro and, subject to satisfaction of the Hedging Condition, no later than the settlement date of the acquisition thereof is subject to an Asset Swap Transaction and (ii) not convertible into or payable in any other currency;

(c) it is not an obligation which is known by the Investment Manager to be a Defaulted Obligation or a Credit Impaired Obligation (unless it is a Corporate Rescue Loan) and there is no potential event of default under its Underlying Instruments;

(d) unless it is a Corporate Rescue Loan, it is not an obligation which has a Moody's Rating lower than "Caa3";

(e) unless it is a Corporate Rescue Loan, it is not an obligation which has a Fitch Rating lower than "CCC";

(f) it is not a debt obligation that pays scheduled interest less frequently than annually (other than PIK Securities);

(g) it is capable of being sold, novated, assigned or participated to the Issuer, together with any associated security, in accordance with the provisions of the relevant Portfolio Asset without any breach of applicable selling or transfer restrictions or of any legal or contractual provisions or regulatory requirements and the Issuer does not require any authorisations, consents (other than those which it reasonably believes will be obtained), approvals or filings (other than such as have been obtained or effected) as a result of or in connection with any such sale, assignment, novation or participation under any applicable law and the relevant Obligor cannot transfer its rights and/or obligations thereunder without the consent of the Issuer;

(h) it is an obligation of an Obligor or Obligors Domiciled in an Eligible Country;

(i) it is not subject to an offer of exchange, call, optional redemption, mandatory redemption conversion or tender by its Obligor, for cash, securities or any other type of consideration (other than an obligation which would itself constitute a Portfolio Asset);

(j) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments to the Issuer will not be subject to withholding or deduction for or on account of tax imposed by any jurisdiction (other than U.S. withholding taxes on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or similar fees) unless either: (i) such withholding or deduction for or on account of tax can be eliminated by application being made under the applicable double tax treaty or pursuant to the provision of any relevant documentation under any domestic legislation; or (ii) the Obligor is required to make "gross up" payments to the Issuer that cover the full amount of any such withholding or deduction on an after-tax basis;

(k) it is not an obligation that by its terms is exchangeable or convertible into equity;

(l) it does not constitute "margin stock" (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);

(m) its acquisition by the Issuer will not result in the imposition of stamp duty, stamp duty reserve tax or similar tax or duty payable by the Issuer or by any person entitled to recover the same from the Issuer, unless such stamp duty, stamp duty reserve tax or similar tax or duty has been included in the purchase price of such obligation;

(n) it is not a debt obligation whose repayment is subject to substantial non-credit related risk or to the non-occurrence of certain catastrophes or which is a catastrophe bond or market value Portfolio Asset;

(o) it must require the consent of at least 50 per cent. of the lenders to the Obligor thereunder for any change that is adverse to the interests of holders thereof to the principal repayment profile or interest applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation), provided that, in the case of a Portfolio Asset that is a bond, such percentage requirement shall refer to the percentage of holders required to approve a resolution on any such matter, either as a percentage of those attending a quorate bondholder meeting or as a percentage of all bondholders acting by way of a written resolution;

(p) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those:

(i) which arise out of future drawing obligations under a Revolving Obligation or Delayed Drawdown Obligation and which are fully collateralised and where such monetary liabilities or obligations of the Issuer can be met by the Issuer without breaching any applicable legal and/or regulatory requirements;

(ii) which may arise at its option;

(iii) which are fully collateralised;

(iv) which are subject to limited recourse provisions similar to those set out in the Trust Deed;

(v) which are owed to the agent bank in relation to the performance of its duties under such obligation; or

(vi) which may arise as a result of an undertaking to participate in a financial restructuring of such obligation where such undertaking is contingent upon the redemption in full of such obligation on or before the time by which the Issuer is obliged to enter into the restructured obligation,

to the extent that such liabilities or obligations are able to be provided by the Issuer without breaching any applicable legal and/or regulatory requirements, *provided that*, in respect of paragraph (vi) only, that the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer following such restructuring shall not exceed the redemption amounts from such restructured obligation;

(q) upon acquisition:

(i) it is capable of being, and will be, the subject of a first fixed charge or a first priority security interest in favour of the Trustee for the benefit of the Secured Parties pursuant to the Trust Deed (or any deed or document supplemental thereto); and

(ii) the Issuer (or the Investment Manager on behalf of the Issuer) has notified the Trustee in the event that it is a bond and is not held through Euroclear or Clearstream, Luxembourg and the Investment Manager (on behalf of the Issuer) is satisfied that the Issuer shall be able to take such action as the Trustee may require to effect a first priority security interest in favour of the Trustee in respect thereof;

(r) it is not a lease (including a financial lease) or a letter of credit;

(s) it is not, at the time of purchase, a current Current Pay Obligation or a current PIK Security (except if such PIK Security is a Restructured Obligation);

(t) it is not a Structured Finance Obligation, Synthetic Security, Zero-Coupon Security, Step-Up Coupon Security, Step-Down Coupon Security, Deferring Security, Project Finance Loan.

(u) it provides for a fixed amount of principal payable on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;

(v) the Stated Maturity thereof falls prior to the Maturity Date of the Notes;

(w) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;

(x) it is not issued by a sovereign, or by a corporate issuer located in a country, that on the date on which it is acquired by the Issuer imposes foreign exchange controls that effectively limit the availability or use of Euro to make when due the scheduled payments of principal thereof and interest thereon;

(y) it is in registered form for U.S. federal income tax purposes, unless it is not a "registration-required obligation" as defined in Section 163(f) of the Code;

(z) it is not an obligation in respect of which interest payments are scheduled to decrease (although interest payments may decrease due to unscheduled events such as a decrease of the index relating to a floating rate obligation, the change from a default rate of interest to a non-default rate, an improvement in the obligor's financial condition or as a result of the satisfaction of contractual conditions set out in the relevant Underlying Instruments);

(aa) it has a Moody's Rating and a Fitch Rating;

(bb) it has a minimum purchase price of 60.0 per cent. of the principal balance of such obligation;

(cc) it is not issued by an Obligor which has total potential indebtedness of less than EUR150,000,000;

(dd) it is not an obligation that contains limited recourse provisions that limit the obligations of the Obligor thereunder to a defined portfolio or pool of assets;

(ee) it is not a debt obligation whose material terms are subject to mandatory change trigged by non-credit related events;

(ff) it is an Eligible Interest Rate Obligation;

(gg) it is an Eligible Asset;

(hh) it is not a Bridge Loan;

(ii) it is not a debt obligation which pays interest only and does not require the repayment of principal;

(jj) it does not have an "f", "r", "p", "pi", "q", "(sf)" or "t" subscript assigned by S&P;

(kk) it does not have an "(sf)" subscript assigned by Moody's or Fitch;

(ll) it is not, in the reasonable determination of the Investment Manager, an obligation of an Obligor that derives the majority of its revenue from the tobacco industry; and

(mm) it has not been called for, and is not subject to a pending, redemption;

Other than Portfolio Assets which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Portfolio Assets or by way of substitution of new obligations and/or change of Obligor), which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date in order to constitute a Restructured Obligation, he subsequent failure of any Portfolio Asset to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Portfolio Asset from being a Portfolio Asset so long as such obligation satisfied the Eligibility Criteria when the Issuer or the Investment Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation.

Without prejudice to any other condition to any purchase of any Portfolio Asset in the Transaction Documents, as a condition to any purchase of an additional Portfolio Asset by or on behalf of the Issuer, if the balance in the Principal Account as adjusted to as to take into account (i) all expected debits and credits in connection with such purchase and all other sales and purchases (as applicable) previously or simultaneously committed to and (ii) (without duplication of amounts in paragraph (i)) the amount of Principal Proceeds the Investment Manager reasonably expects will be received after such purchase, is a negative amount, the absolute value of such amount may not be greater than 3 per cent. of the Adjusted Collateral Principal Amount as of the Measurement Date immediately preceding the trade date for such purchase.

"**Eligible Interest Rate Obligation**" means:

(a) it is an obligation that either pays a fixed amount of interest or a floating amount of interest referenced to a published reference rate commonly used in the financial markets such as EURIBOR or LIBOR, as well as reference rates that may be introduced in succession or replacement in the future;

(b) it is not an obligation that allows the Obligor to pay interest amounts in a currency that is different from the denomination of the principal amount of such obligation;

(c) it is not an obligation in respect of which the interest coupon or margin may increase due to a decrease of the index or reference rate applicable to the determination of such interest amount or decrease due to an increase of the index or reference rate applicable to the determination of such interest amount;

(d) it is not an obligation in respect of which the index or reference rate applicable to the determination of the interest amount is based on a derivative of any index or reference rate;

(e) it is not an obligation in respect of which the tenor of the index or reference rate applicable to the determination of the interest amount is different to the tenor of the frequency of interest amount payments required to be made by the Obligor, other than in respect of the initial interest period or the final interest period prior to maturity or an acceleration or other early termination of such obligation (or both as the case may be), provided that in each case the difference of the tenor of the index or reference rate to the tenor of the frequency of interest amount payments required to be made by the Obligor is not more than one month at any time; and

(f) it is an obligation in respect of which any interest amount that is deferred (including any interest amount that is automatically deferred or deferred at the option of the Obligor, and including any interest amount that is capitalised) incurs interest that is the same as the rate that is applicable to the principal amount of such obligation.

Restructured Obligation Criteria

If a Portfolio Asset becomes (in the sole discretion of the Investment Manager) the subject of a restructuring whether effected by way of an amendment to the terms of such Portfolio Assets (including but not limited to an amendment of its maturity date) or by way of substitution of new obligations and/or change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation satisfies each of the criteria comprising the Eligibility Criteria other than the criteria set out at paragraphs (c) and (d) above (such applicable criteria, the "**Restructured Obligation Criteria**").

Portfolio Profile Tests, Collateral Quality Tests and Reinvestment Test

Measurement of Tests

The Portfolio Profile Tests and Collateral Quality Tests will be used as the criteria for purchasing Portfolio Assets. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date.

The Portfolio Profile Tests and the Collateral Quality Tests must be satisfied after giving effect to the purchase of any Substitute Portfolio Assets after the Effective Date or, but only to the extent expressly permitted in the Investment Management Agreement in the case of any purchase, if not satisfied prior to such purchase, the relevant thresholds and amounts calculated pursuant thereto must be maintained or improved after giving effect to such purchase when compared with the result of such tests immediately prior to such purchase of the relevant Substitute Portfolio Asset.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following (the percentage requirements applicable to different types of Portfolio Assets specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Collateral Balance of such type of Portfolio Asset, excluding Defaulted Obligations):

(a) the Aggregate Principal Balance of all Senior Secured Loans and Senior Secured Bonds shall not be less than 90.0 per cent. of the Aggregate Collateral Balance (and, for the purposes of this paragraph, the Balances standing to the credit of the Principal Account and the Unused Proceeds Account shall be treated as Senior Secured Loans and Senior Secured Bonds);

(b) the Aggregate Principal Balance of all Senior Secured Loans shall not be less than 70.0 per cent. of the Aggregate Collateral Balance;

(c) the Aggregate Principal Balance of all Unsecured Loans, Second-Lien Loans, High Yield Bonds and/or Mezzanine Obligations shall not be greater than 10.0 per cent. of the Aggregate Collateral Balance;

(d) the Aggregate Principal Balance of all Portfolio Assets of a single Obligor shall not be greater than 2.5 per cent. of the Aggregate Collateral Balance *provided that* up to three Obligors may each represent up to 3.0 per cent. of the Aggregate Collateral Balance;

(e) the Aggregate Principal Balance of all Senior Secured Loans and Senior Secured Bonds of a single Obligor shall not be greater than 2.5 per cent. of the Aggregate Collateral Balance, save that the Aggregate Principal Balance of all Senior Secured Loans and Senior Secured Bonds held by not more than three Obligors may each represent up to 3.0 per cent. of the Aggregate Collateral Balance;

(f) the Aggregate Principal Balance of all Unsecured Loans, Second-Lien Loans, High Yield Bonds, and Mezzanine Obligations of a single Obligor shall not be greater than 1.5 per cent. of the Aggregate Collateral Balance;

(g) the Aggregate Principal Balance of all Portfolio Assets of the ten largest Obligors shall not be greater than 20.0 per cent. of the Aggregate Collateral Balance;

(h) the Aggregate Principal Balance of all Non-Euro Obligations shall not be greater than 20.0 per cent. of the Aggregate Collateral Balance;

(i) the Aggregate Principal Balance of all Participations shall not be greater than 5.0 per cent. of the Aggregate Collateral Balance;

(j) the Aggregate Principal Balance of all Discount Obligations may be no greater than 10.0 per cent. of the Aggregate Collateral Balance;

(k) the Aggregate Principal Balance of all Current Pay Obligations shall not be greater than 2.5 per cent. of the Aggregate Collateral Balance;

(l) the Aggregate Principal Balance of all Annual Pay Obligations shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(m) the Aggregate Principal Balance of all Unfunded Amounts and Funded Amounts under Revolving Obligations and Delayed Drawdown Obligations shall not be greater than 5.0 per cent. of the Aggregate Collateral Balance;

(n) the Aggregate Principal Balance of all Fitch CCC Obligations shall not be greater than 7.5 per cent. of the Aggregate Collateral Balance;

(o) the Aggregate Principal Balance of all Moody's Caa Obligations shall not be greater than 7.5 per cent. of the Aggregate Collateral Balance;

(p) the Aggregate Principal Balance of all Corporate Rescue Loans shall not be greater than 2.0 per cent. of the Aggregate Collateral Balance;

(q) the Aggregate Principal Balance of all Fixed Rate Portfolio Assets shall not be greater than 10.0 per cent. of the Aggregate Collateral Balance;

(r) not more than 10.0 per cent. of the Aggregate Collateral Balance shall be obligations comprising any one Fitch Industry Category provided that the Aggregate Collateral Balance of obligations comprising (i) the Fitch Industry Category having the largest Aggregate Collateral Balance of Portfolio Assets may comprise up to 17.0 per cent. of the Aggregate Collateral Balance, (ii) the Fitch Industry Category having the second largest Aggregate Collateral Balance of Portfolio Assets may comprise up to 13.0 per cent. of the Aggregate Collateral Balance and (iii) the three Fitch Industry Categories having the largest Aggregate Collateral Balance of Portfolio Assets may comprise up to 40.0 per cent. of the Aggregate Collateral Balance;

(s) not more than 10.0 per cent. of the Aggregate Collateral Balance shall be obligations comprising any one Moody's Industry Category provided that the Aggregate Collateral Balance of obligations comprising (i) the Moody's Industry Category having the largest Aggregate Collateral Balance of Portfolio Assets may comprise up to 17.0 per cent. of the Aggregate Collateral Balance, (ii) the Moody's Industry Category having the second largest Aggregate Collateral Balance of Portfolio Assets may comprise up to 13.0 per cent. of the Aggregate Collateral Balance and (iii) the three Moody's Industry Categories having the largest Aggregate Collateral Balance of Portfolio Assets may comprise up to 40.0 per cent. of the Aggregate Collateral Balance;

(t) the Aggregate Principal Balance of all Portfolio Assets whose Moody's Rating is derived from an S&P Rating shall not be greater than 10.0 per cent. of the Aggregate Collateral Balance;

(u) the Aggregate Principal Balance of all Portfolio Assets of Obligors who are Domiciled in jurisdictions with a country ceiling rating below "AAA" by Fitch shall not be greater than 10.0 per cent. of the Aggregate Collateral Balance;

(v) the Aggregate Principal Balance of all Portfolio Assets of Obligors who are Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling of less than or equal to "A1" and greater than or equal to "A3" shall not be greater than 10.0 per cent. of the Aggregate Collateral Balance;

(w) the Aggregate Principal Balance of all Portfolio Assets of Obligors who are Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling of less than or equal to "Baa1" and greater than or equal to "Baa3" shall not be greater than 0.0 per cent. of the Aggregate Collateral Balance;

(x) the Aggregate Principal Balance of all Cov-Lite Loans shall not be greater than 30.0 per cent. of the Aggregate Collateral Balance;

(y) the Aggregate Principal Balance of all Portfolio Assets issued by Obligors each of which has total original indebtedness (including (i) to the extent that a Portfolio Asset is part of a security or credit facility, indebtedness of the entire security or credit facility of which such Portfolio Asset is part and (ii) the maximum available amount or total commitment under any revolving or delayed funding loans) under their respective loan agreements and other Underlying Instruments of equal to or greater than EUR 150,000,000 and less than EUR 250,000,000 (or its equivalent in any currency), in each case as notified in writing by the Investment Manager, shall not be greater than 5.0 per cent. of the Aggregate Collateral Balance;

(z) the Aggregate Principal Balance of all PIK Securities shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(aa) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Portfolio Assets of an Obligor which is an Investment Manager Portfolio Company; and

(bb) the limits set forth in the Bivariate Risk Table determined by reference to the ratings of Selling Institutions shall be satisfied.

For purposes of calculating compliance with the Portfolio Profile Tests, during the Reinvestment Period, upon the written direction of the Investment Manager (acting on behalf of the Issuer), by written notice to the Collateral Administrator, any Eligible Investment representing Principal Proceeds received upon the maturity, redemption, sale or other disposition of a Portfolio Asset shall be deemed to have all of the characteristics of such Portfolio Asset until reinvested in a Substitute Portfolio Asset. Such calculations shall be based upon the Principal Balance of such Portfolio Asset, except in the case of Defaulted Obligations and Credit Impaired Obligations, in which case the calculations will be based upon the Principal Proceeds received on the disposition or sale of such Defaulted Obligation or Credit Impaired Obligation.

For the purposes of calculating compliance with the Portfolio Profile Tests:

(i) in the case of sub-paragraphs (e) to (z) (inclusive) thereof, each relevant percentage shall be rounded down to the nearest 0.1 per cent.; and

(ii) in the case of sub-paragraphs (a) and (b) thereof, the relevant percentage shall be rounded up to the nearest 0.1 per cent.

"**Fitch Industry Category**" means each of the categories listed below plus any other industry category published by Fitch minus any industry category which is no longer used by Fitch at the relevant point in time:

Aerospace and Defence
Automobiles
Banking and Finance
Broadcasting and Media
Building and Materials
Business Services
Cable
Chemicals
Computer and Electronics
Consumer Products
Energy
Environmental Services
Farming and Agricultural Services
Food and Beverage and Tobacco
Food and Drug Retail
Gaming and Leisure and Entertainment
Healthcare
Industrial/Manufacturing
Lodging and Restaurants
Metals and Mining
Packaging and Containers
Paper and Forest Products
Pharmaceuticals
Real Estate
Retail (General)
Supermarkets and Drugstores
Telecommunications
Textiles and Furniture
Transportation
Utilities

"**Moody's Industry Category**" means the industry classifications listed below, or as otherwise modified, amended or replaced by Moody's from time to time..

CORP – Aerospace & Defence
CORP – Automotive
CORP – Banking, Finance, Insurance & Real Estate
CORP – Beverage, Food & Tobacco
CORP – Capital Equipment
CORP – Chemicals, Plastics, & Rubber
CORP – Construction & Building
CORP – Consumer goods: Durable
CORP – Consumer goods: Non-durable
CORP – Containers, Packaging & Glass
CORP – Energy: Electricity
CORP – Energy: Oil & Gas
CORP – Environmental Industries
CORP – Forest Products & Paper
CORP – Healthcare & Pharmaceuticals
CORP – High Tech Industries
CORP – Hotel, Gaming & Leisure
CORP – Media: Advertising, Printing & Publishing
CORP – Media: Broadcasting & Subscription
CORP – Media: Diversified & Production
CORP – Metals & Mining
CORP – Retail
CORP – Services: Business
CORP – Services: Consumer
CORP – Sovereign & Public Finance
CORP – Telecommunications
CORP – Transportation: Cargo
CORP – Transportation: Consumer
CORP – Utilities: Electric
CORP – Utilities: Oil & Gas
CORP – Utilities: Water
CORP – Wholesale

Collateral Quality Tests

The "**Collateral Quality Tests**" will consist of each of the following *provided that*, if the ratings given by Moody's and Fitch in respect of the Notes have been withdrawn, and if no replacement Rating Agency has rated the Notes, then the Collateral Quality Tests applicable to each Rating Agency which most recently ceased to rate the Notes shall continue to apply:

(a) so long as any Notes rated by Moody's are Outstanding:

(i) the Moody's Minimum Diversity Test;

(ii) the Moody's Maximum Weighted Average Rating Factor Test; and

(iii) the Moody's Minimum Weighted Average Recovery Rate Test;

(b) so long as any Notes rated by Fitch are Outstanding:

(i) the Fitch Maximum Weighted Average Rating Factor Test; and

(ii) the Fitch Minimum Weighted Average Recovery Rate Test;

(c) so long as any Rated Notes are Outstanding:

(i) the Minimum Weighted Average Spread Test;

(ii) the Weighted Average Life Test.

Each of the Collateral Quality Tests is defined in the Investment Management Agreement.

Moody's Test Matrix

Subject to the provisions set out below, on and after the Effective Date, the Investment Manager will have the option to elect which of the cases set out in the below matrix the (the "**Moody's Test Matrix**") shall be applicable for the purposes of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Minimum Weighted Average Spread Test. For any given case:

(a) the applicable column for performing the Moody's Minimum Diversity Test will be the column (or linear interpolation between two adjacent columns, as applicable) in which the elected case is set out;

(b) the applicable row and column for performing the Moody's Maximum Weighted Average Rating Factor Test will be the row and column (or linear interpolation between two adjacent rows and/or two adjacent columns, as applicable) in which the elected case is set out; and

(c) the applicable row for performing the Minimum Weighted Average Spread Test will be the row (or linear interpolation between two adjacent rows, as applicable) in which the elected test is set out.

The Investment Manager will be required to elect which case shall apply initially on the Effective Date. Thereafter, on two Business Days' notice to the Issuer, the Trustee, the Collateral Administrator and Moody's, the Investment Manager may elect to have a different case within such Moody's Test Matrix or within a different Moody's Test Matrix apply, *provided that* the Moody's Minimum Diversity Test, the Moody's Maximum Weighted Average Rating Factor Test and the Minimum Weighted Average Spread Test applicable to the case to which the Investment Manager desires to change are satisfied (and, in relation to the Minimum Weighted Average Spread Test, taking into account the case that the Investment Manager has elected to apply under the Fitch Test Matrices) or, in the case of any tests that are not satisfied, are closer to being satisfied. In no event will the Investment Manager be obliged to elect to have a different case apply. The Moody's Test Matrix may be amended and/or supplemented and/or replaced by the Investment Manager subject to Rating Agency Confirmation from Moody's.

Moody's Test Matrix

		Minimum Diversity Score																		
Minimum Weighted Average Spread	**Minimum Weighted Average Coupon**	**26**	**28**	**30**	**32**	**34**	**36**	**38**	**40**	**42**	**44**	**46**	**48**	**50**	**52**	**54**	**56**	**58**	**60**
2.00%	**4.70%**	1,630	1,676	1,685	1,708	1,724	1,736	1,751	1,763	1,774	1,782	1,788	1,793	1,795	1,797	1,804	1,811	1,818	1,825
2.20%	**4.70%**	1,838	1,856	1,875	1,893	1,911	1,929	1,943	1,956	1,970	1,983	1,997	2,010	2,024	2,031	2,039	2,047	2,055	2,063
2.50%	**4.70%**	2,023	2,045	2,066	2,087	2,109	2,130	2,147	2,163	2,180	2,197	2,213	2,230	2,247	2,256	2,265	2,274	2,283	2,292
2.80%	**4.70%**	2,208	2,233	2,257	2,282	2,306	2,331	2,351	2,371	2,390	2,410	2,430	2,450	2,470	2,480	2,490	2,500	2,510	2,521
3.00%	**4.70%**	2,332	2,358	2,385	2,412	2,438	2,465	2,487	2,509	2,531	2,553	2,575	2,596	2,618	2,629	2,640	2,651	2,662	2,673
3.20%	**4.70%**	2,455	2,484	2,513	2,541	2,570	2,599	2,623	2,647	2,671	2,695	2,719	2,743	2,767	2,779	2,791	2,802	2,814	2,826
3.40%	**4.70%**	2,523	2,584	2,640	2,671	2,702	2,733	2,759	2,785	2,811	2,837	2,863	2,890	2,916	2,928	2,941	2,953	2,966	2,979
3.50%	**4.70%**	2,555	2,617	2,679	2,711	2,768	2,800	2,827	2,854	2,881	2,909	2,920	2,938	2,965	2,978	2,991	3,004	3,017	3,030
3.60%	**4.70%**	2,582	2,645	2,708	2,741	2,799	2,832	2,859	2,887	2,914	2,941	2,968	2,996	2,998	3,012	3,025	3,038	3,052	3,065
3.70%	**4.70%**	2,609	2,673	2,737	2,771	2,830	2,864	2,891	2,919	2,946	2,974	3,001	3,029	3,031	3,070	3,084	3,098	3,111	3,125
3.80%	**4.70%**	2,646	2,701	2,766	2,801	2,861	2,896	2,923	2,951	2,979	3,006	3,034	3,062	3,089	3,104	3,118	3,132	3,146	3,160
3.90%	**4.70%**	2,673	2,729	2,795	2,831	2,892	2,927	2,955	2,983	3,011	3,039	3,067	3,095	3,123	3,137	3,152	3,166	3,181	3,195
4.00%	**4.70%**	2,701	2,757	2,824	2,861	2,910	2,959	2,987	3,015	3,043	3,072	3,100	3,128	3,156	3,171	3,185	3,200	3,215	3,230
4.20%	**4.70%**	2,755	2,813	2,882	2,921	2,959	2,998	3,026	3,080	3,108	3,137	3,165	3,194	3,222	3,238	3,253	3,269	3,284	3,300
4.40%	**4.70%**	2,809	2,869	2,920	2,981	3,021	3,062	3,090	3,119	3,148	3,202	3,220	3,235	3,263	3,280	3,321	3,337	3,354	3,370
4.60%	**4.70%**	2,863	2,926	2,968	3,040	3,063	3,105	3,154	3,184	3,213	3,242	3,271	3,301	3,330	3,347	3,364	3,381	3,398	3,415
4.80%	**4.70%**	2,907	2,982	3,026	3,080	3,115	3,159	3,189	3,248	3,278	3,307	3,320	3,336	3,366	3,384	3,402	3,419	3,437	3,455
5.00%	**4.70%**	2,972	3,018	3,084	3,130	3,176	3,223	3,253	3,283	3,313	3,342	3,372	3,402	3,432	3,451	3,469	3,488	3,506	3,525
5.20%	**4.70%**	3,016	3,074	3,142	3,190	3,238	3,256	3,317	3,347	3,377	3,408	3,438	3,455	3,469	3,488	3,507	3,526	3,546	3,565
5.40%	**4.70%**	3,070	3,130	3,180	3,230	3,270	3,320	3,351	3,381	3,412	3,443	3,474	3,504	3,535	3,555	3,575	3,595	3,615	3,635

Fitch Tests Matrices

Subject to the provisions provided below, on or after the Effective Date, the Investment Manager will have the option to elect which of the cases set out in the matrices set out below (each such matrix to have a different concentration limit for Fixed Rate Portfolio Assets applicable to it) (the "**Fitch Test Matrices**") shall be applicable for purposes of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test. For any given case:

(a) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column (or linear interpolation between two adjacent columns in a given matrix and/or two columns (or interpolated columns) in adjacent matrices, as applicable) in the applicable Fitch Test Matrix (or adjacent matrices in the case of an interpolation) selected by the Investment Manager;

(b) the applicable row for performing the Minimum Weighted Average Spread Test will be the row (or linear interpolation between two adjacent rows in a given matrix and/or two rows (or interpolated rows) in adjacent matrices, as applicable) in the applicable Fitch Test Matrix (or adjacent matrices in the case of an interpolation) selected by the Investment Manager; and

(c) the applicable column and row for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the column and row (or interpolated rows and/or columns as described in (a) and (b) above, as applicable) in the applicable Fitch Test Matrix (or adjacent matrices in the case of an interpolation) selected by the Investment Manager in relation to (a) and (b) above.

On the Effective Date, the Investment Manager will be required to elect which case shall apply initially. Thereafter, at any time with notice to the Issuer, the Collateral Administrator and Fitch, the Investment Manager may elect to have a different case apply, provided that the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Minimum Weighted Average Spread Test, and the concentration limits applicable to the Fixed Rate Portfolio Assets applicable to the case to which the Investment Manager desires to change are satisfied or, in the case of any such tests or concentration limits that are not satisfied, are closer to being satisfied. In no event will the Investment Manager be obliged to elect to have a different case apply. The Fitch Tests Matrices may be amended and/or supplemented and/or replaced by the Investment Manager subject to Rating Agency Confirmation from Fitch.

Solely for the purposes of determining satisfaction of the Reinvestment Criteria (both during and following the expiry of the Reinvestment Period), the concentration limits for the Fixed Rate Portfolio Assets by Principal Balance applicable to the case set out in a Fitch Test Matrix (or a linear interpolation between any two adjacent Fitch Tests Matrices in the case of a linear interpolation) selected by the Investment Manager in accordance with the foregoing paragraphs, shall be deemed to be a "Collateral Quality Test" for so long as such case remains the case selected by the Investment Manager.

Fitch Tests Matrices

Fitch Tests Matrix *1: 5 per cent. maximum percentage of Fixed Rate Portfolio Assets*

Minimum Weighted Average Spread	**Maximum Weighted Average Rating Factor**										
	30	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**	**40**
2.40%	69.90%	71.10%	72.30%	73.40%	74.50%	75.40%	76.20%	77.00%	77.70%	78.50%	79.70%
2.60%	66.40%	67.50%	68.60%	69.70%	70.80%	72.00%	73.00%	74.00%	75.60%	77.00%	78.30%
2.80%	63.60%	64.80%	66.00%	67.00%	68.10%	69.10%	70.30%	72.10%	73.90%	75.60%	77.00%
3.00%	60.80%	62.10%	63.40%	64.60%	65.70%	66.80%	68.50%	70.30%	72.10%	73.90%	75.50%
3.20%	57.90%	59.30%	60.70%	62.10%	63.40%	65.00%	66.90%	68.60%	70.30%	72.10%	73.90%
3.40%	55.80%	57.50%	59.10%	60.50%	61.90%	63.50%	65.10%	66.90%	68.70%	70.40%	72.20%
3.60%	54.00%	55.70%	57.40%	59.00%	60.40%	62.00%	63.60%	65.20%	67.00%	68.80%	70.50%
3.80%	52.30%	54.00%	55.70%	57.30%	58.90%	60.50%	62.20%	63.80%	65.40%	67.20%	69.00%

4.00%	50.60%	52.30%	54.10%	55.80%	57.40%	58.90%	60.70%	62.40%	64.00%	65.60%	67.40%
4.20%	48.80%	50.60%	52.40%	54.10%	55.80%	57.40%	59.00%	60.90%	62.50%	64.20%	65.90%
4.40%	47.10%	49.00%	50.80%	52.60%	54.20%	55.90%	57.50%	59.30%	61.10%	62.80%	64.40%
4.60%	45.30%	47.20%	49.10%	50.90%	52.70%	54.30%	56.00%	57.60%	59.60%	61.30%	63.10%
4.80%	43.50%	45.50%	47.40%	49.30%	51.10%	52.80%	54.50%	56.20%	58.30%	60.30%	62.10%
5.00%	41.80%	43.90%	45.80%	47.70%	49.60%	51.30%	53.00%	55.00%	57.10%	59.10%	61.00%
5.20%	39.90%	42.10%	44.20%	46.10%	48.00%	49.80%	51.60%	53.70%	55.90%	58.00%	60.00%

Fitch Tests Matrix 2: ***7.5 per cent. maximum percentage of Fixed Rate Portfolio Assets***

Minimum Weighted Average Spread	**Maximum Weighted Average Rating Factor**										
	30	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**	**40**
2.40%	69.90%	71.10%	72.30%	73.40%	74.50%	75.40%	76.20%	77.10%	78.10%	79.50%	80.60%
2.60%	66.40%	67.50%	68.60%	69.70%	70.80%	72.00%	73.60%	75.30%	76.70%	78.10%	79.40%
2.80%	63.60%	64.80%	66.10%	67.30%	68.40%	70.10%	71.90%	73.60%	75.30%	76.70%	78.10%
3.00%	60.80%	62.10%	63.50%	64.80%	66.50%	68.30%	70.00%	71.90%	73.70%	75.30%	76.80%
3.20%	58.10%	59.60%	61.40%	63.20%	64.80%	66.60%	68.30%	70.00%	71.90%	73.70%	75.30%
3.40%	55.80%	57.80%	59.80%	61.50%	63.30%	64.90%	66.70%	68.40%	70.10%	71.90%	73.70%
3.60%	54.00%	56.10%	58.00%	60.00%	61.70%	63.40%	65.00%	66.90%	68.60%	70.20%	72.00%
3.80%	52.30%	54.20%	56.30%	58.30%	60.20%	61.90%	63.50%	65.20%	67.00%	68.70%	70.40%
4.00%	50.60%	52.30%	54.50%	56.60%	58.50%	60.40%	62.10%	63.70%	65.40%	67.20%	68.90%
4.20%	48.80%	50.60%	52.60%	54.80%	56.80%	58.80%	60.60%	62.30%	64.00%	65.60%	67.40%
4.40%	47.10%	49.00%	50.80%	52.90%	55.10%	57.10%	59.00%	60.90%	62.50%	64.20%	65.90%
4.60%	45.30%	47.20%	49.10%	51.10%	53.30%	55.40%	57.40%	59.30%	61.10%	62.80%	64.40%
4.80%	43.50%	45.60%	47.50%	49.30%	51.50%	53.70%	55.70%	57.80%	59.80%	61.70%	63.40%
5.00%	42.00%	43.90%	45.90%	47.80%	49.90%	52.20%	54.50%	56.60%	58.70%	60.60%	62.40%
5.20%	40.60%	42.30%	44.30%	46.40%	48.70%	50.90%	53.20%	55.40%	57.50%	59.60%	61.40%

Fitch Tests Matrix 3: ***10 per cent. maximum percentage of Fixed Rate Portfolio Assets***

Minimum Weighted Average Spread	**Maximum Weighted Average Rating Factor**										
	30	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**	**40**
2.40%	69.90%	71.10%	72.30%	73.40%	74.50%	75.60%	76.50%	77.90%	79.20%	80.50%	81.50%
2.60%	67.00%	68.30%	69.40%	70.40%	71.60%	73.30%	75.00%	76.50%	77.90%	79.20%	80.40%
2.80%	64.30%	65.60%	66.90%	68.20%	69.80%	71.60%	73.30%	75.10%	76.50%	77.90%	79.20%
3.00%	61.60%	63.10%	64.50%	66.30%	68.10%	69.80%	71.70%	73.40%	75.10%	76.50%	77.90%
3.20%	59.40%	61.20%	62.90%	64.60%	66.40%	68.10%	69.90%	71.70%	73.50%	75.20%	76.60%
3.40%	57.50%	59.60%	61.40%	63.10%	64.70%	66.40%	68.20%	69.90%	71.70%	73.50%	75.20%
3.60%	55.70%	57.70%	59.70%	61.50%	63.20%	64.80%	66.60%	68.30%	70.00%	71.80%	73.60%
3.80%	53.90%	56.00%	58.00%	59.90%	61.70%	63.40%	65.00%	66.80%	68.50%	70.20%	72.00%
4.00%	52.00%	54.20%	56.30%	58.30%	60.20%	61.90%	63.60%	65.30%	67.00%	68.70%	70.40%

4.20%	50.10%	52.30%	54.50%	56.60%	58.60%	60.40%	62.10%	63.80%	65.50%	67.30%	68.90%
4.40%	48.30%	50.50%	52.70%	54.80%	56.90%	58.80%	60.70%	62.40%	64.10%	65.80%	67.60%
4.60%	46.50%	48.70%	50.90%	53.10%	55.20%	57.20%	59.10%	61.00%	62.60%	64.30%	66.10%
4.80%	44.70%	46.90%	49.10%	51.30%	53.50%	55.50%	57.50%	59.50%	61.30%	63.10%	64.80%
5.00%	43.30%	45.20%	47.40%	49.50%	51.80%	54.00%	56.20%	58.30%	60.30%	62.10%	63.80%
5.20%	41.90%	43.70%	46.00%	48.30%	50.50%	52.70%	55.00%	57.10%	59.20%	61.10%	62.80%

The Moody's Minimum Diversity Test

The "**Moody's Minimum Diversity Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Diversity Score equals or exceeds the number set forth in the column entitled "*Minimum Diversity Score*" in the Moody's Test Matrix based upon the applicable "row/column" combination chosen by the Investment Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)).

The "**Diversity Score**" is a single number that indicates collateral concentration and correlation in terms of both issuer and industry concentration and correlation. It is similar to a score that Moody's uses to measure concentration and correlation for the purposes of its ratings. A higher Diversity Score reflects a more diverse portfolio in terms of the issuer and industry concentration. The Diversity Score for the Portfolio Assets is calculated by *summing* each of the Industry Diversity Scores which are calculated as follows (*provided that* no Defaulted Obligations shall be included in the calculation of the Diversity Score or any component thereof):

(a) an "**Average Principal Balance**" is calculated by *summing* the Obligor Principal Balances and *dividing by* the sum of the aggregate number of issuers and/or borrowers represented;

(b) an "**Obligor Principal Balance**" is calculated for each Obligor represented in the Portfolio Assets by *summing* the Principal Balances of all Portfolio Assets (excluding Defaulted Obligations) issued by such Obligor, *provided that* if a Portfolio Asset has been sold or is the subject of an optional redemption or Offer, and the Sale Proceeds or Unscheduled Principal Proceeds from such event have not yet been reinvested in Substitute Portfolio Assets or distributed to the Noteholders or the other creditors of the Issuer in accordance with the Priorities of Payment, the Obligor Principal Balance shall be calculated as if such Portfolio Asset had not been sold or was not subject to such an optional redemption or Offer;

(c) an "**Equivalent Unit Score**" is calculated for each Obligor by taking the lesser of (i) one and (ii) the Obligor Principal Balance for such Obligor *divided by* the Average Principal Balance;

(d) an "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of the 32 Moody's industrial classification groups by *summing* the Equivalent Unit Scores for each Obligor in the industry (or such other industrial classification groups and Equivalent Unit Scores as are published by Moody's from time to time); and

(e) an "**Industry Diversity Score**" is then established by reference to the Diversity Score Table shown below (or such other Diversity Score Table as is published by Moody's from time to time) (the "**Diversity Score Table**") for the related Aggregate Industry Equivalent Unit Score. If the Aggregate Industry Equivalent Unit Score falls between any two such scores shown in the Diversity Score Table, then the Industry Diversity Score is the lower of the two Diversity Scores in the Diversity Score Table.

For purposes of calculating the Diversity Scores any Obligors Affiliated with one another will be considered to be one Obligor.

DIVERSITY SCORE TABLE

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900
1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

The Moody's Maximum Weighted Average Rating Factor Test

The "**Moody's Maximum Weighted Average Rating Factor Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Adjusted Weighted Average Moody's Rating Factor as at such Measurement Date is equal to or less than the sum of (i) the number set forth in the Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Investment Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), (acting on behalf of the Issuer) as at such Measurement Date plus (ii) the Moody's Weighted Average Recovery Adjustment, provided, however, that the sum of (i) and (ii) may not exceed 3,400.

The "**Moody's Weighted Average Rating Factor**" is determined by *summing* the products obtained by *multiplying* the Principal Balance of each Portfolio Asset, excluding Defaulted Obligations, by its Moody's Rating Factor, *dividing* such sum by the Aggregate Principal Balances of all such Portfolio Assets, excluding Defaulted Obligations, and rounding the result up to the nearest whole number.

The "**Moody's Rating Factor**" relating to any Portfolio Asset is the number set forth in the table below opposite the Moody's Default Probability Rating of such Portfolio Asset.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

The "**Moody's Weighted Average Recovery Adjustment**" means, as of any Measurement Date, the greater of:

(a) zero; and

(b) the product of:

(i) (A) the Weighted Average Moody's Recovery Rate as of such Measurement Date *multiplied by* 100 *minus* (B) 43 per cent.; and

(ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test,

(1) 25 if the Weighted Average Floating Spread is less than or equal to 2 per cent.;

(2) 40 if the Weighted Average Floating Spread is greater than 2 per cent. but less than or equal to 2.5 per cent.; or

(3) 55 if the Weighted Average Floating Spread is greater than 2.5 per cent but less than or equal to 3.5 per cent.; or

(4) 65 if the Weighted Average Floating Spread is greater than 3.5 per cent but less than or equal to 3.8 per cent.; or

(5) 70 if the Weighted Average Floating Spread is greater than 3.8 per cent; and

(B) with respect to adjustment of the Minimum Weighted Average Floating Spread,

(1) 0.06 per cent. if the Weighted Average Floating Spread is less than or equal to 2.5 per cent.;

(2) 0.08 per cent. if the Weighted Average Floating Spread is greater than 2.5 per cent. but less than or equal to 3.0 per cent.; and

(3) 0.12 per cent. if the Weighted Average Floating Spread is greater than 3.0 per cent. but less than or equal to 3.5 per cent.; and

(4) 0.14 per cent. if the Weighted Average Floating Spread is greater than 3.5 per cent. but less than or equal to 4.2 per cent; and

(5) 0.18 per cent. if the Weighted Average Floating Spread is greater than 4.2 per cent.,

provided that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody's Recovery Rate shall equal 60 per cent. unless Rating Agency Confirmation from Moody's is received, *provided further that* the amount specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Investment Manager shall designate to the Collateral Administrator in writing on each such date the

portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Investment Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

"**Adjusted Weighted Average Moody's Rating Factor**" means, as of any Measurement Date, a number equal to the Moody's Weighted Average Rating Factor determined in the following manner: for purposes of determining a Moody's Default Probability Rating, Moody's Rating or Moody's Derived Rating in connection with determining the Moody's Weighted Average Rating Factor for purposes of this definition, each applicable rating on credit watch by Moody's that is on (a) positive watch will be treated as having been upgraded by one rating subcategory, (b) negative watch will be treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory.

The Moody's Minimum Weighted Average Recovery Rate Test

The "**Moody's Minimum Weighted Average Recovery Rate Test**" will be satisfied, as at any Measurement Date from (and including) the Effective Date, if the Weighted Average Moody's Recovery Rate is greater than or equal to (i) 43 per cent. *minus* (ii) the Moody's Weighted Average Rating Factor Adjustment, provided however that the sum of (i) and (ii) may not be less than 35 per cent.

The "**Weighted Average Moody's Recovery Rate**" means, as of any Measurement Date, the number, expressed as a percentage, obtained by summing the products obtained by *multiplying* the Principal Balance of each Portfolio Asset (excluding Defaulted Obligations) by its corresponding Moody's Recovery Rate and *dividing* such sum by the Aggregate Principal Balance (excluding Defaulted Obligations) and rounding to the nearest 0.1 per cent.

The "**Moody's Recovery Rate**" means, in respect of each Portfolio Asset, the Moody's Recovery Rate determined in accordance with the Investment Management Agreement or as so advised by Moody's. Extracts of the Moody's Recovery Rate applicable under the Investment Management Agreement are set out in Annex B of this Offering Circular.

The "**Moody's Weighted Average Rating Factor Adjustment**" means an amount, expressed as a percentage, as of any Measurement Date equal to the greater of: (a) zero; and (b) the percentage obtained by *dividing*: (i)(A) the number set forth in the Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Investment Manager (acting on behalf of the Issuer) (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), as at such Measurement Date *minus* (B) the Adjusted Weighted Average Moody's Rating Factor; by (ii)(A) 70 if the Weighted Average Floating Spread is less than or equal to 3.5 per cent., or (B) 75 if the Weighted Average Floating Spread is greater than 3.5 per cent., and dividing the result by 100.

The Fitch Maximum Weighted Average Rating Factor Test

The "**Fitch Maximum Weighted Average Rating Factor Test**" means the test that will be satisfied on any Measurement Date from (and including) the Effective Date if the Fitch Weighted Average Rating Factor as at such date is less than or equal to the applicable level in the Fitch Tests Matrices.

"**Fitch Weighted Average Rating Factor**" is the number determined by summing the products obtained by multiplying the Principal Balance of each Portfolio Asset by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Portfolio Assets and rounding the result to the nearest two decimal places.

"**Fitch Rating Factor**" means, in respect of any Portfolio Asset, the number set out in the table below opposite the Fitch Rating in respect of such Portfolio Asset. The following table provides certain probabilities of default relating to Fitch Rating Factors. The information is subject to change and any probabilities of default in respect of Fitch Rating Factors may not at any time necessarily reflect the below table.

Fitch Rating	Fitch Rating Factor
AAA	0.19
AA+	0.35
AA	0.64
AA-	0.86
A+	1.17
A	1.58
A-	2.25
BBB+	3.19
BBB	4.54
BBB-	7.13
BB+	12.19
BB	17.43
BB-	22.80
B+	27.80
B	32.18
B-	40.60
CCC+	62.80
CCC	62.80
CCC-	62.80
CC	100.00
C	100.00
D	100.00

The Fitch Minimum Weighted Average Recovery Rate Test

The "**Fitch Minimum Weighted Average Recovery Rate Test**" means the test that will be satisfied on any Measurement Date from (and including) the Effective Date if the Fitch Weighted Average Recovery Rate is greater than or equal to the applicable level in the Fitch Tests Matrices.

"**Fitch Weighted Average Recovery Rate**" means, as of any date of determination, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Portfolio Asset by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Portfolio Assets and rounding to the nearest 0.01 per cent.

"**Fitch Recovery Rate**" means, with respect to a Portfolio Asset, the recovery rate determined in accordance with paragraphs (a) to (b) (inclusive) below, or (in any case) such other recovery rate as Fitch may notify the Investment Manager from time to time:

(a) if such Portfolio Asset has a public Fitch recovery rating, or a recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager, the recovery rate corresponding to such recovery rating in the table below (unless a specific recovery rate (expressed as a percentage) is provided by Fitch):

Fitch recovery rating	Fitch recovery rate (per cent.)
RR1	95
RR2	80
RR3	60
RR4	40
RR5	20
RR6	5

and

(b) if such Portfolio Asset has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager, is not a Corporate Rescue Loan and has no public S&P recovery rating, (x) if such Portfolio Asset is a Senior Secured Loan or Senior Secured Bond, the recovery rate applicable to such Senior Secured Loan or Senior Secured Bond shall be the recovery rate corresponding to the Fitch recovery rating of "RR3" in the table above and (y) otherwise, the recovery rate determined in accordance with the table below, where the Portfolio Asset shall be categorised as "**Strong Recovery**" if it is a Senior Secured Loan,

"**Moderate Recovery**" if it is an Unsecured Loan and otherwise "**Weak Recovery**", and shall fall into the country group corresponding to the country in which the Obligor is domiciled:

	Group 1	Group 2	Group 3
Strong Recovery	80 per cent.	70 per cent.	35 per cent.
Moderate Recovery	45 per cent.	45 per cent.	25 per cent.
Weak Recovery	20 per cent.	20 per cent.	5 per cent.

The country group of a Portfolio Asset shall be determined, by reference to the country where it is Domiciled, in accordance with the below:

Group 1: Australia, Bermuda, Canada, Cayman Islands, New Zealand, Puerto Rico, United States

Group 2: Austria, Barbados, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Jersey, Latvia , Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom.

Group 3: Albania, Argentina, Asia Others, Bahamas, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Greece, Guatemala, Hungary, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Middle East and North Africa Others, Moldova, Morocco, Other Central America, Other South America, Other Sub Saharan Africa, Pakistan, Panama, Peru, Philippines, Qatar, Romania, Russia, Saudi Arabia, Serbia and Montenegro, South Africa, Thailand, Tunisia, Turkey, Ukraine, Uruguay, Venezuela, Vietnam.

The Minimum Weighted Average Spread Test

The "**Minimum Weighted Average Spread Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date the Weighted Average Floating Spread as at such Measurement Date *plus* the Weighted Average Coupon Adjustment Percentage as at such Measurement Date, equals or exceeds the Minimum Weighted Average Spread as at such Measurement Date.

The "**Minimum Weighted Average Spread**", as of any Measurement Date, means the greater of:

(a) the weighted average spread (expressed as a percentage) applicable to the current Fitch Tests Matrix selected by the Investment Manager; and

(b) the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Investment Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)) reduced by the Moody's Weighted Average Recovery Adjustment, provided such reduction may not reduce the Minimum Weighted Average Spread below the lowest weighted average spread value set out in the Mood's Test Matrix.

The "**Weighted Average Floating Spread**" as of any Measurement Date, is the number obtained by *dividing*: (a) the amount equal to (A) the Aggregate Funded Spread *plus* (B) the Aggregate Unfunded Spread *plus* (C) the Aggregate Excess Funded Spread; by (b) an amount equal to the Aggregate Principal Balance of all Floating Rate Portfolio Assets as of such Measurement Date (excluding (i) Defaulted Obligations and (ii) for any Deferring Security, any interest that has been deferred and capitalised thereon).

For purposes of calculating the Weighted Average Floating Spread, the spread of any Portfolio Asset shall be excluded from such calculation to the extent that the Issuer or the Investment Manager has actual knowledge that payment of interest on such Portfolio Asset will not be made by the Obligor thereof during the applicable due period.

The Weighted Average Floating Spread shall be expressed as a percentage and shall be rounded up to the next 0.01 per cent.

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of the products obtained by *multiplying*: (a) in the case of each Floating Rate Portfolio Asset (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed

Drawdown Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Portfolio Asset above EURIBOR or such other applicable floating rate of interest *multiplied by* (ii) the Principal Balance of such Portfolio Asset (excluding the unfunded portion of any Delayed Drawdown Obligation or Revolving Obligation); *provided that* for purposes of this definition, the interest rate spread will be deemed to be, with respect to any Floating Rate Portfolio Asset that has a EURIBOR floor, (i) the stated interest rate spread *plus*, (ii) if positive, (x) the EURIBOR floor value *minus* (y) the greater of EURIBOR as in effect for the current Interest Period and zero; (b) in the case of each Floating Rate Portfolio Asset (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR-based index, (i) the excess of the sum of such spread and such index over EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) *multiplied by* (ii) the Principal Balance of each such Portfolio Asset (excluding the unfunded portion of any Delayed Drawdown Obligation or Revolving Obligation); (c) in the case of each Floating Rate Portfolio Asset which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Obligation and Revolving Obligation) and subject to an Asset Swap Transaction, (i) the stated interest rate spread over EURIBOR payable by the applicable Asset Swap Counterparty to the Issuer under the related Asset Swap Transaction *multiplied by* (ii) the Principal Balance of such Non-Euro Obligation, converted into Euro at the applicable Asset Swap Transaction Exchange Rate; and (d) in the case of each Floating Rate Portfolio Asset which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Obligation and Revolving Obligation) and which is not subject to an Asset Swap Transaction, an amount equal to 50 per cent. of (i) the interest amount payable by the relevant obligor converted to Euro at the applicable Spot Rate, *less* (ii) the product of (x) EURIBOR *multiplied by* (y) the Principal Balance of such Non-Euro Obligation, converted into Euro at the Spot Rate, in each case excluding, in respect of each Mezzanine Obligation held by the Issuer in respect of such Measurement Date, any interest which has been contractually deferred pursuant to its terms and as adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty.

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by *multiplying* (i) for each Delayed Drawdown Obligation and Revolving Obligation (other than Defaulted Obligations and Deferring Securities), the related commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Obligation and Revolving Obligation as of such date; *provided that* in the case of a Delayed Drawdown Obligation or a Revolving Obligation which is (a) a Non-Euro Obligation subject to an Asset Swap Transaction, amounts specified in (ii) shall be converted into Euro at the Asset Swap Transaction Exchange Rate and (b) a Non-Euro Obligation which is not subject to an Asset Swap Transaction, amounts specified in (ii) shall be converted into Euro at the Spot Rate and *multiplied by* 50 per cent.

The "**Aggregate Excess Funded Spread**" is, as of any Measurement Date, the amount obtained by *multiplying*: (a) the EURIBOR applicable to the Rated Notes during the Interest Period in which such Measurement Date occurs; by (b) the amount (not less than zero) equal to (i) the Aggregate Principal Balance of the Portfolio Assets (excluding (x) for any Deferring Security, any interest that has been deferred and capitalised thereon and (y) the Principal Balance of any Defaulted Obligation) as of such Measurement Date *minus* (ii) the Target Par Amount *minus* (iii) the aggregate amount of Principal Proceeds received from the issuance of any additional notes pursuant to the Trust Deed.

The "**Weighted Average Coupon Adjustment Percentage**" means a percentage, equal as of any Measurement Date, to a number obtained by *multiplying* (a) the result of the Weighted Average Fixed Coupon *minus* the Reference Weighted Average Fixed Coupon, by (b) the number obtained by *dividing* the Aggregate Principal Balance of all Fixed Rate Portfolio Assets by the Aggregate Principal Balance of all Floating Rate Portfolio Assets (in each case excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Obligations and Revolving Obligations), and which product may, for the avoidance of doubt, be negative.

The "**Reference Weighted Average Fixed Coupon**" means, if any of the Portfolio Assets are Fixed Rate Portfolio Assets, 4.70 per cent., and otherwise zero per cent.

The "**Weighted Average Fixed Coupon**", as of any Measurement Date, is the number expressed as a percentage obtained by *dividing*:

(a) the amount equal to the Aggregate Coupon; by

(b) an amount equal to the Aggregate Principal Balance of all Fixed Rate Portfolio Assets as of such Measurement Date,

in each case excluding, for any Mezzanine Obligation, any interest that has been deferred and capitalised thereon (other than any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation) and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Obligations and Revolving Obligations and in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise and rounding the result up to the nearest 0.01 per cent. For the purposes of calculating the Weighted Average Fixed Coupon, the amount of coupon relating to any Portfolio Asset shall exclude any amount in respect of which the Issuer or the Investment Manager has actual knowledge that payment will not be made when due by the Obligor thereunder (including, for the avoidance of doubt, any amount of coupon that is payable at such Obligor's discretion or that is subject to deferral in accordance with the terms of the applicable Underlying Instruments).

The "**Aggregate Coupon**" is, as of any Measurement Date, the *sum* of (i) with respect to any Fixed Rate Portfolio Asset which is a Non-Euro Obligation and subject to an Asset Swap Transaction, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Obligations and Revolving Obligations, the *product* of (x) the stated fixed rate payable by the applicable Asset Swap Counterparty expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation, converted into Euro at the applicable Asset Swap Transaction Exchange Rate, (ii) with respect to any Fixed Rate Portfolio Asset which is a Non-Euro Obligation which is not subject to an Asset Swap Transaction and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Obligations and Revolving Obligations, an amount equal to the *product* of (x) the stated coupon on such Portfolio Asset expressed as a percentage and *multiplied* by 50 per cent. and (y) the Principal Balance of such Non-Euro Obligation converted into Euro at the Spot Rate; and (iii) with respect to all other Fixed Rate Portfolio Assets and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Obligations and Revolving Obligations, the *sum* of the products obtained by *multiplying*, in the case of each Fixed Rate Portfolio Asset, (x) the stated coupon on such Portfolio Asset expressed as a percentage and (y) the Principal Balance of such Portfolio Asset.

The Weighted Average Life Test

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such Measurement Date to 27 November 2026.

"**Average Life**" is, on any date of determination with respect to any Portfolio Asset, the quotient obtained by dividing:

(i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such date of determination to the respective dates of each successive scheduled distribution of principal of such Portfolio Asset and (b) the respective amounts of principal of such scheduled distributions, by

(ii) the sum of all successive scheduled distributions of principal on such Portfolio Asset.

"**Weighted Average Life**" is, as of any date of determination with respect to all Portfolio Assets (other than Defaulted Obligations), the number of years following such date obtained by dividing (i) the sum of the products obtained for each such Portfolio Asset by multiplying (a) the Average Life at such time of each such Portfolio Asset by (b) the Principal Balance of such Portfolio Asset by (ii) the Aggregate Principal Balance at such time of all Portfolio Assets other than Defaulted Obligations. Notwithstanding the above, the Weighted Average Life in respect of any Portfolio Asset that may have been prepaid prior to the expiry of the reinvestment Period, the Principal Proceeds of which have not yet been reinvested in the purchase of Substitute Portfolio Assets shall be the Weighted Average Life of such Portfolio Assets immediately prior to its repayment.

Ratings Definitions

Moody's Ratings Definitions

"**Moody's Rating**" means:

(a) with respect to a Portfolio Asset that is a Senior Secured Loan or a Senior Secured Bond: (i) if such Portfolio Asset has an Assigned Moody's Rating, such Assigned Moody's Rating; (ii) if such Portfolio Asset does not have an Assigned Moody's Rating but the Obligor of such Portfolio Asset has a CFR, then the Moody's rating that is one subcategory higher than such CFR; (iii) if neither clause (i) nor (ii) above apply, if such Portfolio Asset does not have an Assigned Moody's Rating but the obligor of such Portfolio Asset has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Investment Manager in its sole discretion; (iv) if none of clauses (i) to (iii) (inclusive) above apply, at the election of the Investment Manager, the Moody's Derived Rating; and (v) if none of clauses (i) to (iv) (inclusive) above apply, the Portfolio Asset will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Portfolio Asset other than a Senior Secured Loan or a Senior Secured Bond: (i) if such Portfolio Asset has an Assigned Moody's Rating, such Assigned Moody's Rating; (ii) if such Portfolio Asset does not have an Assigned Moody's Rating but the obligor of such Portfolio Asset has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Investment Manager in its sole discretion; (iii) if neither clause (i) nor (ii) above apply, if such Portfolio Asset does not have an Assigned Moody's Rating but the obligor of such Portfolio Asset has a CFR, then the Moody's rating that is one subcategory lower than such CFR; (iv) if none of clauses (i), (ii) or (iii) above apply, if such Portfolio Asset does not have an Assigned Moody's Rating but the obligor of such Portfolio Asset has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the Investment Manager in its sole discretion; (v) if none of clauses (i) to (iv) (inclusive) above apply, at the election of the Investment Manager, the Moody's Derived Rating; and (vi) if none of clauses (i) to (v) (inclusive) above apply, the Portfolio Asset will be deemed to have a Moody's Rating of "Caa3".

"**Moody's Default Probability Rating**" means, with respect to any Portfolio Asset, as of any date of determination, the rating determined in accordance with the following methodology: (a) if the Obligor of such Portfolio Asset has a CFR, then such CFR; (b) if not determined pursuant to clause (a) above, if the Obligor of such Portfolio Asset has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on such obligation as selected by the Investment Manager in its sole discretion; (c) if not determined pursuant to clauses (a) or (b) above, if the Obligor of such Portfolio Asset has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Investment Manager in its sole discretion; (d) if not determined pursuant to clauses (a), (b), or (c) above, if a rating estimate has been assigned to such Portfolio Asset by Moody's upon the request of the Issuer, the Investment Manager or an Affiliate of the Investment Manager, then the Moody's Default Probability Rating is such rating estimate as long as such rating estimate or a renewal for such rating estimate has been issued or provided by Moody's in each case within the 15 month period preceding the date on which the Moody's Default Probability Rating is being determined; *provided that* if such rating estimate has been issued or provided by Moody's for a period (x) longer than 13 months but not beyond 15 months, the Moody's Default Probability Rating will be one subcategory lower than such rating estimate and (y) beyond 15 months, the Moody's Default Probability Rating will be deemed to be "Caa3"; (e) if not determined pursuant to clauses (a), (b), (c) or (d) above, the Moody's Derived Rating; and (f) if not determined pursuant to clause (a), (b), (c), (d) or (e) above, the Portfolio Asset will be deemed to have a Moody's Default Probability Rating of "Caa3".

"**Assigned Moody's Rating**" means the monitored publicly available rating or the monitored estimated rating expressly assigned to a debt obligation (or facility) by Moody's that addresses the full amount of the principal and interest promised.

"**CFR**" means, with respect to an obligor of a Portfolio Asset, if such obligor has a corporate family rating by Moody's, then such corporate family rating; *provided*, if such obligor does not have a corporate family rating by Moody's but any entity in the obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"**Moody's Derived Rating**" means, with respect to a Portfolio Asset whose Moody's Rating or Moody's Default Probability Rating is determined as the Moody's Derived Rating, the rating as determined in the manner set forth below: (a) with respect to any Corporate Rescue Loan and (solely for purposes of determining the Moody's Adjusted Weighted Average Rating Factor) any Current Pay Obligation, the Moody's Rating or Moody's Default Probability Rating of such Portfolio Asset shall be the rating which is one subcategory below the facility rating (whether public or private) of such Corporate Rescue Loan or Current Pay Obligation, as applicable, rated by Moody's; (b) if not determined pursuant to clause (a) above, then by using any one of the methods provided below:

(i) pursuant to the table below:

Type of Portfolio Asset	S&P Rating (Public and Monitored)	Portfolio Asset Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P Rating
Not Structured Finance Obligation	≥ "BBB-"	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Obligation	≤ "BB+"	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation		Loan or Participation Interest in Loan	-2

(ii) if such Portfolio Asset is not rated by S&P but another security or obligation of the Obligor has a public and monitored rating by S&P (a "**parallel security**"), then the rating of such parallel security will at the election of the Investment Manager be determined in accordance with the table set forth in subclause (b)(i) above, and the Moody's Derived Rating for purposes of the definitions of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Portfolio Asset will be determined in accordance with the methodology set forth in the following table (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this subclause (b)(ii)):

Obligation Category of Rated Obligation	Rating of Rated Obligation	Number of Subcategories Relative to Rated Obligation Rating
Senior secured obligation	greater than or equal to B2	-1
Senior secured obligation	less than B2	-2
Subordinated obligation	greater than or equal to B3	+1
Subordinated obligation	less than B3	0

(iii) or, if such Portfolio Asset is a Corporate Rescue Loan, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency; *provided that* the Aggregate Principal Balance of the Portfolio Assets that may have a Moody's Rating derived from an S&P Rating as set forth in sub-clauses (i) or (ii) of this clause (b) may not exceed 10 per cent. of the Aggregate Principal Balance; and (c) if not determined pursuant to clauses (a) or (b) above and such Portfolio Asset is not rated by Moody's or S&P and no other security or obligation of the issuer of such Portfolio Asset is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Investment Manager or the issuer of such Portfolio Asset to assign a rating or rating estimate with respect to such Portfolio Asset but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Portfolio Asset for purposes of the definitions of Moody's Rating or Moody's Default Probability Rating shall be (i) "B3" if the Investment Manager certifies to the Trustee and the Collateral Administrator that the Investment Manager believes that such estimate shall be at least "B3" and if the Aggregate Principal Balance of Portfolio Assets determined pursuant to this sub-clause (c)(i) and clause (a) above does not exceed 5 per cent. of the Aggregate Principal Balance or (ii) otherwise, "Caa3". For purposes of calculating a Moody's Derived Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

Fitch Ratings Definitions

The "**Fitch Rating**" of any Portfolio Asset will be determined in accordance with the below methodology (with the sub-paragraph earliest in this definition applying in the case where more than one sub-paragraph would otherwise be applicable):

(a) with respect to any Portfolio Asset in respect of which there is a Fitch issuer default rating, including credit opinions, whether public or privately provided to the Investment Manager following notification by the Investment Manager that the Issuer has entered into a binding commitment to acquire such Portfolio Asset (the "Fitch Issuer Default Rating"), the Fitch Rating shall be such Fitch Issuer Default Rating;

(b) if the Obligor thereof has an outstanding long-term financial strength rating from Fitch (the "Fitch LTSR"), then the Fitch Rating shall be one notch lower than such Fitch LTSR;

(c) if in respect of any other obligation of the Obligor or its Affiliates, there is a publicly available rating by Fitch, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;

(d) if in respect of the Portfolio Asset there is a Moody's CFR, a Moody's Long Term Issuer Rating, or an S&P Issuer Credit Rating, then the Fitch Rating shall be the rating that corresponds to the lowest thereof;

(e) if in respect of the Portfolio Asset, there is an Insurance Financial Strength Rating, then the Fitch Rating shall be one notch lower than such Insurance Financial Strength Rating;

(f) if in respect of the Portfolio Asset there is a Moody's/S&P Corporate Issue Rating, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;

(g) if a Fitch Rating cannot otherwise be assigned, the Investment Manager, on behalf of the Issuer, shall apply to Fitch for a credit opinion which shall then be the Fitch Rating or shall agree a rating with Fitch which shall then be the Fitch Rating, provided that pending receipt from Fitch of any credit opinion, the applicable Portfolio Asset shall either be deemed to have a Fitch Rating of "B-", subject to the Investment Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment; provided further that if no credit opinion from Fitch is expected (in the opinion of the Investment Manager) to become available for the relevant Portfolio Asset and (i) the relevant Portfolio Asset is not a Defaulted Obligation or a Portfolio Asset with a Moody's CFR or Moody's Long Term Issuer Rating (in each case without regard to whether any such ratings are publicly available) of "Caa1" or lower and, if the relevant Portfolio Asset has only a Moody's Issue Rating, the Fitch IDR Equivalent rating, determined by applying the Fitch Rating Mapping Table to such Moody's Issue Rating, is greater than "Caa1"; (ii) the relevant Portfolio Asset has a private rating by Moody's; and (iii) the relevant Portfolio Asset does not form part of the Fitch Deemed Rating Excess (as defined below), then the Fitch Rating of the relevant Portfolio Asset shall be deemed to be "B-" (provided that the Investment Manager may elect in its sole discretion to assign any such Portfolio Asset a Fitch Rating of "CCC"), and if any of the clauses (i) to (iii) in the foregoing proviso are not met, then the relevant Portfolio Asset will be deemed to have a Fitch Rating of "CCC" (except where a Fitch IDR Equivalent rating has been determined in accordance with clause (i) above and such rating is lower than "CCC", in which case the relevant Portfolio Asset shall be deemed to be a Defaulted Obligation for the purposes of this definition of "Fitch Rating") ; or

(h) if such Portfolio Asset is a Corporate Rescue Loan:

(i) if such Corporate Rescue Loan has a publicly available rating from Fitch or has been assigned an issue-level credit assessment by Fitch, the Fitch Rating shall be such rating or credit assessment;

(ii) otherwise the Issuer or the Investment Manager on behalf of the Issuer shall apply to Fitch for an issue- level credit assessment provided that, pending receipt from Fitch of any issue-level credit assessment, the applicable Corporate Rescue Loan shall either be deemed to have a Fitch Rating of "B-", subject to the Investment Manager believing (in its reasonable

judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment.

For the purposes of determining the Fitch Rating, the following definitions shall apply, provided always that:

(a) if a debt security or obligation of the Obligor has been in default during the past two years, the Fitch Rating of such Portfolio Asset shall be treated as "D"; and

(b) with respect to any Current Pay Obligation that is rated "D" or "RD", the Fitch Rating of such Current Pay Obligation will be "CCC",

and provided further that:

(i) if the applicable Portfolio Asset has been put on rating watch negative or negative credit watch for possible downgrade by:

(ii) Fitch, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Fitch;

(iii) Moody's, then in the case only where the Fitch Rating is derived from a rating assigned by Moody's then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating determined pursuant to paragraphs (a) to (h) above; or

(iv) S&P, then in the case only where the Fitch Rating is derived from a rating assigned by S&P then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating determined pursuant to paragraphs (a) to (h) above; and

(c) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Portfolio Assets at any time.

"**Fitch Deemed Rating Excess**" means each Portfolio Asset to which a Fitch Rating of "B-" would have been applied in accordance with the second proviso in paragraph ((g)) above, but for the Principal Balance of which, when added to the Principal Balance of each other such Portfolio Asset (and for the avoidance of doubt excluding for the purposes of this definition all such Portfolio Assets to which the Investment Manager has assigned a Fitch Rating of "CCC" pursuant to paragraph (g) above), exceeding 10 per cent of the Aggregate Collateral Balance (where the latest Portfolio Assets to have been purchased shall be deemed to constitute such excess).

"**Fitch IDR Equivalent**" means, in respect of any rating described in the Fitch Rating Mapping Table, the equivalent Fitch Issuer Default Rating determined by increasing (or reducing, in the case of a negative number) such rating (or the nearest Fitch equivalent thereof) by the number of notches specified under "**Mapping Rule**" in the fourth column of the Fitch Rating Mapping Table.

"**Fitch Rating Mapping Table**" means the following table:

Rating Type	Applicable Rating Agency(ies)	Issue rating	Mapping Rule
Corporate family rating or long term issuer rating	Moody's	n/a	+0
Issuer credit rating	S&P	n/a	+0
Senior unsecured	Fitch, Moody's or S&P	Any	+0
Senior secured or subordinated	Fitch or S&P	"BBB-" or above	+0
Senior secured or subordinated	Fitch or S&P	"BB+" or below	-1
Senior secured or subordinated	Moody's	"Ba1" or above	-1
Senior secured or subordinated	Moody's	"Ba2" or below, but above "Ca"	-2
Senior secured or subordinated	Moody's	"Ca"	-1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B+" / "B1" or above	+1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B" / "B2" or below	+2

"**Insurance Financial Strength Rating**" means, in respect of a Portfolio Asset, the lower of any applicable public insurance financial strength rating by S&P or Moody's in respect thereof.

"**Moody's CFR**" means, in respect of a Portfolio Asset, a publicly available corporate family rating by Moody's in respect of the Obligor thereof.

"**Moody's Long Term Issuer Rating**" means, in respect of a Portfolio Asset, a publicly available long term issuer rating by Moody's in respect of the Obligor thereof.

"**Moody's/S&P Corporate Issue Rating**" means, in respect of a Portfolio Asset, the lower of the Fitch IDR Equivalent ratings, determined in accordance with the Fitch Rating Mapping Table, corresponding to any outstanding publicly available issue rating by Moody's and/or S&P in respect of any other obligation of the Obligor or any of its Affiliates.

"**S&P Issuer Credit Rating**" means, in respect of a Portfolio Asset, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

The Coverage Tests

The coverage tests (the "**Coverage Tests**") will consist of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test, the Class F Par Value Test, the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test.

The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes and whether Principal Proceeds may be reinvested in Substitute Portfolio Assets, or whether Interest Proceeds and, to the extent needed, Principal Proceeds which would otherwise be used to pay interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes must instead be used to pay principal of the Class A Notes and after redemption in full thereof, principal of the Class B Notes in the event of failure to satisfy the Class A/B Coverage Tests or, in the event of failure to satisfy the Class C Coverage Tests, to pay principal of the Class A Notes, and after redemption in full thereof, principal of the Class B Notes and, after redemption in full thereof, principal of the Class C Notes or, in the event of failure to satisfy the Class D Coverage Tests, to pay principal of the Class A Notes and after redemption in full thereof, principal of the Class B Notes and after redemption in full thereof, principal of the Class C Notes and after redemption in full thereof, principal of the Class D Notes or, in the event of failure to satisfy the Class E Coverage Tests, to pay principal of the Class A Notes and after redemption in full thereof, principal of the Class B Notes and after

redemption in full thereof, principal of the Class C Notes and after redemption in full thereof, principal of the Class D Notes and after redemption in full thereof, principal of the Class E Notes or, in the event of failure to satisfy the Class F Par Value Test, to pay principal of the Class A Notes and after redemption in full thereof, principal of the Class B Notes and after redemption in full thereof, principal of the Class C Notes and after redemption in full thereof, principal of the Class D Notes and after redemption in full thereof, principal of the Class E Notes and after redemption in full thereof, principal of the Class F Notes.

Each of the Par Value Tests and Interest Coverage Tests shall be satisfied on (a) in the case of the Par Value Tests, each Measurement Date commencing on and from the Effective Date and (b) in the case of the Interest Coverage Tests, each Interest Coverage Test Date if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Coverage Test and Ratio	Percentage at which Test is satisfied (per cent.)
Class A/B Par Value	130.61
Class A/B Interest Coverage	120.0
Class C Par Value	120.69
Class C Interest Coverage	110.0
Class D Par Value	114.67
Class D Interest Coverage	105.0
Class E Par Value	106.26
Class E Interest Coverage	101.0
Class F Par Value	103.63

For the purposes of calculating the Interest Coverage Ratios, the expected interest income on Portfolio Assets, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the applicable Classes of Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

Calculation of Portfolio Profile Tests, Collateral Quality Tests and Coverage Tests

With respect to the calculation of the Portfolio Profile Tests, Collateral Quality Tests and Coverage Tests, (a) obligations which are to constitute Portfolio Assets and/or Substitute Portfolio Assets in respect of which a binding commitment has been made to purchase such obligations and/or Substitute Portfolio Assets but such purchase has not been settled shall nonetheless be deemed to have been purchased; (b) Portfolio Assets and/or Substitute Portfolio Assets in respect of which a binding commitment has been made to sell such Portfolio Asset and/or Substitute Portfolio Assets but such sale has not yet settled shall nonetheless be deemed to have been sold and, in either case, without double counting any such Portfolio Assets and/or Substitute Portfolio Assets and any cash payments to be made, or as the case may be, received.

Reinvestment Test

On any Payment Date following the Effective Date and each Payment Date thereafter during the Reinvestment Period, if the Reinvestment Test is not satisfied on the related Determination Date, then on such Payment Date Interest Proceeds are required to be applied in payment into the Principal Account, as applicable, for use either (1) in the purchase of Portfolio Assets or (2) to redeem the Notes in accordance with the Note Payment Sequence, in each case, in an amount equal to the Required Diversion Amount.

The Reinvestment Test will be satisfied if, on the first Payment Date and any subsequent Measurement Date during the Reinvestment Period, the Class F Par Value Ratio is at least 104.13 per cent.

Management of the Portfolio

Overview

Subject to, and in accordance with the terms of, the Investment Management Agreement, the Investment Manager (acting on behalf of the Issuer) is permitted, in certain circumstances and, subject to certain requirements, to sell Portfolio Assets, Defaulted Obligations or Exchanged Securities and to reinvest the Sale Proceeds (other than accrued interest on such Portfolio Assets included in Interest Proceeds by the Investment Manager) thereof in Substitute Portfolio Assets. The Investment Manager shall notify the Collateral Administrator of all necessary details of the Portfolio Asset, Defaulted Obligations or Exchanged Security to be sold and the proposed Substitute Portfolio Asset to be purchased and the Collateral Administrator (on behalf of

the Issuer) shall determine and shall provide confirmation to the Issuer and the Investment Manager of whether the Portfolio Profile Tests and Reinvestment Criteria which are required to be satisfied, maintained or improved in connection with any such sale or reinvestment are satisfied, maintained or improved or, if any such criteria are not satisfied, maintained or improved, shall notify the Issuer and the Investment Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved.

The Investment Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Portfolio Assets (including all Substitute Portfolio Assets) taking into account the Eligibility Criteria and, where applicable, the Reinvestment Criteria and the guidelines in the Investment Management Agreement and will monitor the performance of the Portfolio Assets on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Investment Manager shall not be responsible for determining whether or not the terms of any individual Portfolio Asset have been observed.

The activities referred to below that the Investment Manager may undertake on behalf of the Issuer are subject to the Issuer's monitoring of the performance of the Investment Manager under the Investment Management Agreement.

Subject to certain conditions, as described below, the Investment Manager (on behalf of the Issuer), may sell any Defaulted Obligation, Exchanged Security, Credit Impaired Obligation or Credit Improved Obligation at any time. In addition, subject to certain conditions, as described below, the Investment Manager (acting on behalf of the Issuer) may at any time during the Reinvestment Period sell any Portfolio Assets *provided that* all such sales do not exceed the percentage limitation set out in "*Sale of Portfolio Assets – Discretionary Sales*" below.

Sale of Portfolio Assets

Sale of Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations

Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Investment Manager (acting on behalf of the Issuer) subject to:

(a) the Investment Manager's knowledge, no Note Event of Default having occurred which is continuing; and

(b) the Investment Manager certifying to the Trustee and the Collateral Administrator that it believes, in its reasonable business judgement, that such security constitutes a Credit Impaired Obligation, a Credit Improved Obligation or a Defaulted Obligation, as the case may be.

Terms and Conditions applicable to the Sale of Exchanged Securities

Exchanged Securities may be sold at any time by the Investment Manager (acting on behalf of the Issuer). Any sale of an Exchanged Security shall be subject to:

(a) to the Investment Manager's knowledge, no Note Event of Default or Potential Note Event of Default having occurred which is continuing; and

(b) the Investment Manager determining, in its reasonable business judgement, that such obligation constitutes an Exchanged Security.

The Investment Manager may not reinvest the Sale Proceeds of Exchanged Securities following expiry of the Reinvestment Period.

Discretionary Sales

During the Reinvestment Period but other than during a Restricted Trading Period, the Issuer or the Investment Manager (acting on behalf of the Issuer) may, dispose of any Portfolio Asset (other than a Credit Improved Obligation, a Credit Impaired Obligation, a Defaulted Obligation or an Exchanged Security, each of which may only be sold in the circumstances provided above) (a "**Discretionary Sale**") at any time provided:

(a) to the Investment Manager's knowledge, no Note Event of Default having occurred which is continuing;

(b) after giving effect to such sale, the Aggregate Principal Balance of all Portfolio Assets sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Issue Date) is not greater than 25.0 per cent. of the Aggregate Collateral Balance as of the first day of such 12 calendar month period (or as of the Issue Date, as the case may be); and

(c) either:

(i) during the Reinvestment Period, the Investment Manager reasonably believes prior to such sale that it will be able to enter one or more binding commitments to reinvest all or a portion of the proceeds of such sale in one or more additional Portfolio Assets within 45 days after the settlement of such sale in accordance with the Reinvestment Criteria; or

(ii) at any time, either: (1) the Sale Proceeds from such sale are at least equal to the Investment Criteria Adjusted Balance of such Portfolio Asset; or (2) after giving effect to such sale, the Aggregate Principal Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lesser of its Fitch Collateral Value and its Moody's Collateral Value) of all Portfolio Assets (excluding the Portfolio Asset being sold but including, without duplication, the Sale Proceeds of such sale) plus, without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account and including Eligible Investments therein but save for any interest accrued on Eligible Investments will be greater than (or equal to) the Reinvestment Target Par Balance.

For the purposes of determining the percentage of Portfolio Assets sold during any such period as Discretionary Sales in accordance with the foregoing, the amount of any Portfolio Assets sold will be reduced to the extent of any purchases of Portfolio Assets of the same obligor (which are *pari passu* or senior to such sold Portfolio Asset) made within 30 calendar days of such sale so long as any such Portfolio Asset was sold with the intention of purchasing a Portfolio Asset of the same obligor (which would be *pari passu* or senior to such sold Portfolio Asset); provided that for the purposes of such determination, secured senior loans and secured senior bonds shall be deemed to be *pari passu*.

"**Investment Criteria Adjusted Balance**" means with respect to a Portfolio Asset, the Principal Balance of such Portfolio Asset, provided that the Investment Criteria Adjusted Balance of:

(a) a Deferring Security shall be the lesser of:

(i) its Fitch Collateral Value; and

(ii) its Moody's Collateral Value;

(b) a Discount Obligation shall be the product of such obligation's:

(i) purchase price (expressed as a percentage of par); and

(ii) Principal Balance;

(c) a Zero-Coupon Security shall be its accreted value; and

(d) a Portfolio Asset which has been included in the calculation of the CCC/Caa Excess shall be its Market Value (assuming that such Market Value is expressed as a percentage of the Principal Balance of such Portfolio Asset as of such date of determination) multiplied by the Principal Balance of such Portfolio Asset,

provided that if a Portfolio Asset satisfies two or more of (a) through (d) above, the Investment Criteria Adjusted Balance of such Portfolio Asset shall be calculated using the category which results in the lowest value.

Restricted Trading Period

The Issuer or the Investment Manager (acting on its behalf) shall promptly notify the Rating Agencies upon the commencement of a Restricted Trading Period.

Sale of Collateral Prior to Maturity Date

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date; or (ii) receipt of notification from the Trustee of enforcement of the security over the Portfolio; the Investment Manager (acting on behalf of the Issuer) will (at the direction of the Trustee following the enforcement of such security), as far as practicable, arrange for liquidation of the Portfolio in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date and sell all or part of the Portfolio, as applicable, in accordance with Condition 7 (*Redemption and Purchase*) and the Investment Management Agreement.

Sale of Assets which do not Constitute Portfolio Assets

If an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Investment Management Agreement, the Investment Manager shall use commercially reasonable efforts to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Disposal of Unsaleable Assets

Following the delivery of prior written notice of a proposed Optional Redemption in accordance with Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption*), or the delivery of a notice of acceleration or automatic acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Investment Manager, acting on behalf of the Issuer, may conduct an auction of Unsaleable Assets. The Issuer will provide notice (in such form as is prepared by the Investment Manager) to the Noteholders in accordance with the Conditions (and, for so long as any Rated Notes are Outstanding, the Rating Agencies) of such auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures:

(a) any Noteholder may submit a written bid to purchase for cash one or more Unsaleable Assets no later than the date specified in the auction notice (which shall be at least 15 Business Days after the date of such notice) and, for any Unsaleable Asset for which one or more bids are received, the Investment Manager, on behalf of the Issuer, will deliver such Unsaleable Asset to the highest bidder against payment in cash of the bid price;

(b) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice;

(c) if no Noteholder submits such a bid for an Unsaleable Asset, unless delivery in kind is not legally permissible or commercially practicable, the Investment Manager will direct the Issuer to notify, and the Issuer will notify each Noteholder in accordance with the Conditions of the offer to deliver (at no cost to the Noteholders, the Investment Manager or the Trustee) a pro rata portion of each unsold Unsaleable Asset to the Noteholders of the most senior Class that provide delivery instructions to the Investment Manager on or before the date specified in such notice, subject to minimum denominations. To the extent that minimum denominations do not permit a pro rata distribution, the Investment Manager will identify and distribute the Unsaleable Assets on a pro rata basis to the extent possible and the Investment Manager will select by lottery the Noteholder to whom the remaining portion will be delivered. The Investment Manager will use commercially reasonable efforts to effect delivery of such portions of unsold Unsaleable Assets. For the avoidance of doubt, any such delivery to the Noteholders will not operate to reduce the principal amount outstanding of the related Notes held by such Noteholders; and

(d) if no such Noteholder provides delivery instructions to the Investment Manager, the Investment Manager will take such action (if any) as directed pursuant to an Issuer Order to dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means.

"**Issuer Order**" means each order from the Investment Manager, on behalf of the Issuer in accordance with and subject to the terms of the Investment Management Agreement, to the Trustee, the Collateral Administrator, the Custodian and the Account Bank with a copy to the Issuer, notifying the Trustee and the Collateral Administrator of:

(a) a proposed acquisition of any Portfolio Asset;

(b) a proposed sale of any Portfolio Asset; or

(c) the requirement to present and/or surrender any Portfolio Asset to the issuer thereof in connection with the exercise of any option thereunder or the acceptance of any offer relating thereto,

which, in the case of (b) or (c) above, will be deemed to direct the Trustee to release the relevant Portfolio Asset from the security constituted by or pursuant to the Trust Deed, in each case, in such form and containing such information as the Issuer, the Investment Manager, the Collateral Administrator and the Trustee may from time to time agree.

Reinvestment of Portfolio Assets

"**Reinvestment Criteria**" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period*" below and following the expiry of the Reinvestment Period, the criteria set out below under "*Following the Expiry of the Reinvestment Period*". The Reinvestment Criteria shall not apply in the case of the acquisition of a Portfolio Asset which has been restructured where such restructuring has become binding on the holders thereof (whether or not such obligation would constitute a Restructured Obligation) other than in respect of Principal Proceeds required for such restructuring.

During the Reinvestment Period

During the Reinvestment Period, the Investment Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Principal Proceeds in the purchase of Substitute Portfolio Assets satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Portfolio Asset and taking into account existing commitments, the criteria set out below must be satisfied:

(a) to the Investment Manager's knowledge, no Note Event of Default has occurred that is continuing at the time of such purchase;

(b) after the Effective Date or, in the case of the Interest Coverage Tests, after the second Payment Date, the Coverage Tests are satisfied or if (other than with respect to the reinvestment of any proceeds received upon the sale of, or as a recovery on, any Defaulted Obligation) as calculated immediately prior to sale or prepayment (in whole or in part) of the relevant Portfolio Asset the Principal Proceeds of which are being reinvested, any Coverage Test was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment when compared with the result of such test immediately prior to sale or prepayment (in whole or in part) of the relevant Portfolio Asset;

(c) in the case of a Substitute Portfolio Asset purchased with Sale Proceeds of a Credit Impaired Obligation or a Defaulted Obligation either:

  (i) the Aggregate Principal Balance of all Substitute Portfolio Assets purchased with such Sale Proceeds shall at least equal such Sale Proceeds; or

  (ii) the sum of: (A) the Aggregate Principal Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lesser of its Fitch Collateral Value and its Moody's Collateral Value) of all Portfolio Assets (excluding all of the Portfolio Assets being sold but including, without duplication, the Portfolio Assets being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Portfolio Asset); and, without duplication, (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account and including any Eligible Investments (save for interest accrued on Eligible Investments) is greater than the Reinvestment Target Par Balance;

(d) in the case of a Substitute Portfolio Asset purchased with Sale Proceeds of a Credit Improved Obligation either:

  (i) the Aggregate Principal Balance shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance immediately prior to the sale of the relevant Credit Improved Obligation; or

  (ii) the sum of: (A) the Aggregate Principal Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lesser of its Fitch Collateral Value and its Moody's

Collateral Value) of all Portfolio Assets (excluding all of the Portfolio Assets being sold but including, without duplication, the Portfolio Assets being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Portfolio Asset); and, without duplication, (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account including any Eligible Investments (save for interest accrued on Eligible Investments) is greater than the Reinvestment Target Par Balance;

(e) either: (A) each of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied; or (B) if any of the Portfolio Profile Tests or the Collateral Quality Tests are not satisfied such test will be maintained or improved after giving effect to such reinvestment when compared with the results of such tests immediately prior to the sale or prepayment (in whole or in part) of the relevant Portfolio Asset;

(f) the date on which the Issuer (or the Investment Manager acting on behalf of the Issuer) enters into a binding commitment to purchase such Substitute Portfolio Asset occurs during the Reinvestment Period;

(g) with respect to the reinvestment of Sale Proceeds (other than Sale Proceeds from Credit Improved Obligations, Credit Impaired Obligations, Defaulted Obligations and Exchanged Securities) either:

(i) the Aggregate Principal Balance of all Portfolio Assets shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance immediately prior to the sale that generates such Sale Proceeds; or

(ii) after giving effect to such sale, the sum of: (A) the Aggregate Principal Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lesser of its Fitch Collateral Value and its Moody's Collateral Value) of all Portfolio Assets (excluding all of the Portfolio Assets being sold but including, without duplication, the Substitute Portfolio Assets being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Portfolio Assets); and, without duplication, (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account and including any Eligible Investments (save for interest accrued on Eligible Investments) is greater than the Reinvestment Target Par Balance;

(h) no Retention Deficiency occurs as a direct result of, and immediately after giving effect to, such reinvestment; and

(i) if such trade date occurs at a time when the Issuer knowingly cannot rely or elects not to rely on Rule 3a-7 under the Investment Company Act for an exclusion from registration as an investment company thereunder, and the Issuer is not able to rely on an exclusion or exemption from registration under the Investment Company Act other than those provided by Section 3(c)(1) or Section 3(c)(7) thereunder, such Portfolio Asset is not a Collateral Enhancement Obligation that is a security, a Secured Senior Bond, a Mezzanine Obligation or a High Yield Bond.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, only Unscheduled Principal Proceeds, Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations received after the Reinvestment Period may be reinvested by the Issuer or the Investment Manager (acting on behalf of the Issuer) in one or more Substitute Portfolio Assets satisfying the Eligibility Criteria, in each case provided that:

(a) the Aggregate Principal Balance of such Substitute Portfolio Assets equals or exceeds (i) the Aggregate Principal Balance of the related Portfolio Assets that produced such Unscheduled Principal Proceeds or Sale Proceeds or (ii) the amount of Sale Proceeds of such Credit Impaired Obligations, as the case may be;

(b) the Weighted Average Life Test is satisfied immediately after giving effect to such reinvestment;

(c) each Coverage Test is satisfied immediately prior to and after giving effect to such reinvestment;

(d) subject to paragraph (e) below, either: (i) the Portfolio Profile Tests and the Collateral Quality Tests (except the Weighted Average Life Test and the Moody's Minimum Diversity Test) are satisfied; or (ii)

if any such test was not satisfied immediately prior to such reinvestment, such test will be satisfied after giving effect to such reinvestment or will be maintained or improved after giving effect to such reinvestment when compared with the results of such tests immediately prior to the sale or prepayment (in whole or in part) of the relevant Portfolio Asset;

(e) sub-paragraphs (n) and (o) of the Portfolio Profile Tests are satisfied after giving effect to such reinvestment;

(f) to the Investment Manager's knowledge, no Note Event of Default has occurred that is continuing at the time of such reinvestment;

(g) the Portfolio Asset Stated Maturity of each Substitute Portfolio Asset is the same as or earlier than the Portfolio Asset Stated Maturity of the Portfolio Asset that produced such Unscheduled Principal Proceeds or Sale Proceeds;

(h) no Retention Deficiency occurs as a direct result of, and immediately after giving effect to, such reinvestment;

(i) if such trade date occurs at a time when the Issuer knowingly cannot rely or elects not to rely on Rule 3a-7 under the Investment Company Act for an exclusion from registration as an investment company thereunder, and the Issuer is not able to rely on an exclusion or exemption from registration under the Investment Company Act other than those provided by Section 3(c)(1) or Section 3(c)(7) thereunder, such Portfolio Asset is not a Collateral Enhancement Obligation that is a security, a Secured Senior Bond, a Mezzanine Obligation or a High Yield Bond;

(j) a Restricted Trading Period is not currently in effect; and

(k) if the Moody's Maximum Weighted Average Rating Factor Test is not satisfied then such Substitute Portfolio Asset(s) have the same or a higher Moody's Default Probability Rating as the Portfolio Asset that produced such Unscheduled Principal Proceeds Sale Proceeds.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments on the following Payment Date (subject as provided at the end of this paragraph), save that the Investment Manager (acting on behalf of the Issuer) may in its discretion procure that Sale Proceeds from the sale of any Credit Impaired Obligations or Credit Improved Obligations are paid into the Principal Account and designated for reinvestment in Substitute Portfolio Assets, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Proceeds Priority of Payments for so long as they remain so designated for reinvestment but for no longer than the later of (i) 30 calendar days following receipt by the Issuer and (ii) the end of the following Due Period; *provided that*, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments set out in Condition 3(c)(ii) (*Principal Priority of Payments*) and such funds shall be applied only in redemption of the Notes in accordance with the Priorities of Payments.

Amendments to Portfolio Asset Stated Maturities of Portfolio Assets

The Issuer (or the Investment Manager on the Issuer's behalf) may vote in favour of a Maturity Amendment only if, after giving effect to such Maturity Amendment: (a) the Portfolio Asset Stated Maturity of the Portfolio Asset that is the subject of such Maturity Amendment is not later than the Maturity Date of the Rated Notes; and (b) the Weighted Average Life Test is satisfied. If the Issuer (or the Investment Manager on its behalf) has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but the Portfolio Asset Stated Maturity has been extended, by way of scheme of arrangement or otherwise, the Issuer (or the Investment Manager acting on its behalf) may but shall not be required to sell such Portfolio Asset provided that in any event the Investment Manager (on behalf of the Issuer) shall dispose of such Portfolio Asset prior to the Maturity Date. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

"**Maturity Amendment**" means with respect to any Portfolio Asset, any waiver, refinancing, modification, amendment or variance that would extend the Portfolio Asset Stated Maturity of such Portfolio Asset. For the avoidance of doubt, a waiver, refinancing, modification, amendment or variance that would extend the Portfolio Asset Stated Maturity of the credit facility of which a Portfolio Asset is part, but would not extend the Portfolio Asset Stated Maturity of the Portfolio Asset held by the Issuer, does not constitute a Maturity Amendment.

Expiry of the Reinvestment Criteria Certification

Immediately preceding the end of the Reinvestment Period, the Investment Manager will deliver to the Trustee and the Collateral Administrator a schedule of Portfolio Assets purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including for this purpose, cash on deposit in the Principal Account, any scheduled distributions of Principal Proceeds, as well as any Principal Proceeds that will be received by the Issuer from the sale of Portfolio Assets for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Portfolio Assets.

Reinvestment Test

During the Reinvestment Period, if, on any Payment Date during such period after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (X) (inclusive) of the Interest Priority of Payments, the Reinvestment Test has not been satisfied, then on the related Payment Date, Interest Proceeds in an amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (Y) of the Interest Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (X) (inclusive) of the Interest Priority of Payments would be sufficient to cause the Reinvestment Test to be satisfied shall be paid into the Principal Account as Principal Proceeds to purchase additional Portfolio Assets provided that such payment would not, in the determination of the Collateral Administrator (with such consultation with the Investment Manager and the Retention Holder as the Collateral Administrator deems necessary), cause (or would not be likely to cause) a Retention Deficiency.

Designation for Reinvestment

The Investment Manager shall, on each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Investment Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Investment Management Agreement as described above) shall remain designated for reinvestment (or in the case of proceeds received from additional issuance of Notes, investment) on or after the following Payment Date, in which event such Principal Proceeds shall not constitute Principal Proceeds which are to be paid into the Payment Account and disbursed on such Payment Date in accordance with the Priorities of Payments.

The Investment Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Portfolio Asset which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty, save for: (i) Purchased Accrued Interest; (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; and (iii) any interest received in respect of a Defaulted Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts.

Application of Proceeds of Additional Issuances

The Investment Manager (acting on behalf of the Issuer) shall apply the Principal Proceeds received from the issuance of additional Notes pursuant to the Trust Deed and as described in Condition 17 (*Additional Issuances*) to purchase additional Portfolio Assets and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Portfolio Assets.

Accrued Interest

Amounts included in the purchase price of any Portfolio Asset comprising accrued interest thereon may be paid from the Interest Account, the Principal Account or the Unused Proceeds Account at the discretion of the Investment Manager (acting on behalf of the Issuer) but subject to the terms of the Investment Management

Agreement and Condition 3(j) (*Payments to and from the Accounts*). Notwithstanding the foregoing, in any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Portfolio Asset, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Portfolio Asset (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds and/or principal amounts from the Unused Proceeds Account shall constitute Purchased Accrued Interest and shall be deposited into the Principal Account as Principal Proceeds.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Portfolio Assets on any day if such Portfolio Assets satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria at the election of the Investment Manager in its sole discretion, any proposed investment (whether a single Portfolio Asset or a group of Portfolio Assets) identified by the Investment Manager as such at the time (the "**Initial Trading Plan Calculation Date**") when compliance with the Reinvestment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the 10 Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); *provided* that: (i) no Trading Plan may result in the purchase of Portfolio Assets having an Aggregate Principal Balance that exceeds 5.0 per cent. of the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lesser of its Fitch Collateral Value and its Moody's Collateral Value) as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Payment Date; (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period, *provided* that no Trading Plan may result in the averaging of the purchase price of a Portfolio Asset or Portfolio Assets purchased at separate times for purposes of determining whether any particular Portfolio Asset is a Discount Obligation; (iv) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan, but are not satisfied upon the completion of the related Trading Plan, Rating Agency Confirmation from Fitch is obtained with respect to the effectiveness of additional Trading Plans (it being understood that Rating Agency Confirmation from Fitch shall only be required once following any failure of a Trading Plan); (v) no Trading Plan may result in the averaging of the purchase price of a Portfolio Asset or Portfolio Assets purchased at separate times for purposes of determining whether any particular Portfolio Asset is a Discount Obligation; and (vi) no Trading Plan may be entered into following the expiry of the Reinvestment Period if (A) any of the Portfolio Assets which form part of such Trading Plan have Stated Maturities shorter than 6 months; and (B) the difference between the shortest and the longest maturity of the related Portfolio Assets is greater than three years.. For the avoidance of doubt, compliance with the Reinvestment Criteria upon completion of a Trading Plan pursuant to (iv) above, shall be calculated with respect to those Portfolio Assets that were actually sold and/or purchased as part of the relevant Trading Plan on the basis of data used as at the Initial Trading Plan Calculation Date.

Eligible Investments

The Issuer or the Investment Manager (acting on behalf of the Issuer) may from time to time purchase Eligible Investments out of the Balances standing to the credit of the Accounts (other than the Revolving Reserve Account, the Counterparty Downgrade Collateral Accounts, the Hedge Termination Accounts, the Asset Swap Accounts, the Payment Account and the Refinancing Account). For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Investment Manager (acting on behalf of the Issuer) at any time.

Exchanged Securities

Any Exchanged Security may be sold at any time by the Investment Manager in its discretion (acting on behalf of the Issuer) subject to, to the Investment Manager's knowledge, no Note Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Securities as provided above, the Investment Manager shall be required by the Issuer to use its commercially reasonable efforts to sell (on behalf of the Issuer) any Exchanged Security which constitutes Margin Stock, as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable) and at all times as permitted by applicable law.

Exercise of Warrants and Options

The Investment Manager acting on behalf of the Issuer, may, at any time exercise a warrant or option attached to a Portfolio Asset or comprised in a Collateral Enhancement Obligation and shall on behalf of the Issuer instruct the Account Bank to make any necessary payment pursuant to a duly completed form of instruction.

Collateral Enhancement Obligations

The Investment Manager (acting on behalf of the Issuer), may pay amounts into the Collateral Enhancement Account pursuant to paragraph (FF) of the Interest Priority of Payments; and/or, during the Reinvestment Period the Investment Manager may make an Investment Manager Advance to the Issuer for payment into the Collateral Enhancement Account, subject to and in accordance with the terms of the Investment Management Agreement.

The Investment Manager, acting on behalf of the Issuer, may at any time exercise a warrant or option comprised in a Collateral Enhancement Obligation and shall on behalf of the Issuer instruct the Collateral Administrator in writing to make or procure that there is made any necessary payment out of amounts standing to the credit of the Collateral Enhancement Account pursuant to a duly completed form of instruction.

The Issuer or the Investment Manager, acting on behalf of the Issuer, may sell any Collateral Enhancement Obligation at any time and the proceeds of such sale will be credited to the Collateral Enhancement Account.

Collateral Enhancement Obligations and any income or return generated therefrom are not taken into account for the purposes of determining satisfaction of, any of the Coverage Tests or Collateral Quality Tests.

Investment Manager Advances

The Investment Manager or its Affiliate or designee, at its discretion, may make loan advances in Euro to the Issuer during the Reinvestment Period in accordance with and subject to the terms of the Investment Management Agreement, the Conditions and the Trust Deed. Any such advance may only be made for the purpose of (i) designating as Interest Proceeds or Principal Proceeds, to be applied in accordance with the applicable Priorities of Payment, or (ii) acquiring or exercising rights under one or more Collateral Enhancement Obligations. Each Investment Manager Advance will be in a minimum amount of €1,000,000 and will bear interest at a rate equal to EURIBOR plus a margin of 2.0 per cent. per annum. The aggregate amount outstanding of all Investment Manager Advances shall not, at any time, exceed €3,000,000. Repayment by the Issuer of any Investment Manager Advance will only be made subject to and in accordance with the Priorities of Payment.

Margin Stock

The Investment Management Agreement requires that the Investment Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Portfolio Asset, Collateral Enhancement Obligation, Exchanged Security or Eligible Investment which is or at any time becomes Margin Stock as soon as practicable following such event.

"**Margin Stock**" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into Margin Stock.

Non-Euro Obligations

Subject to the satisfaction of certain conditions in the Investment Management Agreement, the Investment Manager shall be authorised to purchase, on behalf of the Issuer, Non-Euro Obligations from time to time provided that any such Non-Euro Obligation shall only constitute a Portfolio Asset that satisfies paragraph (b) of the Eligibility Criteria (either as an Eligibility Criterion or as a Restructured Obligation Criterion) if not later than the trade date of the acquisition thereof, the Investment Manager procures entry by the Issuer into an Asset Swap Transaction pursuant to which the currency risk arising from receipt of cash flows from such Non-Euro Obligation, including interest and principal payments, is hedged through the swapping of such cash flows for Euro payments to be made by an Asset Swap Counterparty. The Investment Manager (on behalf of the Issuer) shall be authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Asset Swap Transaction. Rating Agency Confirmation shall be required in relation to entry into each Asset Swap Transaction unless such Asset Swap Transaction is a Form-Approved Asset Swap Agreement. See the "*Hedging Arrangements*" section of this Prospectus.

Revolving Obligations and Delayed Drawdown Portfolio Assets

The Investment Manager acting on behalf of the Issuer, may acquire Portfolio Assets which are Revolving Obligations or Delayed Drawdown Portfolio Assets from time to time.

Such Revolving Obligations and Delayed Drawdown Portfolio Assets may only be acquired if they are capable of being drawn in a single currency only (being Euros) and are not payable in or convertible into another currency.

Each Revolving Obligation and Delayed Drawdown Portfolio Asset will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be required to reimburse the provider of a guarantee or other ancillary facilities made available to the obligor thereof in the event of any default by the obligor thereof in respect of its reimbursement obligations in connection therewith). Such Revolving Obligations and Delayed Drawdown Portfolio Assets may or may not provide that they may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of any Revolving Obligations and Delayed Drawdown Portfolio Assets, the Issuer shall deposit into the Revolving Reserve Account amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Portfolio Assets. To the extent required, the Issuer, or the Investment Manager acting on its behalf, may direct that amounts standing to the credit of the Revolving Reserve Account be deposited with a third party from time to time as collateral for any reimbursement or indemnification obligations owed by the Issuer to any other lender in connection with a Revolving Obligation or a Delayed Drawdown Portfolio Asset, as applicable and upon receipt of an Issuer Order the Trustee shall be deemed to have released such amounts from the security granted thereover pursuant to the Trust Deed.

Participations

The Investment Manager acting on behalf of the Issuer, may from time to time acquire Portfolio Assets from Selling Institutions by way of Participation provided that at the time such Participation is taken:

(a) the percentage of the Aggregate Collateral Balance that represents Participations (including, for the avoidance of doubt each participation and sub participation from which the Issuer, directly or indirectly derives its interest in the relevant Portfolio Asset) entered into by the Issuer with a single Selling Institution will not exceed the individual and aggregate percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Aggregate Collateral Balance that represents Participations (including, for the avoidance of doubt each participation and sub participation from which the Issuer, directly or indirectly derives its interest in the relevant Portfolio Asset) entered into by the Issuer with Selling Institutions (or any guarantor thereof) each having the same credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

(a) the LSTA Model Participation Agreement for par/near par trades (as published by the Loan Syndications and Trading Association Inc. from time to time);

(b) the LMA Funded Participation (Par) (as published by the Loan Market Association from time to time); or

(c) such other documentation provided such agreement contains limited recourse and non-petition language substantially the same as the Trust Deed.

Assignments

The Investment Manager acting on behalf of the Issuer, may from time to time acquire Portfolio Assets from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Investment Manager acting on behalf of the Issuer shall have complied, to the extent within their control, with any requirements relating to such Assignment set out in the relevant loan documentation for such Portfolio Asset (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

Bivariate Risk Table

The following is the bivariate risk table (the "**Bivariate Risk Table**") and as referred to in "*Portfolio Profile Tests*" below and "*Participations*" above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to all Participations (excluding any Defaulted Obligations) entered into by the Issuer with the same counterparty (such amount in respect of such entity, the "**Third Party Exposure**") and the applicable percentage limits shall be determined by reference to the lower of the Moody's or Fitch ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Moody's

Long-Term / Short Term Senior Unsecured Debt Rating of Selling Institution	Individual Third Party Credit Exposure Limit (per cent.)	Aggregate Third Party Credit Exposure Limit* (per cent.)
Aa1 or higher	10	10
Aa2	10	10
Aa3	10	10
A1	5	5
A2 and P-1	5	5
A2 (without a Moody's short term rating of at least P-1) or below	0	0

Fitch

Long-Term / Short Term Senior Unsecured Debt Rating of Selling Institution	Individual Third Party Credit Exposure Limit* (per cent.)	Aggregate Third Party Credit Exposure Limit* (per cent.)
AAA	10	10
AA+	10	10
AA	10	10
AA-	10	10
A+	10	10
A	10	10
A- or below	0	0

* As a percentage of the Aggregate Collateral Balance (excluding any Defaulted Obligations), the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

DESCRIPTION OF THE INVESTMENT MANAGEMENT AGREEMENT

The following description of the Investment Management Agreement consists of a summary of certain provisions of the Investment Management Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

Investment Management Agreement

The Issuer will appoint Commerzbank AG, London Branch to provide investment management services pursuant to the Investment Management Agreement.

General Duties of the Investment Manager

Pursuant to the terms of the Investment Management Agreement, the Investment Manager is appointed to: (a) during the Reinvestment Period only, identify, select, assess and purchase on behalf of the Issuer Substitute Portfolio Assets which the Investment Manager determines satisfy the Reinvestment Criteria at the time of entering into a binding commitment to acquire such Substitute Portfolio Asset; (b) evaluate, determine and monitor the Portfolio on behalf of the Issuer (including, without limitation, to monitor whether any Portfolio Asset comprised in the Portfolio becomes, or ceases to be, a Credit Impaired Obligation or a Defaulted Obligation from time to time) and to effect on behalf of the Issuer such changes to the Portfolio from time to time as the Investment Manager considers appropriate taking account of the objectives of the Issuer, the Eligibility Criteria and the Reinvestment Criteria (as applicable) and the provisions of the Investment Management Agreement; and (c) perform the services otherwise set out in the Investment Management Agreement and the Investment Manager's obligations under the other Transaction Documents to which the Investment Manager is party.

The Investment Manager will perform its obligations in good faith and with reasonable care and will exercise a standard of care which is the higher of (a) the standard of care which the Investment Manager (and its Affiliates) exercises with respect to comparable assets and liabilities that it manages for itself and others and (b) a standard of care consistent with practices and procedures followed by reputable institutional investment managers of international standing managing investments or advising in respect of assets and liabilities similar in nature and character to those which comprise the Portfolio for clients having similar investment objectives and restrictions to those provided in the Investment Management Agreement. Subject to the foregoing, the Investment Manager will follow its customary standards, policies and procedures in performing its duties thereunder in advising in respect of, and managing investments similar in nature to those comprised in, the Portfolio.

The Investment Manager (a) does not assume any fiduciary duty to the Issuer, the Trustee, any Noteholder or any other person; and (b) does not guarantee or otherwise assume any responsibility for the performance of the Notes or the Portfolio or the performance by any third party of any contract entered into by the Investment Manager on behalf of the Issuer under the Investment Management Agreement or any other Transaction Document. The Investment Manager, as well as its directors, employees, officers, shareholders and agents, shall not be liable (whether directly or indirectly, in contract or in tort or otherwise) to the Issuer, the Trustee, the Noteholders or any other person for losses, claims, expenses, actions, damages, judgments, interest on judgments, assessments, costs, fees, charges, amounts paid in settlement or other liabilities (collectively, "**Liabilities**") incurred by the Issuer, the Trustee, the Custodian, the Collateral Administrator, the Noteholders or any other person that arise out of or in connection with the performance by the Investment Manager of its duties under the Investment Management Agreement **provided that** nothing shall relieve the Investment Manager from liability to such persons for Liabilities arising out of or in connection with (i) acts or omissions constituting bad faith, wilful default or negligence in the performance of the duties and obligations of the Investment Manager, or (ii) information concerning the Investment Manager provided in writing by the Investment Manager for inclusion in this Offering Circular containing any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements contained in the sections headed "*Risk Factors – certain conflicts of interest – Investment Manager*" and "*Description of the Investment Manager*" above, in the light of the circumstances under which they were made, not misleading (collectively, an "**Investment Manager Breach**").

Additionally, the Investment Management Agreement contains provisions which require that the Investment Manager not to take any action on behalf of the Issuer which would cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes or become otherwise subject to U.S. federal, state or local tax on a net income basis, subject to further conditions detailed in the Investment Management Agreement. The Investment Manager shall be deemed to have complied with the foregoing

obligation if the Investment Manager complies with the U.S. Tax Guidelines; provided that the Investment Manager shall not be deemed to have satisfied such requirement if it has actual knowledge that there has been a change in law and complying with the requirements of the U.S. Tax Guidelines would cause the Issuer to become engaged in a trade or business within the United States for U.S. federal income tax purposes; provided, further, however, that, notwithstanding the foregoing, the Investment Manager shall have no affirmative obligation to monitor or investigate changes in U.S. tax laws.

Compensation of the Investment Manager

Pursuant to the Investment Management Agreement and the Trust Deed, the Issuer will pay certain fees and reimburse certain expenses of the Investment Manager, including the Senior Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee (plus any VAT thereon, if applicable). The Investment Manager may at its discretion permit all or any portion of its fees to be paid certain investors, the Originator, any of its Affiliates or accounts on funds managed by it or its Affiliates.

The Investment Management Fees will be payable on each relevant Payment Date only to the extent of funds available for such purpose in accordance with the Priorities of Payment. If amounts distributable on any Payment Date in accordance with the Priorities of Payment are insufficient to pay the Investment Management Fees in full, then a portion of the fee equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available but subject to and in accordance with the Priorities of Payment. In addition, the Investment Manager may, in its discretion, elect to defer any amount of the Senior Investment Management Fee and/or the Subordinated Investment Management Fee and/or the Incentive Investment Management Fee. Any Investment Management Fees so deferred (whether by operation of the Priorities of Payment or at the election of the Investment Manager) shall not accrue any interest.

If the Investment Manager resigns or is removed pursuant to the Investment Management Agreement or if the Investment Management Agreement is terminated, each of the Investment Management Fees shall be *pro rated* for any partial Due Periods during which the Investment Management Agreement was in effect and subject to the Priorities of Payment shall be due and payable on the first Payment Date following the date of such termination, resignation or removal.

Termination of the Appointment of the Investment Manager

The Investment Management Agreement may be terminated, and the Investment Manager may be removed, by either (i) the Issuer at its discretion or (ii) subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction, the Trustee at the direction of the holders of (a) the Subordinated Notes or (b) the Controlling Class, in each case acting by Ordinary Resolution (in each case, excluding Investment Manager Notes and Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes) upon ten Business Days' prior written notice to the Investment Manager following the occurrence of any of the following events (each, a "**cause**" event):

(a) wilful violation or breach by the Investment Manager of any material provision of the Investment Management Agreement or the Trust Deed applicable to it in bad faith (not including a wilful and intentional breach that results from a good faith dispute regarding reasonable alternative courses of action or interpretation of instructions);

(b) the Investment Manager shall breach any provision of the Investment Management Agreement or any terms of the Trust Deed applicable to it (other than as covered by paragraph (a) above), which breach would reasonably be expected to have a material adverse effect on the Issuer and shall not cure such breach (if capable of being cured) within 30 days of a Responsible Officer of the Investment Manager receiving notice of such breach, unless, if such breach is remediable, the Investment Manager has taken action that the Investment Manager believes in good faith will remedy such failure, and such action does remedy such failure, within 45 days after a Responsible Officer receives notice thereof;

(c) the failure of any representation, warranty, certification or statement made or delivered by the Investment Manager in or pursuant to the Investment Management Agreement or the Trust Deed to be correct in any material respect when made which failure (i) would reasonably be expected to have a material adverse effect on the Issuer and (ii) is not corrected by the Investment Manager within 30 days of a Responsible Officer of the Investment Manager receiving notice of such failure;

(d) the Investment Manager: (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger where at the time of such consolidation, amalgamation or merger, the resulting, surviving or transferee Person assumes all of the obligations of the Investment Manager under the Investment Management Agreement); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, administration, examination or liquidation (other than pursuant to a consolidation, amalgamation or merger where at the time of such consolidation, amalgamation or merger, the resulting, surviving or transferee Person assumes all of the obligations of the Investment Manager under the Investment Management Agreement); (vi) seeks or becomes subject to the appointment of a Receiver for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (viii) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub-paragraphs i to vii above (inclusive); or (I) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(e) due to the adoption of, or any change in, any applicable law after the date of the Investment Management Agreement, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after the date of the Investment Management Agreement, it becomes unlawful for the Investment Manager to perform any obligation (contingent or otherwise) which the Investment Manager has under the Investment Management Agreement;

(f) (A) the occurrence of an act by the Investment Manager that constitutes fraud or criminal activity in the performance of its obligations under the Investment Management Agreement (as determined pursuant to a final adjudication by a court of competent jurisdiction) or the Investment Manager being indicted for a criminal offence materially related to its business of providing asset management services or (B) any Responsible Officer of the Investment Manager primarily responsible for the performance by the Investment Manager of its obligations under the Investment Management Agreement (in the performance of his or her Investment Management duties) is indicted for a criminal offence materially related to the business of the Investment Manager providing asset management services and continues to have responsibility for the performance by the Investment Manager under the Investment Management Agreement for a period of 30 days after such indictment; or

(g) the occurrence and continuation of a Note Event of Default specified under sub-paragraph (i) or (ii) of the definition of such term that results directly from any material breach by the Investment Manager of its duties under the Investment Management Agreement or under the Trust Deed which breach or default is not cured within any applicable cure period (except in those circumstances where such Note Event of Default is wholly attributable to the actions or omissions of a third party which the Investment Manager does not control).

Resignation of the Investment Manager

The Investment Manager may resign, upon 45 days (or such shorter notice as is acceptable to the Issuer) written notice to the Issuer, the Trustee, the Hedge Counterparties and the Rating Agencies.

Replacement Investment Manager

Any termination of the Investment Management Agreement or any removal or resignation of the Investment Manager as described above while any Notes are Outstanding under the Trust Deed will be effective only if (i) ten days' prior notice is given to the Rating Agencies, the Noteholders of all Outstanding Notes (in accordance with Condition 16 (*Notices*)), the Hedge Counterparties and the Trustee, (ii) a Rating Agency

Confirmation from the Rating Agencies shall have been obtained pursuant to the Investment Management Agreement with respect to such termination and assumption by an Eligible Successor, (iii) an Eligible Successor, appointed by the Issuer in accordance with the relevant provisions of the Investment Management Agreement, has agreed in writing to assume all of the Investment Manager's duties and obligations thereunder and (iv) no compensation payable to an Eligible Successor from payments from the Portfolio Assets shall be greater than that paid to the Investment Manager, except with the consent of the Subordinated Noteholders, acting by Ordinary Resolution (subject to Rating Agency Confirmation).

The Issuer, the Trustee, the resigning or removed Investment Manager and the Eligible Successor shall take such action consistent with the Investment Management Agreement and the terms of the Transaction Documents as shall be necessary to effect any such succession.

Where "**Eligible Successor**" means an entity (1) that has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Investment Manager under the Investment Management Agreement with a substantially similar (or better) level of expertise, (2) that has the regulatory capacity under all relevant laws to perform the duties of the Investment Manager under the Investment Management Agreement, (3) the appointment of which will not cause either of the Issuer or the Portfolio to become required to register under the provisions of the Investment Company Act, (4) the appointment and conduct of which will not cause the Issuer to be subject to tax in any jurisdiction outside its jurisdiction of incorporation or to be engaged in a trade or business in the U.S. for U.S. federal income tax purposes or to be resident in the United Kingdom for United Kingdom tax purposes or cause any other material adverse tax consequences to the Issuer and (5) the amount of VAT chargeable in respect of the services provided by such entity as Investment Manager under the Investment Management Agreement will not be greater than the amount of VAT chargeable in respect of such services when provided by the outgoing Investment Manager.

If the Investment Manager resigns, is terminated or removed, the Subordinated Noteholders (acting by Ordinary Resolution) may propose an Eligible Successor by delivering notice thereof to the Issuer, the Trustee and the holders of the Notes (in accordance with Condition 16 (*Notices*). The Controlling Class (acting by Ordinary Resolution) may or the Issuer, within 10 days from receipt of such notice, object to such Eligible Successor by delivering notice of such objection to the Issuer and the Trustee (as the case may be). If no such Eligible Successor has been appointed within 90 days of the delivery by the Investment Manager to the Issuer of notice of resignation, or delivery by the Issuer or the Trustee to the Investment Manager of written notice of removal, as applicable, the Investment Manager may propose an Eligible Successor. If (i) such Eligible Successor agrees in writing to assume all of the Investment Manager's duties and obligations pursuant to the Investment Management Agreement and (ii) the Issuer does not object or has not received written objections from the Controlling Class (acting by Ordinary Resolution) or the Subordinated Noteholders (acting by Ordinary Resolution) within 45 days of such proposal, the Issuer will appoint such proposed Eligible Successor upon the expiration of such 45 day period. If no Eligible Successor has been appointed within 90 days of the delivery by the Investment Manager to the Issuer of notice of resignation, or delivery by the Issuer or the Trustee to the Investment Manager of written notice of removal, as applicable, the Subordinated Noteholders, acting by Ordinary Resolution, may, by delivery of notice to the Issuer, the Trustee and the holders of the Notes (in accordance with Condition 16 (*Notices*), appoint an Eligible Successor. If no successor Investment Manager is appointed within 135 days of the delivery by the Investment Manager of written notice of resignation, or delivery by the Issuer or the Trustee to the Investment Manager of written notice of removal, as applicable, the Issuer and/or the Investment Manager may petition any court of competent jurisdiction for the appointment of a successor Investment Manager without any approval or veto right of any Noteholder. For the avoidance of doubt, Investment Manager Notes and Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes shall not have any voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of voting with respect to the selection or appointment of the successor Investment Manager.

Automatic Termination of the Investment Management Agreement

The Investment Management Agreement will automatically terminate upon the earliest to occur of (i) the payment in full of the Notes in accordance with their terms; (ii) the liquidation of the Collateral and the final distribution of the proceeds of such liquidation as provided in the Trust Deed; and (iii) the Issuer determines in good faith that the Issuer or the Portfolio has become required to be registered under the provisions of the Investment Company Act by virtue of action taken by the Investment Manager, and the Issuer notifies the Investment Manager and the Collateral Administrator thereof.

Assignment and Delegation by the Investment Manager

The Investment Management Agreement provides that, except as described below, no rights or obligations under the Investment Management Agreement (or any interest therein) may be assigned or delegated by the Investment Manager (by operation of law or otherwise). In addition, no such assignment or delegation by the Investment Manager shall be effective if such assignment is to a transferee that does not qualify as an Eligible Successor.

The Investment Manager is permitted to assign its rights and delegate its duties under the Investment Management Agreement to any transferee so long as either: (A) such assignment or delegation is consented to by the Issuer and the holders of the Controlling Class (acting by Ordinary Resolution) without receiving any written objection thereto by the Subordinated Noteholders (acting by Ordinary Resolution) within 10 days from receipt of notice of such assignment or delegation (in each case, excluding Investment Manager Notes and Notes in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes) or (B) Rating Agency Confirmation is obtained with respect to such assignment or delegation.

Any assignment of all of its rights and delegation of all of its duties to a transferee in accordance with the Investment Management Agreement will bind such transferee in the same manner as the Investment Manager is bound. Upon the execution of such assignment and delegation by the Investment Manager and the transferee and delivery to the Issuer and the Trustee of a counterpart thereof, the Investment Manager will be released from further obligations pursuant to the Investment Management Agreement, except with respect to (x) its agreements and obligations arising under various provisions under the Investment Management Agreement in respect of acts or omissions occurring prior to such assignment and (y) its obligations under the Investment Management Agreement in respect of acts upon termination.

The Investment Manager may not, however, assign or delegate any of its rights or responsibilities, nor permit Affiliates or third parties to perform services on its behalf, if such assignment, delegation or permission would cause the Issuer to be subject to net income taxation outside its jurisdiction of incorporation.

Any corporation, partnership or limited liability company into which the Investment Manager may be merged or converted or with which it may be consolidated, or any corporation, partnership or limited liability company resulting from any merger, conversion or consolidation to which the Investment Manager will be a party, or any corporation, partnership or limited liability company succeeding to all or substantially all of the Investment Management business of the Investment Manager, will be the successor to the Investment Manager without any further action by the Investment Manager, the Issuer, the Trustee, the holders of the Notes or any other person or entity; provided, that the resulting entity qualifies as an Eligible Successor.

No Voting Rights

Neither the Class X Notes, nor Notes held in the form of IM Removal and Replacement Non-Exchangeable Non-Voting Notes or IM Removal and Replacement Exchangeable Non-Voting Notes shall not have any voting rights in respect of, and shall not be counted for the purposes of determining a quorum and the result of voting on any IM Removal Resolutions and/or any IM Replacement Resolutions (but shall carry a right to vote and be so counted on all other matters in respect of which the IM Removal and Replacement Voting Notes have a right to vote and be counted).

The Investment Manager Notes will have no voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of any IM Removal Resolution and/or IM Replacement Resolution (but shall carry a right to vote and be so counted in all matters other than an IM Removal Resolution and/or an IM Replacement Resolution).

Governing Law

The Investment Management Agreement, including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

DESCRIPTION OF THE TRUSTEE

The information appearing in this section has been prepared by the Trustee and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Trustee assumes any responsibility for the accuracy or completeness of such information.

The Bank of New York Mellon, London Branch

The Bank of New York Mellon (formerly The Bank of New York), a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situated at 225 Liberty Street, New York, NY 10286, USA and having a branch registered in England and Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

Rule 3a-7

For so long as the Issuer relies on Rule 3a-7, the Trustee (and any successor) shall be a "bank" as defined in the Investment Company Act and shall otherwise meet the requirements of Rule 3a-7.

Termination and Resignation of Appointment of the Trustee

The resignation or removal of the Trustee and the appointment of a successor Trustee pursuant to the Trust Deed will not become effective until the acceptance of appointment by the successor Trustee under the Trust Deed.

The Transaction Documents provide, in substance, that, so long as the Issuer relies on Rule 3a-7, the Trustee shall not resign until either (i) the Portfolio has been completely liquidated and the proceeds of the liquidation distributed to the Secured Parties, or (ii) a successor Trustee, having the qualifications prescribed in Section 26(a)(1) of the Investment Company Act and otherwise meeting the requirements of Rule 3a-7, has been designated and has accepted such trusteeship.

DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

The information appearing in this section has been prepared by the Collateral Administrator and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

The Bank of New York Mellon SA/NV, Dublin Branch

The Bank of New York Mellon SA/NV is a Belgian limited liability company established September 30, 2008 under the form of a Société Anonyme/Naamloze Vennootschap. It was granted its banking license by the CBFA (former Belgian supervisor prior to the implementation of the Twin Peaks model) on March 10 2009. It has its headquarters and main establishment at 46 rue Montoyerstraat, 1000 Bruxelles/Brussels. The Bank of New York Mellon SA/NV is a subsidiary of BNY Mellon (BNYM), the main banking subsidiary of The BNY Mellon Corporation. It is under the prudential supervision of the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority in respect of Conduct of Business. The Bank of New York Mellon SA/NV engages in asset servicing, global Investment Management, global markets, corporate trust and depositary receipts. The Bank of New York Mellon SA/NV operates from locations in Belgium, the Netherlands, Germany, London, Luxembourg, Paris and Dublin.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Administration and Agency Agreement, the Collateral Administrator may be removed: (a) without cause at any time upon at least 90 days' prior written notice; or (b) with cause upon at least 10 days' prior written notice, in each case, (i) by the Issuer at its discretion or (ii) the Trustee acting upon the written directions of the holders of the Subordinated Notes acting by way of Ordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction. In addition the Collateral Administrator may also resign its appointment without cause on at least 45 days' prior written notice and with cause upon at least 10 days' prior written notice to the Issuer. No resignation or removal of the Collateral Administrator will be effective until a successor collateral administrator has been appointed pursuant to the terms of the Collateral Administration and Agency Agreement.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions of which, pursuant to the Investment Management Agreement, are required to be contained in each Hedge Agreement and Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form Approved Hedge.

Hedge Agreements

Subject to satisfaction of the Hedging Condition, the Issuer may enter into:

(a) Interest Rate Hedge Transactions, for the purpose of hedging any interest rate mismatch between the Rated Notes and the Portfolio Assets; and

(b) Asset Swap Transactions, for the purpose of exchanging payments of principal, interest and other amounts denominated in a currency other than Euro for amounts denominated in Euro at the Asset Swap Transaction Exchange Rate,

in each case subject to receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and *provided that* the Hedge Counterparty satisfies the applicable Rating Requirement (taking into account any guarantor thereof).

If the relevant counterparty criteria of a Rating Agency changes following the receipt of Rating Agency Confirmation or approval of a Form Approved Hedge, as applicable, the Investment Manager (on behalf of the Issuer) may be required to seek a further Rating Agency Confirmation or approval in respect of any new Hedge Transaction and/or Hedge Agreement, as applicable.

Each Hedge Transaction will be evidenced by a confirmation entered into pursuant to a Hedge Agreement.

Replacement Hedge Transactions

Asset Swap Transactions: In the event that any Asset Swap Transaction terminates in whole at any time in circumstances in which the applicable Asset Swap Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Hedge Agreement), the Issuer (or the Investment Manager on its behalf) shall use commercially reasonable endeavours to enter into a Replacement Asset Swap Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and any applicable regulatory requirements.

Interest Rate Hedge Transactions: In the event that any Interest Rate Hedge Transaction terminates in whole at any time in circumstances in which the applicable Interest Rate Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Hedge Agreement), the Issuer (or the Investment Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Interest Rate Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and any applicable regulatory requirements.

Standard Terms of Asset Swap Transactions

Any Asset Swap Transaction shall contain the following terms (*provided that* the Issuer may enter into Asset Swap Transactions on different terms than those set forth below, subject to receipt of Rating Agency Confirmation in respect thereof or such Asset Swap Transaction being a Form Approved Hedge):

(a) on the effective date of entry into such transaction, the Issuer pays to the Asset Swap Counterparty an initial exchange amount in Euro equal to the purchase price of such Non-Euro Obligation converted into Euro at the Asset Swap Transaction Exchange Rate in exchange for payment by the Asset Swap Counterparty of an initial exchange amount in the relevant currency equal to the purchase price of such Non-Euro Obligation;

(b) on the scheduled date of termination of such transaction, the Issuer pays to the Asset Swap Counterparty a final exchange amount equal to the amount payable upon maturity of the Non-Euro Obligation in the relevant currency (the "**Proceeds on Maturity**") in exchange for payment by the

Asset Swap Counterparty of a final exchange amount denominated in Euro, such final exchange amount to be an amount equal to the Proceeds on Maturity converted into Euro at the Asset Swap Transaction Exchange Rate;

(c) two Business Days following the date of each scheduled payment of interest on the related Non-Euro Obligation, the Issuer pays to the Asset Swap Counterparty an amount in the relevant currency based on the principal amount outstanding from time to time of the relevant Non-Euro Obligation (the "**Non-Euro Notional Amount**") and equal to the interest payable in respect of the Non-Euro Obligation and the Asset Swap Counterparty will pay to the Issuer an amount based on the outstanding principal amount of the related Non-Euro Obligation and equal to the interest payable in respect of the Non-Euro Obligation converted into Euro at the Asset Swap Transaction Exchange Rate (the "**Euro Notional Amount**"); and

(d) following the sale of any Non-Euro Obligation, the Issuer shall pay to the Asset Swap Counterparty an amount equal to the Proceeds on Maturity (as defined above) in exchange for payment by the Asset Swap Counterparty of an amount denominated in Euro, such amount to be an amount equal to the Proceeds on Maturity converted into Euro at the Asset Swap Transaction Exchange Rate less in certain cases any amounts payable to the Asset Swap Counterparty in respect of the early termination of the Asset Swap Agreement.

Standard Terms of Hedge Agreements

Each Hedge Agreement entered into by or on behalf of the Issuer shall contain the following standard provisions, save to the extent that any change thereto is agreed by the applicable Hedge Counterparty and subject to receipt of Rating Agency Confirmation in respect thereof (other than in respect of any Form Approved Hedges).

Gross-up

Under each Hedge Agreement neither the Issuer nor the applicable Hedge Counterparty will be obliged to gross-up any payments thereunder in the event of any withholding or deduction for or on account of tax required to be paid on such payments. Any such event may however result in a "Tax Event" which is a "Termination Event" for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event (as defined in such Hedge Agreement), each Hedge Agreement will include provision for the relevant Affected Party (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all Transactions (as defined in the Hedge Agreement) thereunder to an Affiliate that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of tax; or (ii) (in the case of the Issuer) transfer its residence for tax purposes to another jurisdiction or if a substitute principal obligor under the Notes has been substituted for the Issuer in accordance with Condition 9 (*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payment. The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse and Non-Petition*).

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the earlier to occur of certain events, including but not limited to:

(a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the related Hedge Counterparty;

(b) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the applicable Hedge Agreement after taking into account the applicable grace period;

(c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform its obligations under, the applicable Hedge Agreement;

(d) a regulatory change or change in the regulatory status of the Issuer, as further described in the relevant Hedge Agreement;

(e) the principal due in respect of the Notes is declared to be due and payable in accordance with the terms of the Trust Deed and the Trustee has started to sell all or part of the Collateral as a consequence thereof;

(f) the Notes are redeemed in whole prior to the Maturity Date (otherwise than as a result of a Note Event of Default);

(g) if the Issuer becomes subject to AIFMD or if the Issuer or the Investment Manager is required to register as a "commodity pool operator" pursuant to the CEA;

(h) changes are made to the Transaction Documents without the consent of the Hedge Counterparty which could have a material adverse effect on the Hedge Counterparty; and

(i) any other event as specified in the relevant Hedge Agreement.

Asset Swap Agreements may also contain provisions which allow a Hedge Counterparty to terminate an Asset Swap Transaction upon the occurrence of certain credit events or restructurings related to the underlying Non-Euro Obligation. These events could potentially be triggered in circumstances where the related Collateral Debt Obligation would not constitute a Defaulted Obligation. In such circumstances, the related Asset Swap Transaction would terminate and the Issuer or the Investment Manager acting on its behalf may need to sell the related Non-Euro Obligation unless a new Asset Swap Transaction can be entered into.

A termination of a Hedge Agreement does not constitute a Note Event of Default though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement.

Upon the occurrence of any Note Event of Default or Termination Event (each as defined in the applicable Hedge Agreement), a Hedge Agreement may be terminated by the Hedge Counterparty or the Issuer (or the Investment Manager on its behalf) in accordance with the detailed provisions thereof and a lump sum (the "**Termination Payment**") may become payable by the Issuer to the applicable Hedge Counterparty or *vice versa*. Such Termination Payment will be determined by the applicable Hedge Counterparty and/or Issuer (or the Investment Manager on its behalf) by reference to market quotations obtained in respect of the entry into a replacement swap(s) on the same terms as that terminated or as otherwise described in the applicable Hedge Agreement or, to the extent that such determination does not produce a commercially reasonable result, any loss suffered by a party.

Rating Downgrade Requirements

Each Hedge Agreement shall contain the terms and provisions required by the Rating Agencies (in accordance with the rating methodology of the Rating Agencies at the time of the entry into such Hedge Agreement) for the type of derivative transaction described in this Offering Circular in the event of the downgrade of the rating of the Hedge Counterparty (or, as relevant, its guarantor) below certain levels. Such provisions may include a requirement that a Hedge Counterparty (or, as relevant, its guarantor) downgraded below certain minimum levels consistent with the ratings of the Notes posts collateral; or transfers the Hedge Agreement to another entity meeting the applicable Rating Requirement; or procures that an eligible guarantor meeting the applicable Rating Requirement guarantees its obligations under the Hedge Agreement; or takes other actions subject to Rating Agency Confirmation.

Transfer and Modification

The Issuer (or the Investment Manager acting on behalf of the Issuer) may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form Approved Hedge following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose credit support provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution satisfies any applicable regulatory requirements.

Any of the requirements set out herein may be modified in order to meet any new or additional requirements of any Rating Agency then rating any Class of Notes.

Governing Law

Each Hedge Agreement together with each Hedge Transaction thereunder in each case, including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

Reporting of Specified Hedging Data

The Issuer (or the Investment Manager on its behalf) may from time to time enter into one or more EMIR Reporting Agreement(s) with one or more EMIR Reporting Agent. Each EMIR Reporting Agreement, including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

DESCRIPTION OF THE REPORTS

Monthly Reports

The Collateral Administrator, not later than the 15th calendar day (or if such day is not a Business Day, the immediately following Business Day) of each month (save in respect of any month for which a Payment Date Report has been prepared) commencing in July 2018, on behalf, and at the expense, of the Issuer and in consultation with, and based in part on certain information provided by, the Investment Manager, compile and make available via a secured website at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Principal Paying Agent, the Initial Purchaser, the Investment Manager, any Hedge Counterparty, the Arranger, the Retention Holder, the Rating Agencies and the Noteholders from time to time) to Noteholders (by way of a unique password which may be obtained by such person from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes), the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Initial Purchaser, the Arranger, the Retention Holder, any Hedge Counterparty and the Rating Agencies (where such reports will be available to the public upon request and each Rating Agency), a monthly report (each a "**Monthly Report**", together the "**Monthly Reports**"), which shall contain, without limitation, the information set out below with respect to the Portfolio (and which information shall also be in a Microsoft Excel-downloadable format), determined as of the last Business Day of the previous month by the Collateral Administrator in consultation with, and based in part on certain information provided by, the Investment Manager. The Monthly Reports will only include information on Portfolio Assets which have settled and not information in respect of Portfolio Assets in relation to which a binding commitment to acquire by the Issuer has been entered into but which have not yet settled.

In addition, the Collateral Administrator shall (in consultation with the Investment Manager) compile and submit to the website referred to above, no later than the 15 Business Day following the end of the month following the month in which the Issue Date occurs, a report (in excel or CSV format) containing the Principal Balances of each Portfolio Asset in the Portfolio, in respect of the month following the month in which the Issue Date occurs, as determined by the Collateral Administrator on the last day of such month (or, if such day is not a Business Day, the following Business Day).

The Collateral Administrator shall as soon as reasonably practicable make available to Intex Solutions, Inc. ("**Intex**") and Bloomberg L.P. ("**Bloomberg**") or any other party approved by the Issuer (or the Investment Manager on its behalf) via the Collateral Administrator's website, the Monthly Reports.

Portfolio

(a) the Aggregate Principal Balance of the Portfolio Assets and Eligible Investments representing Principal Proceeds;

(b) the Aggregate Collateral Balance of the Portfolio Assets;

(c) the Adjusted Collateral Principal Amount of the Portfolio Assets (separately identifying any Excess Caa/CCC Adjustment Amount);

(d) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, in respect of each Portfolio Asset, its Principal Balance, LoanX ID, ISIN number, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility, Stated Maturity, Obligor, the Domicile of the Obligor, location of assets, location of security, Moody's Rating, Fitch Rating, and any other public rating (other than any confidential credit estimate), Moody's Industry Category, Moody's Recovery Rate, Fitch Industry Category and Fitch Recovery Rate;

(e) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, in respect of each Portfolio Asset, whether such Portfolio Asset is a Senior Secured Loan, Second Lien Loan, Mezzanine Obligation, Unsecured Obligation, Senior Secured Bond, High Yield Bond, Floating Rate Portfolio Assets, Fixed Rate Portfolio Assets, Corporate Rescue Loan, Current Pay Obligation, Revolving Obligation, Delayed Drawdown Obligation, Discount Obligation, Swapped Non-Discount Obligation, Participation, First Lien Last Out Loan, Asset Swap Obligation, Cov-Lite Loan;

(f) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, in respect of each Collateral Enhancement Obligation and Exchanged Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;

(g) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, the number, identity and, if applicable, Principal Balance of, respectively, any Portfolio Assets, Collateral Enhancement Obligation or Exchanged Securities that were released for sale or other disposition (indicating whether any such Portfolio Asset is a Defaulted Obligation or Credit Impaired Obligation, specifying the reason for such sale or other disposition and the section in the Investment Management Agreement pursuant to which such sale or other disposition was made) and the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Investment Manager;

(h) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, the number, identity and, if applicable, Principal Balance of, respectively, any Portfolio Assets, Collateral Enhancement Obligation or Exchanged Securities acquired by the Issuer since the date of determination of the last Monthly Report, whether such obligation is a Substitute Portfolio Asset and, if so, details of the section of the Investment Management Agreement pursuant to which it is being purchased, the purchase price thereof, any Purchased Accrued Interest and/or fees received in connection with such acquisition and the identity of the sellers thereof (if any) that are Affiliated with the Investment Manager;

(i) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, the identity of each Portfolio Asset which became a Defaulted Obligation or that experienced a rating change since the last Monthly Report or in respect of which an Exchanged Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each Fitch CCC Obligation, Moody's Caa Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations and any laws or regulations prohibiting disclosure (of which the Collateral Administrator has expressly been notified or made aware) which are binding on the Issuer, the identity of each Portfolio Asset which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date;

(k) the Aggregate Principal Balance of Portfolio Assets the ratings of which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Investment Manager has actual knowledge;

(l) the Market Value as provided by the Investment Manager of the Portfolio Assets and the Collateral Enhancement Obligations as of the preceding month end;

(m) a confirmation in writing from the Investment Manager to the Collateral Administrator that the Portfolio is in compliance with the Originator Requirement, together with supporting calculations;

(n) in respect of each Portfolio Asset, its Fitch Rating and Moody's Rating (other than any confidential credit estimate) as at (i) the date of acquisition; (ii) the date of the previous Monthly Report; and (iii) the date of the current Monthly Report;

(o) the expected maturity date of each Portfolio Asset;

(p) the amount of any Trading Gains designated as Interest Proceeds pursuant to Condition 3(j)(ii)(M) (*Interest Account*);

(q) for so long as any Notes are rated by Fitch, the applicable point in the Fitch Test Matrix being applied for the purposes of the Collateral Quality Test;

(r) in respect of each Eligible Investment, the identity of the investment vehicle in relation thereto and confirmation that such vehicle does not own structured finance obligations; and

(s) following the expiry of the Reinvestment Period, the identity and maturity of each Collateral Debt Obligation that has been repaid or prepaid in whole or in part, the identity and maturity of any Substitute Portfolio Assets to be purchased and the source of the proceeds to be used to fund such purchases.

Accounts

(a) the Balances standing to the credit of each of the Accounts;

(b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts; and

(c) the name of each account bank for the time being.

Hedge Transactions

(a) The outstanding notional amount of each Hedge Transaction (as defined in the applicable Hedge Transaction);

(b) the amount scheduled to be received and paid by the Issuer in respect of each Hedge Transaction on or about the next Payment Date, distinguishing between (i) Asset Swap Transactions and (ii) Interest Rate Hedge Transactions and the current rate of EURIBOR; and

(c) the name of each Hedge Counterparty.

Coverage Tests, Collateral Quality Tests and Reinvestment Test

(a) a statement as to whether each of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test, the Class F Par Value Test and the Reinvestment Test is satisfied and details of the relevant Par Value Ratios;

(b) a statement as to whether each of the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;

(c) during the Reinvestment Period, a statement as to whether the Reinvestment Test is satisfied;

(d) during the Reinvestment Period, a statement as to whether each of the Collateral Quality Tests is satisfied and the pass levels thereof (or to the extent not satisfied, as to whether such tests will be maintained or improved after giving effect to such reinvestment); and, thereafter, details of the Collateral Quality Tests of the Portfolio measured as at the applicable Determination Date;

(e) a statement identifying any Portfolio Asset in respect of which the Investment Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests;

(f) the Weighted Average Floating Spread;

(g) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Maximum Weighted Average Rating Factor Test is satisfied (together with the values of such Fitch Maximum Weighted Average Rating Factor Test);

(h) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Minimum Weighted Average Recovery Rate Test is satisfied (together with the values of such Fitch Minimum Weighted Average Recovery Rate Test); and

(i) a statement identifying the concentration limits applicable to the Fixed Rate Portfolio Asset and a statement as to whether the concentration limits applicable to the Fixed Rate Portfolio Asset are satisfied.

Portfolio Profile Tests

(a) during the Reinvestment Period, a statement as to whether each of the Portfolio Profile Tests is satisfied and the pass levels thereof (or to the extent not satisfied, as to whether such tests will be maintained or improved after giving effect to such reinvestment); and, thereafter, details of the Portfolio Profile Tests of the Portfolio measured as at the applicable Determination Date; and

(b) a statement as to whether the limits specified in the Bivariate Risk Table are met by reference to the Moody's Ratings and S&P Ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non-compliance.

Frequency Switch Event

(a) a statement indicating whether a Frequency Switch Event has occurred during the relevant Due Period (as notified to the Collateral Administrator by the Investment Manager); and

(b) details of the determinations made pursuant to paragraphs (a), (b) and (c) of the definition of Frequency Switch Event.

Reinvestment Period

(a) a statement indicating whether the Reinvestment Period has expired (as notified to the Collateral Administrator by the Investment Manager).

EU Risk Retention

(a) so long as the Originator is the Retention Holder, confirmation that the Collateral Administrator has received a certificate in writing (which may be by email) from the Retention Holder (and upon which certificate the Collateral Administrator shall be entitled to rely without further enquiry and without any liability for so relying), that the Retention Holder:

    (i) has acquired on the Issue Date and continues to retain, on an on-going basis, Subordinated Notes with a Principal Amount Outstanding of not less than 5 per cent. of the Aggregate Collateral Balance in accordance with the EU Retention Requirements (or such lower amount as then permitted or required under the EU Retention Requirements and Similar Requirements); and

    (ii) has not sold, hedged or otherwise mitigated its credit risk under or associated with such retained material net economic interest (except to the extent permitted by the EU Retention Requirements).

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with, and based in part on certain information provided by, the Investment Manager, shall compile a report (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and make available via a secured website at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Principal Paying Agent, the Initial Purchaser, the Arranger, the Retention Holder, any Hedge Counterparty, the Investment Manager, the Rating Agencies and the Noteholders from time to time) to Noteholders (by way of a unique password which may be obtained by such person from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes), the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Initial Purchaser, the Retention Holder, any Hedge Counterparty, the Arranger and the Rating Agencies, no later than the second Business Day before the relevant Payment Date which shall contain, without limitation, the information set out below (and which information shall also be in a Microsoft Excel-downloadable format). The Collateral Administrator, in the name and at the expense of the Issuer, shall notify Euronext Dublin of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the next Payment Date. The Payment Date Reports will only include information on Portfolio Assets which have settled and not information in respect of Portfolio Assets in relation to which a binding commitment to acquire by the Issuer has been entered into but which have not yet settled.

Portfolio

(a) the Aggregate Principal Balance of the Portfolio Assets as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Portfolio Assets with respect to the related Due Period and the reinvestment of any Unscheduled Principal Proceeds in Substitute Portfolio Assets during such Due Period and (B) the disposal of any Portfolio Assets during such Due Period;

(b) subject to any confidentiality obligations of which the Issuer has expressly made the Collateral Administrator aware and any laws or regulations prohibiting disclosure which are binding on the Issuer and of which the Collateral Administrator has been made expressly aware, a list of the Portfolio Assets, and the Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each;

(c) the Interest Proceeds received during the related Due Period;

(d) the Principal Proceeds received during the related Due Period;

(e) the Collateral Enhancement Obligation Proceeds received during the related Due Period; and

(f) the information required pursuant to "*Monthly Reports – Portfolio*" above.

Notes

(a) the Principal Amount Outstanding of the Notes of each Class and as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Interest Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate Principal Amount Outstanding of the Notes of each Class and as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class, in each case after giving effect to the principal payments, if any, on such Payment Date;

(b) the interest payable in respect of each Class of Notes (as applicable), including the amount of any Deferred Interest payable on the related Payment Date (in the aggregate and by Class);

(c) the Interest Amount payable in respect of the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes on the next Payment Date; and

(d) EURIBOR for the related Due Period and the Floating Rate of Interest applicable to each Class of Rated Notes during the related Due Period.

Payment Date Payments

(a) the amounts payable on the related Payment Date in respect of each item set out in the Interest Priority of Payments, the Principal Priority of Payments, the Collateral Enhancement Obligation Priority of Payments and the Acceleration Priority of Payments;

(b) the Trustee Fees and Expenses, the amount of any Investment Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis;

(c) any Hedge Termination Payments and any Defaulted Hedge Termination Payments; and

(d) whether a Frequency Switch Event has occurred.

Accounts

(a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;

(b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;

(c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;

(d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;

(e) the amounts payable from the Interest Account through a transfer to the Payment Account pursuant to the Priorities of Payment on such Payment Date;

(f) the amounts payable from the Principal Account through a transfer to the Payment Account pursuant to the Priorities of Payment on such Payment Date;

(g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payment on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;

(h) the amount of Collateral Enhancement Obligation Proceeds to be paid pursuant to Condition 3(j)(vi) (*Collateral Enhancement Account*) and/or the Interest Priority of Payments and/or the Principal Priority of Payments, as applicable, on such Payment Date and the Balance standing to the credit of the Collateral Enhancement Account on such Payment Date after taking into account such payment;

(i) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period; and

(j) the purchase price, principal amount, redemption price, annual interest rate, maturity date of and Obligor of each Eligible Investment purchased from funds in the Accounts.

Coverage Tests, Collateral Quality Tests, Portfolio Profile Tests and Reinvestment Test

(a) the information required pursuant to "*Monthly Reports – Coverage Tests, Collateral Quality Tests and Reinvestment Test"*; and

(b) the information required pursuant to "*Monthly Reports – Portfolio Profile Tests*" above.

Frequency Switch Event and Reinvestment Period

(a) the information required pursuant to "*Monthly Reports – Frequency Switch Event*" above; and

(b) the information required pursuant to "*Monthly Reports – Reinvestment Period*" above.

Hedge Transactions

The information required pursuant to "*Monthly Reports – Hedge Transactions*" above.

EU Risk Retention

The information required pursuant to "*Monthly Reports – EU Risk Retention*" above.

Miscellaneous

Each report shall state that it is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representations or warranties as to the accuracy or completeness thereof and that none of the Collateral Administrator, the Trustee, any Agent, the Issuer, the Arranger, the Retention Holder, the Initial Purchaser or the Investment Manager will have any liability for estimates, approximations or projections contained therein.

In addition, the Collateral Administrator may provide the Issuer with such other information in its actual possession in relation to the Portfolio which is not already supplied to the Issuer by any of the parties to the Transaction Documents nor in any of the Monthly Reports or Payment Date Reports, as the Issuer may reasonably request, in order for it to satisfy any obligations which may arise to make certain filings of information with any governmental body or agency.

CERTAIN TAX CONSIDERATIONS

1. GENERAL

Purchasers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Note.

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Note should consult their own tax advisers. In particular, no representation is made as to the manner in which payments under the Notes would be characterised by any relevant taxing authority. Potential investors should be aware that the relevant fiscal rules or their interpretation may change, possibly with retrospective effect, and that this summary is not exhaustive. This summary does not constitute legal or tax advice or a guarantee to any potential investor of the tax consequences of investing in the Notes.

2. IRELAND TAXATION

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes issued by the Issuer. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

2.1 Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the "**1997 Act**") for certain securities ("**Quoted Eurobonds**") issued by a body corporate (such as the Issuer) which are interest bearing and quoted on a recognised stock exchange (which would include Euronext Dublin).

Any interest paid on such Quoted Eurobonds can be paid free of withholding tax provided:

(a) the person by or through whom the payment is made is not in Ireland; or

(b) the payment is made by or through a person in Ireland, and either:

  (i) the Quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear, Clearstream Banking SA, Clearstream Banking AG, and DTC are so recognised); or

  (ii) the person who is the beneficial owner of the Quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as an Irish paying agent) in the prescribed form.

So long as the Notes (including the Subordinated Notes), are listed on Euronext Dublin and are either held in Euroclear and/or Clearstream, Luxembourg or if not so held payments are made on the Notes (including the Subordinated Notes) through a paying agent not in Ireland, payments on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the Quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax provided it is a "qualifying company" (within the meaning of Section 110 of the 1997 Act) and provided the interest is paid to a person resident in a "relevant territory" (i.e. a Member State (other than Ireland) or in a country with which Ireland has a comprehensive double taxation agreement). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain limited circumstances a payment of interest by the Issuer which is considered dependent on the results of the Issuer's business or which represents more than a reasonable commercial return can be re-characterised as a distribution subject to dividend withholding tax.

A payment of profit dependent or excessive interest on the Notes will not be re-characterised as a distribution to which dividend withholding tax could apply where:

(a) the Noteholder is Irish tax resident; or

(b) the Noteholder who in respect of the interest is subject under the laws of a relevant territory to tax which generally applies to profits, income or gains received from sources outside that territory without any reduction computed by reference to the amount of the interest payment; or

(c) the Notes are Quoted Eurobonds and the Noteholder is neither a company which directly or indirectly controls the Issuer or which is controlled by a third company which directly or indirectly controls the Issuer nor is a person (including any connected person) (i) from whom the Issuer has acquired assets, (ii) to whom the Issuer has made loans or advances, or (iii) with whom the Issuer has entered into a return agreement (as defined in Section 110(1) of the 1997 Act) where the aggregate value of such assets, loans, advances or agreements represents 75 per cent. or more of the assets of the Issuer (such a person falling within this category of person being a "**Specified Person**"); or

(d) the Noteholder is a pension fund, government body or other person resident in a relevant territory (which is not a Specified Person) who under the laws of that territory is exempted from tax that generally applies to profits, income or gains in that territory; or

(e) the Notes are Quoted Eurobonds, the Noteholder is a Specified Person, and at the time of the issue of any Notes the Issuer is not in possession, or aware, of information which could reasonably be taken to indicate that the interest on the Notes would not be subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

2.2 Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any Quoted Eurobond, where such interest is collected by a bank or other agent in Ireland on behalf of any Noteholder. There is an exemption from this encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

2.3 Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax and the universal social charge. Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a relevant territory provided either (i) the Notes are Quoted Eurobonds and are exempt from withholding tax as set out above (ii) in the event of the Notes not being or ceasing to be Quoted Eurobonds exempt from withholding tax, if the Issuer is a qualifying company within the meaning of Section 110 of the 1997 Act, or (iii) if the Issuer has ceased to be a qualifying company, the recipient of the interest is a company and the jurisdiction concerned imposes a tax that generally applies to interest receivable in that jurisdiction by companies from sources outside that jurisdiction.

In addition, provided that the Notes are Quoted Eurobonds and are exempt from withholding tax as set out above, the interest on the Notes will be exempt from Irish income tax if the recipient of the interest is (i) a company under the control, directly or indirectly, of persons who by virtue of the law of a relevant territory are resident in that country and that person or persons are not themselves under the control whether directly or indirectly of a person who is not resident in such a country, or (ii) a company, the principal class of shares of such company, or another company of which the recipient company is a 75 per cent. subsidiary, is substantially

and regularly traded on one or more recognised stock exchanges in Ireland or a relevant territory or a stock exchange approved by the Irish Minster for Finance.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed may have a liability to Irish corporation tax on the interest.

Noteholders receiving interest on the Notes which does not fall within any of the above exemptions may be liable to Irish income tax and the universal social charge on such interest.

2.4 Capital Gains Tax

A holder of Notes will be subject to Irish tax on capital gains on a disposal of Notes unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held.

2.5 Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situated in Ireland. Bearer notes are generally regarded as situated where they are physically located at any particular time and registered notes are generally regarded as situated where the principal register of noteholders is maintained or is required to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponer or the donee/successor. The current rate of capital acquisitions tax is 33 per cent.

2.6 Stamp Duty

On the basis of an exemption provided for in Section 85(2)(c) to the Stamp Duties Consolidation Act, 1999, provided the money raised on the issue of the Notes is used in the course of the Issuer's business, no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes whether they are represented by Global Certificates or Definitive Certificates.

2.7 Information exchange and the implementation of FATCA in Ireland

With effect from 1 July 2014 the Issuer may be obliged to report certain information in respect of certain U.S. holders of Notes to the Irish Revenue Commissioners who will then share that information with the U.S. tax authorities. These obligations stem from US legislation, the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"), which may impose a 30% US withholding tax on certain "withholdable payments" made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service ("**IRS**") to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 Ireland signed an Intergovernmental Agreement ("**IGA**") with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 as amended (which came into operation on 1 July 2014) (the "**Irish Regulations**") implementing the information disclosure obligations, Irish financial institutions such as the Issuer are required to report certain information with respect to U.S. holders of Notes to the Irish Revenue Commissioners. The Irish Revenue Commissioners will automatically provide that information annually to the IRS. The Issuer must obtain from holders of Notes the necessary information required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information may be sought from each holder and beneficial owner of the Notes. It should be noted that the Irish Regulations

require the collection of information and filing of returns with the Irish Revenue Commissioners regardless as to whether the Issuer holds any U.S. assets or whether there are any U.S. holders of the Notes. However to the extent that the Notes are held in a recognised clearing system the Issuer should have no reportable accounts in a tax year. In that event the Issuer is required to make a nil return for that year to the Irish Revenue Commissioners.

While the IGA and Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Issuer in respect of its assets, no assurance can be given in this regard. Investors who are in any doubt as to their position should consult their professional advisers.

2.8 Common Reporting Standard ("**CRS**")

The Common Reporting Standard ("**CRS**") framework was first released by the OECD in February 2014. To date, more than 95 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Standard**") was published, involving the use of two main elements, the Competent Authority Agreement ("**CAA**") and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions ("**FIs**") relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and, as a result, the Standard is broadly similar to the FATCA requirements, albeit with numerous differences. One such difference is that no withholding tax is imposed under the Standard as it is under FATCA. Adoption of the Standard will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of the CRS, while Sections 891F and 891G of the Irish Taxes Consolidated Act 1997 contain measures necessary to implement the CRS. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 and the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (the "**CRS Regulations**"), give effect to the CRS from 1 January 2016.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all Member States to exchange financial account information in respect of residents in other Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. The Irish Finance Act 2015 contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "**Regulations**"), giving effect to DAC II from 1 January 2016, came into operation on 31 December 2015.

Under the Regulations a reporting FI, such as the Issuer, is required to collect certain information (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate)) on holders of the Notes and on certain Controlling Persons (as defined in the CRS) in the case of the holder of the Notes being an Entity (as defined in the CRS), in order to identify accounts which are reportable to the Irish Revenue Commissioners. The Irish Revenue Commissioners shall in turn exchange such information with their counterparts in participating jurisdictions. However, to the extent that the Notes are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year. In that event the Issuer is required to make a nil return for that year to the Irish Revenue Commissioners. Further information in relation to the CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on www.revenue.ie

3. CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

The following discussion summarises certain of the material U.S. federal income tax consequences of the purchase, beneficial ownership, and disposition of the Notes.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of a Note that is:

- an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;
- a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organised in or under the laws of the United States, any State thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons have the authority to control all of its substantial decisions.

For purposes of this summary, a "**Non-U.S. Holder**" is neither a U.S. Holder nor a partnership (or an entity treated as a partnership for U.S. federal income tax purposes).

This summary is based on interpretations of the Internal Revenue Code of 1986, as amended (the "**Code**"), regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any such change may be applied retroactively and may adversely affect the federal income tax consequences described herein. This summary addresses only holders that purchase Notes at initial issuance for cash (and, in the case of the Rated Notes, at their issue price (which is the first price at which a substantial amount of Rated Notes within the applicable Class was sold to investors)) and beneficially own such Notes as capital assets and not as part of a "straddle," "hedge," "synthetic security" or a "conversion transaction" for federal income tax purposes, or as part of some other integrated investment. This summary does not discuss all of the tax consequences (such as any alternative minimum tax consequences, net investment income tax consequences, or special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account on an applicable financial statement) that may be relevant to particular investors or to investors subject to special treatment under the federal income tax laws (such as banks, thrifts, or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; mutual funds or real estate investment trusts; small business investment companies; S corporations; partnerships or investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes; U.S. Holders whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; or "controlled foreign corporations" or "passive foreign investment companies" for U.S. federal income tax purposes). This summary also does not address the tax consequences to shareholders, or other equity holders in, or beneficiaries of, a holder of Notes, or any state, local or foreign tax consequences of the purchase, ownership or disposition of the Notes.

PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF IRELAND AND ANY TAXING JURISDICTION TO WHICH THEY MAY BE SUBJECT.

U.S. Federal Tax Treatment of the Issuer

The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes.

Upon the issuance of the Notes, Milbank, Tweed, Hadley & McCloy LLP, special U.S. tax counsel to the Investment Manager, will deliver an opinion generally to the effect that, although there is no direct authority addressing transactions similar to those contemplated herein, under current law, assuming compliance with the Transaction Documents and based upon certain factual representations made by the Issuer and/or the Investment Manager, although the matter is not free from doubt, the Issuer will not be treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes. The opinion of Milbank, Tweed, Hadley & McCloy LLP will be based on certain factual assumptions, covenants and representations as to the Issuer's contemplated activities. The Issuer intends to conduct its affairs in accordance with such assumptions and representations. In addition, you should be aware that the opinion referred to above will be predicated upon the Investment Manager's compliance with the U.S. Tax Guidelines, which are intended to prevent the Issuer from engaging in activities which could give rise to a trade or business within the United States. Although the Investment Manager has generally undertaken to comply with the U.S. Tax Guidelines, the Investment Manager may deviate from the U.S. Tax Guidelines if the Investment Manager receives written advice of Allen & Overy LLP or Milbank, Tweed, Hadley & McCloy LLP, or an opinion from other U.S. tax counsel of nationally

recognized standing in the United States experienced in such matters, that the failure to comply with one or more of the U.S. Tax Guidelines will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise to be subject to U.S. federal income tax on a net income basis. There can be no assurance that any such opinion will be consistent with Milbank, Tweed, Hadley & McCloy LLP 's views and opinion standards. Any such deviation would not be covered by the opinion of Milbank, Tweed, Hadley & McCloy LLP referred to above. Furthermore, the Investment Manager is not obligated to monitor changes in law, and accordingly, any such changes could adversely affect whether the Issuer is treated as engaged in a U.S. trade or business. The opinion of Milbank, Tweed, Hadley & McCloy LLP is not binding on the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Issuer. Accordingly, in the absence of authority on point, the U.S. federal income tax treatment of the Issuer is not entirely free from doubt, and there can be no assurance that positions contrary to those stated in the opinion of Milbank, Tweed, Hadley & McCloy LLP may not be asserted successfully by the IRS. If the IRS were to successfully assert that the Issuer is engaged in a U.S. trade or business, however, there could be material adverse financial consequences to the Issuer and to persons who hold the Notes. There can be no assurance that the Issuer's net income will not become subject to U.S. federal net income tax as a result of unanticipated activities by the Issuer, changes in law, contrary conclusions by U.S. tax authorities or other causes. In such a case, the Issuer would be potentially subject to substantial U.S. federal income tax and, in certain circumstances, interest payments by the Issuer under the Notes could be subject to U.S. withholding tax. The imposition of any of the foregoing taxes would materially affect the Issuer's ability to pay principal, interest, and other amounts owing in respect of the Notes.

The remainder of this summary assumes that the Issuer will not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes.

Although the Issuer does not intend to be subject to U.S. federal income tax with respect to its net income, income derived by the Issuer may be subject to withholding or gross income taxes imposed by the United States or other countries, and the imposition of such taxes could materially affect its ability to make payments on the Notes. In this regard and subject to certain exceptions, the Issuer may generally only acquire a particular Portfolio Asset if, at the time of commitment to purchase, payments to the Issuer will not be subject to withholding tax imposed by any jurisdiction (other than U.S. withholding taxes on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or similar fees), whether by virtue of an applicable double taxation treaty or domestic law, unless the obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis.

Notwithstanding the foregoing, there can be no assurance that income derived by the Issuer will not become subject to withholding or gross income taxes as a result of changes in law, contrary conclusions by the IRS, or other causes. In that event, such withholding or gross income taxes could be applied retroactively to fees or other income previously received by the Issuer. To the extent that withholding or gross income taxes are imposed and not paid through withholding, the Issuer may be directly liable to the taxing authority to pay such taxes.

U.S. Federal Tax Treatment of the Notes

Upon the issuance of the Notes, the Issuer will receive an opinion of Allen & Overy LLP to the effect that, based on certain assumptions, the Class X Notes, Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated, and the Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes. No opinion will be received with respect to the Class F Notes. The Issuer will treat the Rated Notes as indebtedness for U.S. federal, and to the extent permitted by law, state, and local income and franchise tax purposes. The Issuer's characterisations will be binding on all Noteholders, and the Trust Deed requires the Noteholders to treat the Rated Notes as indebtedness for U.S. federal, and to the extent permitted by law, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that one or more Classes of Rated Notes are equity in the Issuer. If any Rated Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, then the Noteholders of those Notes would be subject to the special and potentially adverse U.S. tax rules relating to U.S. equity owners in PFICs and potentially CFCs. See "*U.S. Federal Tax Treatment of U.S. Holders of Rated Notes – Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*" below.

Except as otherwise indicated, the balance of this summary assumes that all of the Rated Notes are treated as indebtedness of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the Rated Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences to the investors in the event their Rated Notes are treated as equity in the Issuer.

The Issuer intends to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, and each holder by its purchase of a Subordinated Note agrees to treat the Subordinated Notes consistently with this treatment.

This discussion and the opinion of Allen & Overy LLP described above do not address the effects of any supplemental indentures.

U.S. Federal Tax Treatment of U.S. Holders of Rated Notes

Class X Notes, Class A Notes and Class B Notes.

Stated Interest. U.S. Holders of Class X Notes, Class A Notes or Class B Notes will include in gross income the U.S. dollar value of payments of stated interest accrued or received on their Notes, in accordance with their usual method of tax accounting, as ordinary interest income.

In general, U.S. Holders of Class X Notes, Class A Notes or Class B Notes that use the cash method of accounting will calculate the U.S. dollar value of payments of stated interest based on the euro-to-U.S. dollar spot exchange rate at the time a payment is received.

In general, U.S. Holders of Class X Notes, Class A Notes or Class B Notes that use the accrual method of accounting or that otherwise are required to accrue stated interest before receipt will calculate the U.S. dollar value of accrued interest based on the average euro-to-U.S. dollar spot exchange rate during the applicable Interest Period (or, with respect to an Interest Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder of Class X Notes, Class A Notes or Class B Notes can elect to calculate the U.S. dollar value of accrued interest based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Interest Period (or, with respect to an Interest Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Interest Period is within five business days of the U.S. Holder's receipt of the payment, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

Accrual basis U.S. Holders of Class X Notes, Class A Notes or Class B Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Class X Notes, Class A Notes or Class B Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of such payments when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Original Issue Discount. In addition, if the discount at which a substantial amount of the Class X Notes, Class A Notes or Class B Notes is first sold to investors is at least 0.25 per cent. of the principal amount of the Class, multiplied by the number of complete years to the weighted average maturity of the Class, then the Issuer will treat the Class as issued with original issue discount ("**OID**") for U.S. federal income tax purposes. The total amount of OID with respect to a Note within the Class will equal the excess of the principal amount of the Note over its issue price (the first price at which a substantial amount of Notes within the Class was sold to investors). U.S. Holders of Notes that are issued with OID will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders of the Class X Notes, Class A Notes or the Class B Notes will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Interest Period (or, with respect to an Interest Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder of the Class X Notes, Class A Notes or Class B Notes can elect to calculate the U.S. dollar value of OID based on the euro-to U.S. dollar spot exchange rate on the last day of the applicable Interest Period (or, with respect to an Interest Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Interest Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average

life of the applicable Class rather than its stated maturity. It is possible, however, that the IRS could assert and a court could ultimately hold that some other method of accruing OID should apply.

U.S. Holders of Class A Notes or Class B Notes that are issued with OID also will recognise foreign currency exchange gain or loss on the receipt of payments in respect of accrued OID on their Class X Notes, Class A Notes or Class B Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of the corresponding amounts of OID when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Sale, Exchange or Retirement. In general, a U.S. Holder of a Class A Note or Class B Note will have a basis in its Note equal to the U.S. dollar value of the cost of such Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by the U.S. dollar value of any amount includable in income as OID (as described above), and (ii) reduced by the U.S. dollar value of payments of principal on such Note (based on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received). A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class A Note or Class B Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based, in the case of a Class A Note or a Class B Note, on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class A Note or Class B Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (less any accrued and unpaid interest, which will be taxable as described above) and the holder's tax basis in such Note. The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if the Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the disposition. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro to U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Class C Notes, Class D Notes, Class E Notes and Class F Notes.

Original Issue Discount. The Issuer will treat the Class C Notes, Class D Notes, Class E Notes and Class F Notes as issued with OID for U.S. federal income tax purposes. The total amount of OID with respect to a Class C Note, Class D Note, Class E Note or Class F Note will equal the sum of all payments to be received under such Note less its issue price (the first price at which a substantial amount of Notes within the applicable Class was sold to investors). U.S. Holders of the Class C Notes, Class D Notes, Class E Notes, or Class F Notes will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Interest Period (or, with respect to an Interest Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder can elect to calculate the U.S. dollar value of OID based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Interest Period (or, with respect to an Interest Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Interest Period is within five business days of the U.S.

Holder's receipt of the payment of accrued OID, the euro-to-U.S. dollar spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder of Class C Notes, Class D Notes, Class E Notes or Class F Notes will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. Accruals of OID on the Class C Notes, Class D Notes, Class E Notes, and Class F Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Interest Period, and then adjusting the accrual for each subsequent Interest Period based on the difference between the value of EURIBOR used in setting interest for that subsequent Interest Period and the assumed rate. It is possible, however, that the IRS could assert, and a court could ultimately hold, that some other method of accruing OID on the Class C Notes, Class D Notes, Class E Notes, or Class F Notes should apply.

U.S. Holders of Class C Notes, Class D Notes, Class E Notes, or Class F Notes also will recognise foreign currency exchange gain or loss on the receipt of payments on their Notes to the extent that the U.S. dollar value of such payments based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received differs from the U.S. dollar value of the corresponding amounts of OID when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Sale, Exchange or Retirement. In general, a U.S. Holder of a Class C Note, Class D Note, Class E Note or Class F Note will have a basis in such Note equal to the U.S. dollar value of the cost of such Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by any amount includable in income as OID (as described above), and (ii) reduced by the U.S. dollar value of any payments received on such Note (based on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received). A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class C Note, Class D Note, Class E Note or Class F Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class C Note, Class D Note, Class E Note, or Class F Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (less any accrued and unpaid interest, which will be taxable as described above) and the holder's tax basis in such Note. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date that the Note was acquired). The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if the Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the disposition. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year. Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Alternative Characterisation.

It is possible that the Rated Notes could be treated as "contingent payment debt instruments" for U.S. federal income tax purposes. In this event, the timing of a U.S. Holder's OID inclusions could differ from that described

above and any gain recognised on the sale, exchange, or retirement of such Notes would be treated as ordinary income and not as capital gain.

Receipt of Euro.

U.S. Holders will have a tax basis in any euro received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the euro on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those euro generally will be ordinary income or loss. A U.S. Holder that converts the euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes.

As described above under "– *U.S. Federal Tax Treatment of the Notes*," the Issuer intends to treat the Class E Notes and the Class F Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes, and the Trust Deed requires Noteholders to treat the Class E Notes and the Class F Notes as indebtedness for U.S. federal and to the extent permitted by law, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that the Class E Notes and/or the Class F Notes are equity in the Issuer for U.S. federal income tax purposes.

If the Class E Notes or the Class F Notes are treated as equity in the Issuer, because the Issuer will be a PFIC for U.S. federal income tax purposes, gain on the sale of the Class E Notes and/or the Class F Notes could be treated as ordinary income and subject to an additional tax in the nature of interest, and certain interest on such Notes could be subject to the additional tax. A U.S. Holder of such Notes might be able to avoid the ordinary income treatment and additional tax by writing "Protective QEF Election" on the top of an IRS Form 8621, filling out the form, checking Box A (Election to Treat the PFIC as a QEF) and filing the form with the IRS with respect to their Class E Notes and/or the Class F Notes, or by filing a protective statement with the IRS preserving the U.S. Holder's ability to elect retroactively to treat the Issuer as a QEF and so electing at the appropriate time (although such protective election may not be respected by the IRS because current U.S. Treasury regulations do not specifically authorise a protective election). Such a U.S. Holder also will be required to file an annual PFIC report. The Issuer will provide, upon request, all information and documentation that a U.S. Holder of such Notes making a "protective" QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes at such Holder's expense.

If the Issuer holds any Portfolio Assets that are treated as equity in a foreign corporation for U.S. federal income tax purposes, and if the Class E Notes or Class F Notes are treated as equity in the Issuer, U.S. Holders of Class E Notes or Class F Notes, could be treated as owning an indirect equity interest in a PFIC or a "controlled foreign corporation" ("**CFC**") and could be subject to certain adverse tax consequences. In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC. Thus there can be no assurance that a U.S. Holder would be able to make the election with respect to any indirectly held PFIC.

In addition, if the Class E Notes or the Class F Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Holder of such Notes would be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Holder's purchase of Notes, at least 10 per cent. by value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such purchase exceeds $100,000. U.S. Holders may wish to file a "protective" IRS Form 926 with respect to their Class E Notes or Class F Notes.

Finally, if the Class E Notes or the Class F Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Holder of such Notes will be required to file an IRS Form 5471 with the IRS if the U.S. Holder is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes, and may be required to provide additional information regarding the Issuer annually on IRS Form 5471 if the U.S. Holder is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes. U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their U.S. tax returns. Prospective U.S. Holders of Class E Notes and Class F Notes should consult with their tax advisors regarding whether to make protective filings of IRS Forms

8621, 926 and 5471 with respect to such Notes and the consequences to them if the Class E Notes and/or the Class F Notes are treated as equity in the Issuer.

U.S. Federal Tax Treatment of U.S. Holders of Subordinated Notes

Investment in a Passive Foreign Investment Company. The Issuer will be a PFIC for U.S. federal income tax purposes, and U.S. Holders of Subordinated Notes will be subject to the PFIC rules, except for certain U.S. Holders that are subject to the rules relating to a CFC (as described below under "– *Investment in a Controlled Foreign Corporation*). U.S. Holders of Subordinated Notes should consider making an election to treat the Issuer as a QEF. Generally, a U.S. Holder makes a QEF election on IRS Form 8621, attaching a copy of that form to its U.S. federal income tax return for the first taxable year for which it held its Subordinated Notes. If a U.S. Holder makes a timely QEF election with respect to the Issuer, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's ordinary earnings and (ii) as long-term capital gain, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's net capital gain, whether or not distributed. A U.S. Holder will not be eligible for the dividends-received deduction in respect of such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to the U.S. Holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. If applicable, for 10 per cent. United States shareholders (as defined below) the rules relating to a CFC discussed below generally override those relating to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the electing U.S. Holder may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income, subject to an interest charge (which is non-deductible to individuals) on the deferred amount. In this regard, prospective purchasers of Subordinated Notes should be aware that it is expected that the Portfolio Assets will include high-yield debt obligations and such instruments may have substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time. In addition, the Issuer may use proceeds from the sale of Portfolio Assets to retire other classes of Notes. As a result, in any given year, the Issuer may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

The Issuer will provide, upon request and at the Issuer's expense, all information and documentation that a U.S. Holder making a QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Subordinated Notes (other than certain U.S. Holders that are subject to the rules relating to a CFC described below) that does not make a timely QEF election will be required to report the U.S. dollar value of any gain on the disposition of its Subordinated Notes as ordinary income, rather than capital gain, and to compute the tax liability on such gain and any "Excess Distribution" (as defined below) received in respect of the Subordinated Notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Subordinated Notes. The U.S. Holder will be subject to tax on such gain or Excess Distributions at the highest ordinary income tax rate for each taxable year in which such gain or Excess Distributions are treated as having been earned, other than the current year (for which the U.S. Holder's regular ordinary income tax rate will apply), regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for an interest charge (which is non-deductible to individuals) as if such income tax liabilities had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganisations and the use of the Subordinated Notes as security for a loan may be treated as taxable dispositions of such Subordinated Notes. In addition, a stepped-up tax basis in the Subordinated Notes will not be available upon the death of an individual U.S. Holder who has not made a timely QEF election with respect to the Issuer.

An "**Excess Distribution**" is the amount by which the U.S. dollar value of distributions during a taxable year in respect of a Note exceeds 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Note).

In many cases, the U.S. federal income tax on any gain on disposition or receipt of Excess Distributions is likely to be substantially greater than the tax if a timely QEF election is made. A U.S. HOLDER OF A SUBORDINATED NOTE SHOULD STRONGLY CONSIDER MAKING A QEF ELECTION WITH RESPECT TO THE ISSUER.

Investment in a Controlled Foreign Corporation. The Issuer will be a CFC if more than 50 per cent. of the equity interests in the Issuer, measured by reference to combined voting power or value, are owned directly, indirectly, or constructively by "10 per cent. United States shareholders". For this purpose, a "**10 per cent. United States shareholder**" is any United States person that possesses directly, indirectly, or constructively 10 per cent. or more of the combined voting power or value of all classes of equity in the Issuer. If more than 50 per cent. of the Subordinated Notes, (and any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes), determined with respect to aggregate value or aggregate outstanding principal amount, are owned directly, indirectly, or constructively by such 10 per cent. United States shareholders, the Issuer will be treated as a CFC. If, for any given taxable year, the Issuer is treated as a CFC, a 10 per cent. United States shareholder of the Issuer will be required to include as ordinary income an amount equal to the U.S. dollar value of that person's *pro rata* share of the Issuer's "subpart F income" at the end of such taxable year. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were a CFC, all of its income would be subpart F income.

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, the Issuer will not be treated as a PFIC with respect to the U.S. Holder for the period during which the Issuer remains a CFC and the U.S. Holder remains a 10 per cent. United States shareholder of the Issuer (the "qualified portion" of the U.S. Holder's holding period for the Subordinated Notes). As a result, to the extent the Issuer's subpart F income includes net capital gains, such gains will be treated as ordinary income to the 10 per cent. United States shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules. If the qualified portion of the U.S. Holder's holding period for the Subordinated Notes subsequently ceases (either because the Issuer ceases to be a CFC or the U.S. Holder ceases to be a 10 per cent. United States shareholder), then solely for purposes of the PFIC rules, the U.S. Holder's holding period for the Subordinated Notes will be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder has owned any Subordinated Notes for any period of time prior to such qualified portion and has not made a QEF election with respect to the Issuer. In that case, the Issuer will again be treated as a PFIC which is not a QEF with respect to the U.S. Holder and the beginning of the U.S. Holder's holding period for the Subordinated Notes will continue to be the date upon which the U.S. Holder acquired the Subordinated Notes, unless the U.S. Holder makes an election to recognise gain with respect to the Subordinated Notes and a QEF election with respect to the Issuer. In the event that the Issuer is a CFC, then, at the request and expense of any U.S. Holder that is a 10 per cent. United States shareholder with respect to the Issuer, the Issuer will provide the information necessary for the U.S. Holder to comply with any filing requirements that arise as a result of the Issuer's classification as a CFC.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Portfolio Asset that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Holders of Subordinated Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC, and thus there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly held PFIC.

Accordingly, if the U.S. Holder has not made a QEF election with respect to the indirectly held PFIC, the U.S. Holder would be subject to the adverse consequences described above under "– *Investment in a Passive Foreign Investment Company*" with respect to any Excess Distributions of such indirectly held PFIC, any gain indirectly realised by such U.S. Holder on the sale by the Issuer of such PFIC, and any gain indirectly realised by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its Subordinated Notes (which may arise even if the U.S. Holder realises a loss on such sale). Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly held PFIC, the U.S. Holder will be required to include in income the U.S. dollar value of the U.S. Holder's *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were held directly (as described above), and the U.S. Holder will not be permitted to use any losses or other expenses of the Issuer to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the Portfolio Assets are treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of "phantom" income with respect to such interests.

If a Portfolio Asset is treated as an indirect equity interest in a CFC and a U.S. Holder owns directly, indirectly, or constructively 10 per cent. or more of the combined voting power or value of the CFC for U.S. federal income tax purposes, the U.S. Holder generally will be required to include the U.S. dollar value of its *pro rata* share of the CFC's "subpart F income" as ordinary income at the end of each taxable year, as described above under "– *Investment in a Controlled Foreign Corporation*", regardless of whether the CFC distributed any amounts to the Issuer during such taxable year or whether the U.S. Holder made a QEF election with respect to the indirectly held CFC. In addition, the U.S. dollar value of gain realised by the U.S. Holder on the sale by the Issuer of the CFC, and the U.S. dollar value of gain realised by the U.S. Holder on the sale by the U.S. Holder of its Subordinated Notes (as described below), generally will be treated as ordinary income to the extent of the U.S. Holder's *pro rata* share of the CFC's current and accumulated earnings and profits, reduced by any amounts previously taxed pursuant to the CFC rules. U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

Phantom Income. U.S. Holders may be subject to U.S. federal income tax on the amounts that exceed the distributions they receive on the Subordinated Notes. For example, if the Issuer is a CFC and a U.S. Holder is a 10 per cent. United States shareholder with respect to the Issuer, or a U.S. Holder makes a QEF election with respect to the Issuer, the U.S. Holder will be subject to federal income tax with respect to its share of the Issuer's income and gain (to the extent of the Issuer's earnings and profits), which may exceed the Issuer's distributions. It is expected that the Issuer's income and gain (and earnings and profits) will exceed cash distributions with respect to (i) debt instruments that were issued with OID and are held by the Issuer, and (ii) the acquisition at a discount of the Rated Notes by the Issuer (including by reason of a Refinancing or any deemed exchange that occurs for U.S. federal income tax purposes as a result of a modification of the Trust Deed). U.S. Holders should consult their tax advisors regarding the timing of income and gain on the Subordinated Notes.

Distributions. The treatment of actual distributions of cash on the Subordinated Notes, will vary depending on whether the U.S. Holder of such Subordinated Notes has made a timely QEF election (as described above). See "– *Investment in a Passive Foreign Investment Company*". If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to such U.S. Holder. Distributions in excess of such previously taxed amounts will be treated first as a nontaxable return of capital, to the extent of the U.S. Holder's adjusted tax basis in the Subordinated Notes (as described below under "– *Sale, Redemption, or Other Disposition*"), and then as a disposition of a portion of the Subordinated Notes. In addition, a U.S. Holder will recognise exchange gain or loss with respect to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) equal to the difference, if any, between the U.S. dollar value of the distribution on the date received and the U.S. dollar value of the previously taxed amount. Any exchange gain or loss will generally be treated as ordinary income or loss.

If a U.S. Holder has not made a timely QEF election with respect to the Issuer then, except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Subordinated Notes may constitute Excess Distributions, taxable as described above under the heading "– *Investment in a Passive Foreign Investment Company*". In addition, distributions in excess of a U.S. Holder's adjusted tax basis in the Subordinated Notes would be treated as a disposition of a portion of the Subordinated Notes and subject to an additional tax reflecting a deemed interest charge, as described below under "– *Sale, Redemption, or Other Disposition*."

Distributions on the Subordinated Notes will not be eligible for the dividends received deduction and will not qualify as "qualified dividend income."

Sale, Redemption, or Other Disposition. In general, a U.S. Holder of Subordinated Notes will recognise gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes (including a distribution that is treated as a disposition of the Subordinated Notes, as described above under "– *Distributions*") equal to the difference between the U.S. dollar value of the amount realised and the U.S. Holder's adjusted tax basis in the Subordinated Notes. The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if the Subordinated Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the disposition. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year.

A U.S. Holder's tax basis in its Subordinated Notes initially will equal the U.S. dollar value of the amount paid by the U.S. Holder for the Subordinated Notes, determined under rules analogous to the rules for determining the U.S. dollar value of the amount realised. The U.S. Holder's tax basis in the Subordinated Notes will be increased by amounts taxable to the U.S. Holder by reason of any QEF election, or by reason of the CFC rules, as applicable, and decreased by the U.S. dollar value of actual distributions by the Issuer that are deemed to consist of such previously taxed amounts or are treated as a nontaxable return of capital, as described above under "*Distributions*".

If the U.S. Holder has made a timely QEF election with respect to the Issuer, then, except to the extent that the Issuer is treated as a CFC and the U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the QEF election from the date of each deemed distribution pursuant to the election (based on the euro-to-U.S. dollar spot exchange rate on that date) to the date of the disposition. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Subordinated Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

If a U.S. Holder does not make a timely QEF election with respect to the Issuer as described above and is not subject to the CFC rules, any gain realised on the sale, redemption, or other disposition of a Subordinated Note (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See "– *Investment in a Passive Foreign Investment Company*".

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, then any gain or loss realised by the U.S. Holder upon a sale, redemption, or other disposition of the Subordinated Notes, other than gain or loss subject to the PFIC rules, if applicable, generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the CFC rules from the date of each deemed distribution pursuant to the CFC rules (based on the euro-to-U.S. dollar spot exchange rate on that date) to the date of the disposition. Any gain in excess of foreign currency exchange gain will be treated as ordinary income to the extent of the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's previously untaxed earnings and profits.

In addition, as described above under "– *Indirect Interests in PFICs and CFCs*," the U.S. dollar value of any gain attributable to interests in PFICs or CFCs owned by the Issuer may be treated as ordinary income to a U.S. Holder upon the sale, redemption, or other disposition of the U.S. Holder's Subordinated Notes.

Receipt of Euro. U.S. Holders will have a tax basis in any euro received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the euro on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those euro generally will be ordinary income or loss. A U.S. Holder that converts the euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Transfer and Information Reporting Requirements. A U.S. Holder that purchases the Subordinated Notes will be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Holder's purchase of Notes, at least 10 per cent. by vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such transfer exceeds $100,000.

A U.S. Holder that is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes will be required to file an information return on IRS Form 5471, and may be required to provide additional information regarding the Issuer annually on IRS Form 5471 if it is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes.

In addition, U.S. Holders of Subordinated Notes generally will be required to file an annual PFIC report.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their U.S. tax returns. U.S. Holders should consult their tax advisors with respect to these or any other reporting requirements that may apply with respect to their acquisition or ownership of the Subordinated Notes.

Specified Foreign Financial Asset Reporting

Certain U.S. Holders may be subject to reporting obligations with respect to their Notes if they do not hold their Notes in an account maintained by a financial institution and the aggregate value of their Notes and certain other "specified foreign financial assets" (applying certain attribution rules) exceeds $50,000. Significant penalties can apply if a U.S. Holder is required to disclose its Notes and fails to do so.

FBAR Reporting

A U.S. Holder of Subordinated Notes (or any of the Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) may be required to file FinCEN Form 114 with respect to foreign financial accounts in which the Issuer has a financial interest if the U.S. Holder holds more than 50 per cent. of the aggregate outstanding principal amount of such Notes or is otherwise treated as owning more than 50 per cent. of the total value or voting power of the Issuer's outstanding equity.

Reportable Transactions

A participant in a "reportable transaction" is required to disclose its participation in such a transaction on IRS Form 8886. Any foreign currency exchange loss in excess of $50,000 recognised by a U.S. Holder may be subject to this disclosure requirement. Failure to comply with this disclosure requirement can result in substantial penalties. U.S. Holders should consult their advisors with respect to the requirement to disclose reportable transactions.

U.S. Federal Tax Treatment of Non-U.S. Holders of Notes

Subject to the discussions below under "*Information Reporting and Backup Withholding*", and "*FATCA*", in general, payments on the Notes to a Non-U.S. Holder that provides appropriate tax certifications to the Issuer and gain realised on the sale, exchange or retirement of the Notes by the Non-U.S. Holder will not be subject to U.S. federal income or withholding tax unless (i) such income is effectively connected with a trade or business conducted by such Non-U.S. Holder in the United States, or (ii) in the case of gain, such Non-U.S. Holder is a nonresident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

The amount of interest and principal paid or accrued on the Notes, and the proceeds from the sale of a Note, in each case, paid within the United States or by a U.S. payor or U.S. middleman to a U.S. person (other than a corporation or other exempt recipient) will be reported to the IRS. Under the Code, a U.S. person may be subject, under certain circumstances, to "backup withholding tax" with respect to interest and principal on a Note or the gross proceeds from the sale of a Note paid within the United States or by a U.S. middleman or United States payor to a U.S. Person. Backup withholding tax generally applies only if the U.S. person: (a) fails to furnish its social security or other taxpayer identification number within a reasonable time after the request therefore; (b) furnishes an incorrect taxpayer identification number; (c) is notified by the IRS that it has failed to properly report interest OID or dividends; or (d) fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that it has furnished a correct taxpayer identification number and has not been notified by the IRS that it is subject to backup withholding tax for failure to report interest and dividend payments.

Non-U.S. Holders or, in certain cases, their beneficial owners may be required to comply with certification procedures to establish that they are not U.S. Holders in order to avoid information reporting and backup withholding tax.

Backup withholding is not an additional tax. The amount of any backup withholding collected from a payment will be allowed as a credit against the recipient's U.S. federal income tax liability and may entitle the recipient to a refund, so long as the required information is properly furnished to the IRS. Holders should consult their

own tax advisers about any additional reporting requirements that may arise as a result of their purchasing, holding or disposing of Notes.

FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income, and on the gross proceeds from the sale, maturity, or other disposition of certain of its assets. Under the Irish IGA, the Issuer will not be subject to withholding under FATCA if it complies with Irish FATCA Legislation that requires the Issuer to provide the name, address and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to the Office of Revenue Commissioners of Ireland, which would then provide this information to the IRS. The Issuer shall use reasonable best efforts to comply with the Irish IGA and the Irish FATCA Legislation; however, there can be no assurance that the Issuer will be able to do so. Moreover, the Irish IGA could be amended to require the Issuer to withhold on "passthru" payments to holders that fail to provide certain information to the Issuer or are certain "foreign financial institutions" that do not comply with FATCA.

If a Noteholder fails to provide the Issuer or its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the Noteholder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Noteholder, to compel the Noteholder to sell its Notes (other than the Retention Notes), and, if the Noteholder does not sell its Notes (other than the Retention Notes) within 10 business days after notice from the Issuer, to sell the Noteholder's Notes on behalf of the Noteholder.

Future Legislation and Regulatory Changes Affecting Noteholders

Future legislation, regulations, rulings or other authority could affect the federal income tax treatment of the Issuer and Noteholders. The Issuer cannot predict whether and to what extent any such legislative or administrative changes could change the tax consequences to the Issuer and to the Noteholders. Prospective Noteholders should consult their tax advisors regarding possible legislative and administrative changes and their effect on the federal tax treatment of the Issuer and their investment in the Notes.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR NOTEHOLDER. EACH PROSPECTIVE NOTEHOLDER IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE NOTEHOLDER'S OWN CIRCUMSTANCES.

CERTAIN EMPLOYEE BENEFIT PLAN CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to Part 4, Subtitle B, Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment, including, but not limited to, the matters discussed above under "*Risk Factors*" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Notes or any interest therein.

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), prohibit certain transactions involving the assets of an ERISA Plan, as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans (together with ERISA Plans, "**Plans**"), and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of ERISA or prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to Similar Law.

Under a regulation issued by the United States Department of Labor (29 C.F.R. Section 2510.3-101), as modified by Section 3(42) of ERISA (the "**Plan Assets Regulation**"), if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the U.S. Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless either (a) immediately after the most recent acquisition of any equity interest in the entity, less than 25 per cent. of the total value of each class of equity interests in the entity is held by Benefit Plan Investors (disregarding the value of any equity interests held by persons, other than Benefit Plan Investors, with discretionary authority or control over the assets of the entity or who provide investment advice with respect to such assets for a fee, direct or indirect (such as the Investment Manager), or any affiliates of such persons (each a "**Controlling Person**")) (the "**25 per cent. Limitation**") or (b) the entity is an "operating company", as defined in the Plan Assets Regulation. It is not anticipated that the Issuer will qualify as an operating company. A "**Benefit Plan Investor**" means (1) an employee benefit plan (as defined in Section 3(3) of ERISA) subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, (2) a plan to which Section 4975 of the Code applies, or (3) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan and/or plan's investment in the entity.

If any Class of the Notes were deemed to be equity interests in the Issuer and no exception under ERISA or the Plan Assets Regulation applied, an undivided portion of the Issuer's assets would be deemed to be assets of each Plan that invests in those Notes. In such case, certain transactions that the Investment Manager might enter into, or may have entered into, on behalf of the Issuer, in the ordinary course of its business, might be deemed to constitute direct or indirect "prohibited transactions" under Section 406 of ERISA and/or Section 4975 of the Code with respect to such Plan investors and might have to be rescinded; the payment of certain of the fees to the Collateral Administrator might be considered to be a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code; the Investment Manager and other persons, in providing services with respect to the Issuer's assets, might be fiduciaries or other parties in interest or disqualified persons with respect to such Plans; and it is not clear whether the limitations of Section 403(a) of ERISA on the delegation of Investment Management responsibilities by fiduciaries of ERISA Plans or whether the rules of Section 404(b) of ERISA and the regulations thereunder regarding maintenance of the indicia of ownership of the assets of an ERISA Plan outside the jurisdiction of the U.S. district courts would be satisfied.

The Plan Assets Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Although the

Plan Assets Regulation is silent with respect to the question of which law constitutes applicable local law for this purpose, the Department of Labor has stated that these determinations should be made under the law governing interpretation of the instrument in question. In the preamble to the Plan Assets Regulation, the Department of Labor declined to provide a precise definition of what features are equity features or the circumstances under which such features would be considered "substantial", noting that the question of whether a Plan's interest has substantial equity features is an inherently factual one, but that in making a determination it would be appropriate to take into account whether the equity features are such that a Plan's investment would be a practical vehicle for the indirect provision of Investment Management services. There is little pertinent authority in this area.

Although there can be no assurance in this regard, based on the credit quality (as reflected by the credit rating assigned by each Rating Agency) of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the traditional debt characteristics of such Notes and the absence of rights to payment in excess of principal and stated interest under such Notes, the Issuer is treating the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes which are denominated as debt, as not being "equity interests" in the Issuer for purposes of ERISA and the Plan Assets Regulation.

There is a risk that the Class E Notes and the Class F Notes could constitute "equity interests" in the Issuer for purposes of ERISA and the Plan Assets Regulation. There is a risk that the Subordinated Notes would likely constitute "equity interests" in the Issuer for purposes of ERISA and the Plan Assets Regulation. Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in each of the Class E Notes, the Class F Notes and the Subordinated Notes. In reliance on representations made, or deemed made, by investors in the Class E Notes, the Class F Notes and the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in each of the Class E Notes, the Class F Notes and the Subordinated Notes to the 25 per cent. Limitation (determined separately by class) at all times (excluding for purposes of such calculation the Class E Notes, the Class F Notes and the Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, a Class F Note or a Subordinated Note will be required to make, or will be deemed to make, certain representations regarding its status as a Benefit Plan Investor or Controlling Person and other ERISA matters as described under the "*Transfer Restrictions*" section of this Offering Circular. No Class E Notes, Class F Notes or Subordinated Notes will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in holdings by Benefit Plan Investors exceeding the 25 per cent. Limitation. Except as otherwise provided by the Plan Assets Regulation, each Class E Note, Class F Note and Subordinated Note held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with the 25 per cent. Limitation.

Each of the Issuer, the Investment Manager, the Arranger, the Initial Purchaser, the Collateral Administrator, the Trustee, the Agents and certain other parties, or their respective affiliates, may be the sponsor of, or investment adviser with respect to, one or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan sponsored by any such parties or with respect to which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, Notes may not be purchased using the assets of any Plan if any of the Issuer, the Investment Manager, the Arranger, the Initial Purchaser, the Collateral Administrator, the Trustee, the Agents, or their respective affiliates is the sponsor of such Plan, or has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption applies or the transaction is not otherwise a prohibited transaction).

In addition, if the Notes are acquired by a Plan with respect to which the Issuer, the Investment Manager, the Arranger, the Initial Purchaser, the Collateral Administrator, the Trustee, the Agents, any holder of such Notes or any of their respective affiliates is a party in interest or a disqualified person, other than a sponsor of, or investment adviser with respect to, such Plan, such transaction could be deemed to be a prohibited transaction within the meaning of Section 406 of ERISA and/or Section 4975 of the Code. In addition, if a party in interest or disqualified person with respect to a Plan owns or acquires a 50 per cent. or more beneficial interest in the Issuer, the acquisition or holding of the Notes by or on behalf of such Plan could be considered to constitute a prohibited transaction. Moreover, the acquisition or holding of the Notes or other indebtedness issued by the Issuer by or on behalf of a party in interest or disqualified person with respect to a Plan that owns or acquires an equity interest in the Issuer also could give rise to an indirect prohibited transaction. Certain exemptions from the prohibited transaction provisions of ERISA and Section 4975 of the Code could be applicable, however, to a Plan's acquisition of a Note depending in part upon the type of Plan fiduciary making the decision to acquire such Note and the circumstances under which such decision is made. Included among these exemptions are

Prohibited Transaction Class Exemption ("**PTCE**") 90-1, regarding investments by insurance company pooled separate accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 84-14, regarding transactions effected by a "qualified professional asset manager"; PTCE 96-23, regarding investments by certain "in-house asset managers"; and PTCE 95-60, regarding investments by insurance company general accounts. In addition to the class exemptions listed above, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide a statutory prohibited transaction exemption for transactions between a Plan and a person or entity that is a party in interest to such Plan solely by reason of providing services to the Plan (other than a party in interest that is a fiduciary, or its affiliate, that has or exercises discretionary authority or control or renders investment advice with respect to the assets of the Plan involved in the transaction), provided that there is adequate consideration for the transaction. Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might not cover all acts which might be construed as prohibited transactions.

It should be noted that an insurance company's general account may be deemed to include assets of Plans under certain circumstances, e.g., where a Plan purchases an annuity contract issued by such an insurance company, based on the reasoning of the United States Supreme Court in *John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank*, 510 U.S. 86 (1993). An insurance company considering the purchase of Notes with assets of its general account should consider such purchase and the insurance company's ability to make the representations described above in light of *John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank*, Section 401(c) of ERISA and a regulation promulgated by the U.S. Department of Labor under that Section of ERISA, 29 C.F.R. Section 2550.401c-1.

IN ACCORDANCE WITH THE FOREGOING CONSIDERATIONS, EACH ACQUIRER AND EACH TRANSFEREE OF A CLASS X NOTE, A CLASS A NOTE, A CLASS B NOTE, A CLASS C NOTE OR A CLASS D NOTE, OR ANY INTEREST RESPECTIVELY THEREIN, WILL BE DEEMED, OR REQUIRED IN WRITING, AS APPLICABLE, TO REPRESENT, WARRANT AND AGREE, THAT (1) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY OTHER FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE OR ANY INTEREST THEREIN DOES NOT AND WILL NOT CONSTITUTE OR OTHERWISE RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW); AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER SUCH NOTES OR ANY INTEREST THEREIN OTHERWISE THAN TO AN ACQUIRER OR TRANSFEREE THAT IS DEEMED (OR, IF REQUIRED BY THE TRUST DEED, CERTIFIED) TO MAKE THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE.

EACH ACQUIRER AND EACH TRANSFEREE OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN THE FORM OF A REGULATION S GLOBAL CERTIFICATE OR A RULE 144A GLOBAL CERTIFICATE, (I) WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE (SUBSTANTIALLY IN THE FORM OF ANNEX C (*FORM OF ERISA CERTIFICATE*)) TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (B) (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (A) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES OR INTEREST THEREIN WILL NOT BE, SUBJECT TO ANY SIMILAR LAW THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR ANY INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE INVESTMENT

MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO SIMILAR LAW AND (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW AND (II) WILL AGREE TO CERTAIN TRANSFER RESTRICTIONS REGARDING ITS INTEREST IN SUCH NOTE.

EACH ACQUIRER AND EACH TRANSFEREE OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN THE FORM OF A REG S DEFINITIVE CERTIFICATE OR A RULE 144A DEFINITIVE CERTIFICATE, (I) WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE (SUBSTANTIALLY IN THE FORM OF ANNEX C (*FORM OF ERISA CERTIFICATE*)) TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (B) (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (A) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTE OR INTEREST THEREIN WILL NOT BE, SUBJECT TO ANY SIMILAR LAW AND (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW AND (II) IT WILL AGREE TO CERTAIN TRANSFER RESTRICTIONS REGARDING ITS INTEREST IN SUCH NOTE.

THE ISSUER, THE INVESTMENT MANAGER, THE ARRANGER, THE RETENTION HOLDER, THE INITIAL PURCHASER, THE COLLATERAL ADMINISTRATOR, THE TRUSTEE AND THE AGENTS, AND THEIR RESPECTIVE AFFILIATES, SHALL BE ENTITLED TO CONCLUSIVELY RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY ACQUIRERS AND TRANSFEREES OF ANY NOTES WITHOUT FURTHER INQUIRY. THE ACQUIRER AND ANY FIDUCIARY CAUSING IT TO ACQUIRE AN INTEREST IN ANY NOTES AGREES TO INDEMNIFY AND HOLD HARMLESS THE ISSUER, THE INVESTMENT MANAGER, THE ARRANGER, THE RETENTION HOLDER, THE INITIAL PURCHASER, THE COLLATERAL ADMINISTRATOR, THE TRUSTEE AND THE AGENTS, AND THEIR RESPECTIVE AFFILIATES, FROM AND AGAINST ANY COST, DAMAGE OR LOSS INCURRED BY ANY OF THEM AS A RESULT OF ANY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS BEING OR BECOMING FALSE.

NO TRANSFER OF AN INTEREST IN THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES WILL BE PERMITTED OR RECOGNISED IF IT WOULD CAUSE THE 25 PER CENT. LIMITATION TO BE EXCEEDED WITH RESPECT TO THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES, RESPECTIVELY.

ANY PURPORTED ACQUISITION OR TRANSFER OF ANY NOTE OR BENEFICIAL INTEREST THEREIN TO AN ACQUIRER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE REQUIREMENTS DESCRIBED HEREIN SHALL BE NULL AND VOID AB INITIO, AND THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF ANY SUCH NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS DESCRIBED HEREIN IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

IN ADDITION, EACH PURCHASER AND TRANSFEREE OF A NOTE OR INTEREST THEREIN THAT IS A BENEFIT PLAN INVESTOR SHALL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT TO THE ISSUER, ON EACH DAY FROM THE DATE ON WHICH SUCH BENEFICIAL OWNER ACQUIRES THE NOTE OR INTEREST THEREIN THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF THE NOTE OR INTEREST THEREIN, AND AT ANY TIME WHEN REGULATION 29 C.F.R. SECTION 2510.3-21, AS MODIFIED IN 2016, IS APPLICABLE, THAT THE FIDUCIARY MAKING THE DECISION TO INVEST IN THIS NOTE ON ITS BEHALF (THE "**INDEPENDENT FIDUCIARY**") (A) IS A BANK, INSURANCE COMPANY, REGISTERED INVESTMENT ADVISER, BROKER-DEALER OR OTHER PERSON WITH FINANCIAL EXPERTISE, IN EACH CASE AS DESCRIBED IN 29 C.F.R. SECTION 2510.3-21(C)(1)(I); (B) IS AN INDEPENDENT PLAN FIDUCIARY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3- 21(C); (C) IS CAPABLE OF

EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH REGARD TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES; (D) IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGMENT IN EVALUATING THE ACQUISITION, HOLDING AND DISPOSITION OF THE NOTE; AND (E) NEITHER THE BENEFIT PLAN INVESTOR NOR THE INDEPENDENT FIDUCIARY IS PAYING OR HAS PAID ANY FEE OR OTHER COMPENSATION TO ANY OF THE ISSUER, THE INVESTMENT MANAGER, THE ARRANGER, THE INITIAL PURCHASER, THE COLLATERAL ADMINISTRATOR, THE TRUSTEE, THE AGENTS OR ANY OTHER PARTIES TO THE TRANSACTION, OR THEIR RESPECTIVE AFFILIATES (THE "**TRANSACTION PARTIES**"), FOR INVESTMENT ADVICE (AS OPPOSED TO OTHER SERVICES) IN CONNECTION WITH ITS ACQUISITION OR HOLDING OF THE NOTE. IN ADDITION, EACH SUCH PURCHASER OR TRANSFEREE WILL BE REQUIRED OR DEEMED TO ACKNOWLEDGE AND AGREE THAT THE INDEPENDENT FIDUCIARY (X) HAS BEEN INFORMED THAT NONE OF THE TRANSACTION PARTIES OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, NOR ANY OF THEIR AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, IMPARTIAL INVESTMENT ADVICE AND THEY ARE NOT GIVING ANY ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE PURCHASER OR TRANSFEREE'S ACQUISITION OR HOLDING OF THE NOTE AND (Y) HAS RECEIVED AND UNDERSTANDS THE DISCLOSURE OF THE EXISTENCE AND NATURE OF THE FINANCIAL INTERESTS CONTAINED IN THE OFFERING CIRCULAR AND RELATED MATERIALS.

A fiduciary of an ERISA Plan or other employee benefit plan that is subject to Similar Law, prior to investing in the Notes or any interest therein, should take into account, among other considerations, whether the fiduciary has the authority to make the investment; the composition of the plan's portfolio with respect to diversification by type of asset; the plan's funding objectives; the tax effects of the investment; and whether, under the general fiduciary standards of ERISA or other applicable laws, including investment prudence and diversification, an investment in the Notes or any interest therein is appropriate for the plan, taking into account the plan's particular circumstances and all of the facts and circumstances of the investment, including such matters as the overall investment policy of the plan and the composition of the plan's investment portfolio.

The sale of any Note or any interest therein to a Plan or a governmental, church, non-U.S. or other plan that is subject to Similar Law is in no respect a representation by the Issuer, the Investment Manager, the Arranger, the Retention Holder, the Initial Purchaser, the Collateral Administrator, the Agents or the Trustee, or any of their respective affiliates, that such an investment meets all relevant legal requirements with respect to investments by such plans generally or any particular plan; that the prohibited transaction exemptions described above, or any other prohibited transaction exemption, would apply to such an investment by such plan in general or any particular plan; or that such an investment is appropriate for such plan generally or any particular plan.

The discussion of ERISA and Section 4975 of the Code contained in this Offering Circular, is, of necessity, general, and does not purport to be complete. Moreover, the provisions of ERISA and Section 4975 of the Code are subject to extensive and continuing administrative and judicial interpretation and review. Therefore, the matters discussed above may be affected by future regulations, rulings and court decisions, some of which may have retroactive application and effect.

Any Plan or employee benefit plan not subject to ERISA or Section 4975 of the Code, and any fiduciary thereof, proposing to invest in the Notes, or any interest respectively therein, should consult with its legal advisors regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and/or Section 4975 of the Code and of any Similar Law, to such investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of any applicable requirement of ERISA, Section 4975 of the Code or Similar Laws.

PLAN OF DISTRIBUTION

BNP Paribas (in its capacity as Initial Purchaser) has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of Notes (the "**Subscribed Notes**") at the issue price of, in the case of the Class X Notes, 99.75 per cent., in the case of the Class A Notes, 99.65 per cent., in the case of the Class B-1 Notes, 100 per cent., in the case of the Class B-2 Notes, 100 per cent., in the case of the Class C Notes, 100 per cent., in the case of the Class D Notes, 98.21 per cent., in the case of the Class E Notes, 94.04 per cent., in the case of the Class F Notes, 91.55 per cent. and, in the case of the Subordinated Notes, 91.80 per cent. (in each case less subscription and underwriting fees to be agreed between the Issuer and the Initial Purchaser). The Subscription Agreement entitles the Initial Purchaser to terminate it in certain circumstances prior to payment being made to the Issuer. The Initial Purchaser may offer the Notes at varying prices in privately negotiated transactions at the time of sale. The Initial Purchaser may underwrite some or all of the Notes at prices which may or may not be different from the issue price.

Either the Initial Purchaser or the Issuer may offer the Notes at other prices as may be negotiated at the time of sale, which may vary among different purchasers and which may be different to the issue price of the Notes.

The Retention Holder shall agree to purchase the Retention Notes from the Initial Purchaser at the relevant issue prices for Subordinated Notes as set out above. In addition, the Initial Purchaser has agreed to pay a portion of its fees in respect of the Notes to the Retention Holder.

It is a condition of the issue of the Notes of each Class that the Notes of each other Class be issued in the following principal amounts: Class X Notes: €2,000,000, Class A Notes: €246,000,000, Class B-1 Notes: €31,550,000, Class B-2 Notes: €10,000,000, Class C Notes: €25,700,000, Class D Notes: €21,000,000, Class E Notes: €26,900,000, Class F Notes: €10,500,000 and Subordinated Notes: €42,650,000.

The Issuer has agreed to indemnify the Initial Purchaser and certain other participants against certain liabilities or to contribute to payments they may be required to make in respect thereof.

Certain of the Portfolio Assets may have been originally underwritten or placed by the Initial Purchaser or its Affiliates. In addition, the Initial Purchaser or its Affiliates may have in the past performed and may in the future perform investment banking services or other services for issuers of the Portfolio Assets. Furthermore, the Initial Purchaser and its Affiliates may from time to time as a principal or through one or more investment funds that it or they manage, make investments in the equity securities of one or more of the issuers of the Portfolio Assets, with a result that one or more of such issuers may be or may become controlled by the Initial Purchaser or its Affiliates.

In the ordinary course of their business activities, the Initial Purchaser and its Affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivatives securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments (including the Notes) of the Issuer. The Initial Purchaser and its Affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

On the Issue Date and during the Restricted Period, the Notes may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager. Each holder of a Note or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed, and in certain circumstances will be required, to represent to the Issuer, the Trustee, the Originator, the Investment Manager, the Retention Holder and the Initial Purchaser that it (i) either (a) is not a Risk Retention U.S. Person or (b) it has received a U.S. Risk Retention Waiver from the Investment Manager, and (ii) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules). See "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules*". The Investment Manager, the Issuer and the Initial Purchaser have agreed that the determination of the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Risk Retention Rules is solely the responsibility of the Investment Manager, and none of the Initial Purchaser or any person who controls it or any director, officer, employee,

agent or Affiliate of the Initial Purchaser shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Risk Retention Rules, and none of the Initial Purchaser or any person who controls it or any director, officer, employee, agent or Affiliate of the Initial Purchaser accepts any liability or responsibility whatsoever for any such determination.

No action has been or will be taken by the Issuer or the Initial Purchaser that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations, including, as stated in the section entitled "OFFER/INVITATION/DISTRIBUTION RESTRICTIONS" above, not to retail investors as defined in such section, and will not impose any obligations on the Issuer or the Initial Purchaser.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act.

The Notes sold in the initial syndication of this Offering may not be purchased by, and will not be sold to any person, and during the U.S. Risk Retention Restricted Period the Notes may not be transferred to any person, in each case, except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager. Each holder of a Note or a beneficial interest therein acquired in the initial issuance of the Notes, by its acquisition of a Note or a beneficial interest in a Note, and each transferee during the U.S. Risk Retention Restricted Period will be deemed to represent to the Issuer, the Trustee, the Investment Manager and the Initial Purchaser that (1) it either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Investment Manager, and (2) it is not acquiring such Note or a beneficial interest therein as part of a plan or scheme to evade the requirements of Section 15G of the Securities Exchange Act of 1934, as added by Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 246.20 of the U.S. Risk Retention Rules. Any purchase or transfer of the Notes in breach of this requirement will result in the affected Notes becoming subject to forced transfer provisions. See "*Risk Factors – Forced Transfer*".

The Initial Purchaser proposes to sell the Notes (a) outside the United States to institutions that are non-U.S. Persons in offshore transactions in reliance on Regulation S and in accordance with applicable law and/or (b) in the United States (directly or through its U.S. broker dealer Affiliate) in reliance on Rule 144A only to or for the accounts of QIBs.

Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Initial Purchaser.

The Initial Purchaser has acknowledged and agreed that it will not offer, sell or deliver any Regulation S Notes to, or for the account or benefit of, any U.S. Person or U.S. Resident as part of their distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Regulation S Notes a confirmation or other notice setting forth the prohibition on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, any U.S. Person or U.S. Resident.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the Global Exchange Market of Euronext Dublin. The Issuer and the Initial Purchaser reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Offering Circular to any such U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Other Selling Restrictions

The Initial Purchaser has also agreed to comply with the following selling restrictions:

(a) *United Kingdom:*

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

(b) **Prohibition of Sales to EEA Retail Investors**: The Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

(c) *Australia*: Neither this Offering Circular nor any other prospectus or other disclosure document (as defined in the Corporations Act 2001 (the "**Corporations Act**")) in relation to the Notes has been or will be lodged with the Australian Securities and Investments Commission ("**ASIC**"). The Initial Purchaser has therefore further represented and agreed that:

(i) the Notes may not be offered or sold, directly or indirectly, in Australia, its territories or possessions, or to any resident of Australia, except by way of an offer or sale not required to be disclosed pursuant to Part 6D.2 or Part 7.9 of the Corporations Act; and

(ii) this Offering Circular does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a 'retail client' (as defined in section 761G of the Corporations Act and applicable regulations) in Australia. This Offering Circular is provided only to 'professional investors' as defined in the Corporations Act.

(d) *Austria*: No prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (Kapitalmarktgesetz (the "**KMG**") as amended). Neither this document nor any other document connected therewith constitutes a prospectus according to the KMG and neither this document nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Initial Purchaser. No document pursuant to Directive 2003/71/EC has been or will be drawn up and approved in Austria and no document pursuant to Directive 2003/71/EC has been or will be passported into Austria as the Notes will be offered in Austria in reliance on an exemption from the document publication requirement under the KMG. The Initial Purchaser has represented and agreed that it will offer the Notes in Austria only in compliance with the provisions of the KMG, and Notes will therefore not be publicly offered or (re)sold in Austria without a document being published or an applicable exemption from such requirement being relied upon.

(e) *Bahrain*: This Offering Circular has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. The Initial Purchaser has represented and agreed that no offer to the public to purchase the Notes will be made in the Kingdom of Bahrain and this Offering Circular is intended to be read by the addressee only and will not be passed to, issued to, or shown to the public generally.

(f) *Belgium*: The Initial Purchaser has acknowledged and agreed that the offering of Notes has not been and will not be notified to the Belgian Financial Services and Markets Authority (*autoriteit voor financiële diensten en markten/autorité des services et marchés financiers*) nor has this Offering Circular been, nor will it be, approved by the Belgian Financial Services and Markets Authority. The Notes may not be distributed in Belgium by way of an offer of the Notes to the public, as defined in Article 3, §1 of the Act of 16 June 2006 relating to Public Offers of Investment Instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect, save in those circumstances (commonly called "**private placement**") set out in Article 3 § 2 of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect. This Offering Circular may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Notes. Accordingly, this Offering Circular may not be used for any other purpose nor passed on to any other investor in Belgium. The Initial Purchaser has represented and agreed that it will not:

(i) offer for sale, sell or market the Notes in Belgium otherwise than in conformity with the Act of 16 June 2006 taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect; and

(ii) offer for sale, sell or market the Notes to any person qualifying as a consumer within the meaning of Article 1.3 of the Law of 6 April 2010 on trade practices and consumer protection, as modified, otherwise than in conformity with such law and its implementing regulations.

(g) *Cayman Islands*: The Initial Purchaser has represented and agreed that it will not make any invitation to the public in the Cayman Islands to subscribe for the Notes.

(h) *Cyprus*: This document does not constitute an offer or solicitation to the public in Cyprus or to anyone in Cyprus other than a firm offering investment services, an insurance company or an undertaking for collective investment in transferable securities. This document does not constitute an offer or solicitation to any person to whom it is unlawful to make such an offer or solicitation.

(i) *Denmark*: The Initial Purchaser has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any of the Notes to the public in Denmark unless in accordance with the Danish Securities Trading Act, Consolidation Act No. 855 of 25 August 2012 as amended from time to time and any Orders issued thereunder.

For the purposes of this provision, an offer of the Notes in Denmark means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

(j) *France*: Any person who is in possession of this Offering Circular is hereby notified that no action has or will be taken that would allow an offering of the Notes in France and neither the Offering Circular nor any offering material relating to the Notes have been submitted to the Autorité des Marchés Financiers ("**AMF**") for prior review or approval. Accordingly, the Notes may not be offered, sold, transferred or delivered and neither this Offering Circular nor any offering material relating to the Notes may be distributed or made available (in whole or in part) in France, directly or indirectly, except as permitted by French law and regulation.

The Initial Purchaser has represented and agreed that:

(i) the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

(ii) neither this Offering Circular nor any other offering material relating to the Notes has been or will be:

a) released, issued, distributed or caused to be released, issued or distributed to the public in France; or

b) used in connection with any offer for subscription or sale of the Notes to the public in France.

(iii) such offers, sales and distributions will be made in France only:

a) to qualified investors (investisseurs qualifiés) and/or to a restricted circle of investors (cercle restreint d'investisseurs), all other than individuals, in each case investing for their own account, all as defined in, and in accordance with, Articles L.411-2, D.411-1, and L.533-20 of the French Code Monétaire et Financier ("**CMF**");

b) to investment services providers authorised to engage in portfolio management on behalf of third parties; or

c) in a transaction that, in accordance with Article L.411-2 of the CMF and Article 211-2 of the Règlement Général of the AMF, does not constitute a public offer.

(k) *Germany*: The Notes will not be registered for public distribution in Germany. This Offering Circular does not constitute a sales document pursuant to the German Capital Investment Act (*Vermögensanlagengesetz*). Accordingly, the Initial Purchaser has represented and agreed that no offer of the Notes will be made to the public in Germany. This Offering Circular and any other document relating to the Notes, as well as information or statements contained therein, will not be supplied to the public in Germany or used in connection with any offer for subscription of the Notes to the public in Germany or any other means of public marketing.

(l) *Hong Kong*: The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong. The Initial Purchaser has therefore represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Notes and Futures Ordinance (cap. 571) of Hong Kong) other than (a) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that ordinance ("**professional investors**"); or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the Securities Laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

(m) *India*: This Offering Circular has not been and will not be registered as a prospectus with the Registrar of Companies in India or with the Securities and Exchange Board of India. This Offering Circular or any other material relating to these Notes is for information purposes only and may not be circulated or distributed, directly or indirectly, to the public or any members of the public in India and in any event to not more than 50 persons in India. Further, persons into whose possession this Offering Circular comes are required to inform themselves about and to observe any such restrictions. Each prospective investor is advised to consult its advisers about the particular consequences to it of an investment in these Notes. Each prospective investor is also advised that any investment in these Notes by it is subject to the regulations prescribed by the Reserve Bank of India and the Foreign Exchange Management Act and any regulations framed thereunder.

(n) *Ireland*: The Initial Purchaser has represented and agreed that:

(i) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the "**MiFID II Regulations**"), including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions regarding MTFs and OTFs)) thereof, any codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);

(ii) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the "**Companies Act**"), the Central Bank Acts 1942-2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);

(iii) it will not underwrite the issue of, or place, or do anything in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland (the "**Central Bank**") under Section 1363 of the Companies Act; and

(iv) it will not underwrite the issue of, place or otherwise act in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

(o) *Israel*: The Initial Purchaser has acknowledged and agreed that this Offering Circular has not been approved by the Israeli Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 5728-1968 (the "**Securities Law**").

- The Initial Purchaser has represented and agreed that the Notes are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (the "**Addendum**") to the Securities Law ("**Sophisticated Investors**"), namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing the Notes for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing the Notes for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing the Notes for themselves), members of the Tel-Aviv Stock Exchange (purchasing the Notes for themselves or for clients who are Sophisticated Investors), underwriters (purchasing the Notes for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors , corporations, other than formed for the specific purpose of an acquisition pursuant to an offer, with a shareholder's equity in excess of NIS 50 million, and individuals in respect of whom the terms of item 9 in the Schedule to the Investment Advice Law hold true, investing for their own account, each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority.

- This Offering Circular may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases the Notes will purchase such Notes for its own benefit and account and not with the aim or intention of distributing or offering such Notes to other parties (other than, in the case of an offeree which is an Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing the Notes for another party which is an Sophisticated Investor). Nothing in this Offering Circular should be considered investment advice or investment marketing defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995.

- Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. As a prerequisite to the receipt of a copy of this Offering Circular, a recipient shall be required by the Issuer to provide confirmation that it is a Sophisticated Investor purchasing the Notes for its own account or, where applicable, for other Sophisticated Investors.

This Offering Circular does not constitute an offer to sell or solicitation of an offer to buy any securities other than the Notes referred to herein, nor does it constitute an offer to sell to, or solicitation of an offer to buy from, any person or persons in any state or other jurisdiction in which such offer or

solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

(p) *Italy*: The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "Banking Act"); and

b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

c) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or another Italian authority.

(q) *Japan*: The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and the Initial Purchaser has represented and agreed that none of the Notes nor any interest therein will be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

(r) *Jersey*: The Notes may not be offered to, sold to or purchased or held by persons (other than financial institutions) resident for income tax purposes in Jersey.

The Notes may only be issued or allotted exclusively to:

(i) a person whose ordinary activities involve him in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of his business or who it is reasonable to expect will acquire, hold, arrange or dispose of investments (as principal or agent) for the purposes of his business; or

(ii) a person who has received and acknowledged a warning to the effect that (a) the securities are only suitable for acquisition by a person who (i) has a significantly substantial asset base such as would enable him to sustain any loss that might be incurred as a result of acquiring the securities; and (ii) is sufficiently financially sophisticated to be reasonably expected to know the risks involved in acquiring the securities and (b) neither the issue of the securities nor the activities of any functionary with regard to the issue of the Notes are subject to all the provisions of the Financial Services (Jersey) Law 1998.

Each person who acquires securities will be deemed, by such acquisition, to have represented that he or it is one of the foregoing persons.

(s) *The Grand Duchy of Luxembourg*:

The Notes may not be offered to the public in Luxembourg, except that they may be offered in Luxembourg in the following circumstances:

(i) in the period beginning on the date of publication of a prospectus in relation to those Notes which have been approved by the Commission de surveillance du secteur financier (the "**CSSF**") in Luxembourg or, where appropriate, approved in another relevant European Union Member State and notified to the CSSF, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(iii) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(iv) at any time in any other circumstances which do not require the publication by the Issuers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Notes in Luxembourg means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase the Notes, as defined in the Law of 10 July 2005 on prospectuses for securities and implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**"), or any variation thereof or amendment thereto.

(t) *Netherlands*: The Initial Purchaser has represented and agreed that it will not make an offer of the Notes which are the subject of the offering contemplated by this Offering Circular to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive, unless such offer is made exclusively to legal entities which are qualified investors (as defined in the Financial Markets Supervisions Act (*Wet op het financieel toezicht*) and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary Investment Management contract) in The Netherlands, provided that no such offer of Notes shall require the Issuer or the Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "offer of Notes to the public" in relation to any Notes in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the section entitled "*European Economic Area*".

(u) *New Zealand*: This offer of Notes does not constitute an 'offer of securities to the public' for the purposes of the Securities Act 1978 and, accordingly, there is neither a registered prospectus nor an investment statement available in respect of the offer. The Initial Purchaser has therefore represented and agreed that the Notes will only be offered to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money in accordance with the Securities Act 1978 and the Securities Regulations 2009.

(v) *Norway*: The Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in Norway (the "**Norway Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in Norway except that it may, with effect from and including the Norway Relevant Implementation Date, make an offer of the Notes to the public in Norway at any time:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100 or, if Norway has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in

the Prospectus Directive), subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(iii) in any other circumstances which do not require the publication by the Issuer or any other entity of a document pursuant to Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "offer of Notes to the public" in relation to any Notes in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the section entitled "*European Economic Area*".

(w) *Portugal*: The Initial Purchaser has represented and agreed with the Issuer that: (i) it has not (x) advertised, offered or sold and will not, directly or indirectly, advertise, offer or sell the Notes in circumstances which could qualify as a public offer of Notes pursuant to the Portuguese Securities Code (Código dos Valores Mobiliários, the "**CVM**") which would require the publication by the Issuer of a prospectus under the Prospectus Directive or in circumstances which would qualify as an issue or public placement of Notes in the Portuguese market; (ii) it has not distributed or caused to be distributed to the public in the Republic of Portugal this Offering Circular or any other offering material relating to the Notes; (iii) all applicable provisions of the CVM, any applicable Comissão do Mercado de Valores Mobiliários (Portuguese Securities Market Commission, the "**CMVM**") Regulations and all applicable provisions of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003/Prospectus Directive have been complied with regarding the Notes, in any matters involving the Republic of Portugal.

(x) *Qatar*: The Initial Purchaser has represented and agreed that the Notes will only be offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Notes.

(y) *Saudi Arabia*: This Offering Circular may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Saudi Arabian Capital Market Authority.

(z) *Singapore*: This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Initial Purchaser has represented and agreed that the Notes will not be offered or sold or made the subject of an invitation for subscription or purchase, nor will this Offering Circular or any other offering document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1a) of the SFA, and in each case in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where notes are subscribed or purchased under Section 275 by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

'securities' (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person where the transfer arises from an offer referred to in Section 275(1a) or Section 276(4)(i)(b) of the SFA;

b) where no consideration is or will be given for the transfer;

c) where the transfer is by operation of law; or

d) as specified in Section 276(7) of the SFA.

(aa) *South Korea*: The Notes have not been registered with the Financial Services Commission of Korea for a public offering in Korea. The Initial Purchaser has therefore represented and agreed that the Notes have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under applicable Korean Laws and regulations, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder.

(bb) *Spain*: Neither the Notes nor the Offering Circular have been approved or registered with the Spanish Notes Markets Commission (*Comision Nacional Del Mercado De Valores*). Accordingly, the Initial Purchaser has represented and agreed that the Notes will not be offered or sold in Spain except in circumstances which do not constitute a public offering of notes within the meaning of Article 30-BIS of the Spanish Notes Market Law of 28 July 1988 (LEY 24/1988, de 28 de Julio, del Mercado de Valores), as amended and restated, and supplemental rules enacted thereunder.

(cc) *Sweden*: The Initial Purchaser has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

(dd) *Switzerland*: This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

(ee) *Taiwan*: The Initial Purchaser has acknowledged and agreed that the Notes may be made available outside Taiwan for purchase by investors residing in Taiwan (either directly or through properly licensed Taiwan intermediaries acting on behalf of such investors) but may not be offered or sold in Taiwan.

The Notes are being made available to professional investors in the R.O.C. through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the R.O.C. rules governing offshore structured products. No other offer or sale in the R.O.C. is permitted.

Turkey: The offered Notes have not been and will not be registered with the Turkish Capital Market Board (the "**CMB**") under the provisions of the Capital Market Law (Law No. 2499). Accordingly neither this Offering Circular nor any other offering material related to the offering may be utilised in connection with any offering to the public within the Republic of Turkey without the prior approval of the CMB. However, according to Article 15(d)(ii) of the Decree No.32 there is no restriction on the purchase or sale of the offered Notes by residents of the Republic of Turkey, provided that: they purchase or sell such offered Notes in the financial markets outside of the Republic of Turkey; and such sale and purchase is made through banks and/or licensed brokerage institutions in the Republic of Turkey.

TRANSFER RESTRICTIONS

Due to the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

The Notes have not been registered under the Securities Act or any state securities or "Blue Sky" laws or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions herein and set forth in the Trust Deed.

During the 40-day period after the Issue Date (the "**Restricted Period**"), the Notes may not be transferred to any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Investment Manager. Each holder of a Note or a beneficial interest therein acquired during the Restricted Period, by its acquisition of a Note or a beneficial interest in a Note, will be deemed, and in certain circumstances will be required, to represent to the Issuer, the Trustee, the Originator, the Investment Manager, the Retention Holder, the Arranger and the Initial Purchaser that it (i) either (a) is not a Risk Retention U.S. Person or (b) it has received a U.S. Risk Retention Waiver from the Investment Manager, and (ii) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules described in "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules*"). The Investment Manager, the Issuer and the Initial Purchaser have agreed that the determination of the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Risk Retention Rules is solely the responsibility of the Investment Manager, and none of the Initial Purchaser or any person who controls it or any director, officer, employee, agent or Affiliate of the Initial Purchaser shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Risk Retention Rules, and none of the Initial Purchaser or any person who controls it or any director, officer, employee, agent or Affiliate of the Initial Purchaser accepts any liability or responsibility whatsoever for any such determination.

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have made the representations set out in clauses (d), (f), (h), (i) and (k) through (r) (inclusive) below under the heading "– *Rule 144A Notes*" (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

(a) The purchaser is located outside the United States and is not a U.S. Person. If the purchaser acquires such Regulation S Notes in the initial syndication of the Notes or during the Restricted Period, the purchaser (i) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Investment Manager, and (ii) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules described in "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules*").

(b) The purchaser understands that the Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, the Arranger, the Initial Purchaser and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note; or (ii) to an institution that is a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S; in each case, provided that any such offer, sale or transfer of a Regulation S Note to be delivered in the form of a Rule 144A Note or otherwise to a Risk Retention U.S. Person may only be made after the expiry of the U.S. Risk Retention Restricted Period.

(c) If the purchaser acquires such Regulation S Notes in the initial issuance of the Notes or during the U.S. Risk Retention Restricted Period, the purchaser (1) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Investment Manager, and (2) is not acquiring such Note or a beneficial interest therein as part of a plan or scheme to evade the requirements of Section 15G of the Securities Exchange Act of 1934, as added by Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 246.20 of the U.S. Risk Retention Rules.

(d) The purchaser is not purchasing such Regulation S Notes with a view towards the resale, distribution or other disposition thereof in violation of the Securities Act or the U.S. Risk Retention Rules.

(e) The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Notes will bear a legend set out below.

EACH HOLDER OF A NOTE OR A BENEFICIAL INTEREST IN A NOTE ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES OR DURING THE 40-DAY PERIOD AFTER THE ISSUE DATE (THE "**RESTRICTED PERIOD**"), BY ITS ACQUISITION OF A NOTE OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES WILL BE REQUIRED, TO REPRESENT TO THE ISSUER, THE TRUSTEE, THE ORIGINATOR, THE INVESTMENT MANAGER, THE RETENTION HOLDER, THE ARRANGER AND THE INITIAL PURCHASER THAT IT (I) EITHER (A) IS NOT A "U.S. PERSON" AS DEFINED UNDER SECTION __.20 OF THE JOINT FINAL RULE ("**U.S. RISK RETENTION RULES**") TO IMPLEMENT THE CREDIT RISK RETENTION REQUIREMENTS OF SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, OR (B) IT HAS RECEIVED THE WRITTEN CONSENT OF THE INVESTMENT MANAGER TO ACQUIRE SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AND (II) IS NOT ACQUIRING SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING THIS NOTE THROUGH A NON-U.S. PERSON, RATHER THAN A U.S. PERSON (IN EACH CASE, AS DEFINED UNDER THE U.S. RISK RETENTION RULES), AS PART OF A SCHEME TO EVADE THE 10 PER CENT. U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION __.20 OF THE U.S. RISK RETENTION RULES).

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES, THE CLASS D NOTES, THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL AND REGULATION S DEFINITIVE CERTIFICATES*.] [THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN EITHER CASE, IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NEITHER U.S. PERSONS NOR U.S. RESIDENTS (AS DETERMINED FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT ("**US RESIDENTS**")) MAY HOLD AN INTEREST IN A REGULATION S GLOBAL CERTIFICATE OR A REGULATION S DEFINITIVE CERTIFICATE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OR TRANSFER OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND

SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET OUT HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET OUT IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET OUT HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE COLLATERAL ADMINISTRATOR OR THE REGISTRAR.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES ONLY, AND IN THE FORM OF REGULATION S GLOBAL AND REGULATION S DEFINITIVE CERTIFICATES*.] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING THIS NOTE (OR INTEREST HEREIN) UNLESS THE ACQUIROR IS DEEMED (OR, IF REQUIRED BY THE TRUST DEED, CERTIFIED) TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS. ANY PURPORTED TRANSFER OF THE NOTE IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES ONLY, AND IN THE FORM OF REGULATION S GLOBAL CERTIFICATES ONLY*.] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE TO THE ISSUER THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS

ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") AND/OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL OR TRANSFER ITS INTEREST IN THE [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE], OR MAY SELL OR TRANSFER SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES ONLY, AND IN THE FORM OF REGULATION S DEFINITIVE CERTIFICATES ONLY*.] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE TO THE ISSUER IN WRITING THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") AND/OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY OTHER FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING [CLASS E NOTES]/[CLASS F

NOTES]/[SUBORDINATED NOTES] (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL OR TRANSFER ITS INTEREST IN THE [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE], OR MAY SELL OR TRANSFER SUCH INTEREST ON BEHALF OF SUCH OWNER.]

EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR INTEREST HEREIN THAT IS A BENEFIT PLAN INVESTOR SHALL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT TO THE ISSUER, ON EACH DAY FROM THE DATE ON WHICH SUCH BENEFICIAL OWNER ACQUIRES THIS NOTE OR INTEREST HEREIN THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF THIS NOTE OR INTEREST HEREIN, AND AT ANY TIME WHEN REGULATION 29 C.F.R. SECTION 2510.3-21, AS MODIFIED IN 2016, IS APPLICABLE, THAT THE FIDUCIARY MAKING THE DECISION TO INVEST IN THIS NOTE ON ITS BEHALF (THE "**INDEPENDENT FIDUCIARY**") (A) IS A BANK, INSURANCE COMPANY, REGISTERED INVESTMENT ADVISER, BROKER-DEALER OR OTHER PERSON WITH FINANCIAL EXPERTISE, IN EACH CASE AS DESCRIBED IN 29 C.F.R. SECTION 2510.3-21(C)(1)(I); (B) IS AN INDEPENDENT PLAN FIDUCIARY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3- 21(C); (C) IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH REGARD TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES; (D) IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGMENT IN EVALUATING THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE; AND (E) NEITHER THE BENEFIT PLAN INVESTOR NOR THE INDEPENDENT FIDUCIARY IS PAYING OR HAS PAID ANY FEE OR OTHER COMPENSATION TO ANY OF THE ISSUER, THE INVESTMENT MANAGER, THE ARRANGER, THE INITIAL PURCHASER, THE COLLATERAL ADMINISTRATOR, THE TRUSTEE, THE AGENTS OR ANY OTHER PARTY TO THE TRANSACTION, OR THEIR RESPECTIVE AFFILIATES (THE "**TRANSACTION PARTIES**"), FOR INVESTMENT ADVICE (AS OPPOSED TO OTHER SERVICES) IN CONNECTION WITH ITS ACQUISITION OR HOLDING OF THIS NOTE. IN ADDITION, EACH SUCH PURCHASER OR TRANSFEREE WILL BE REQUIRED OR DEEMED TO ACKNOWLEDGE AND AGREE THAT THE INDEPENDENT FIDUCIARY (X) HAS BEEN INFORMED THAT NONE OF THE TRANSACTION PARTIES, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, NOR ANY OF THEIR AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, IMPARTIAL INVESTMENT ADVICE AND THEY ARE NOT GIVING ANY ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE PURCHASER OR TRANSFEREE'S ACQUISITION OR HOLDING OF THIS NOTE AND (Y) HAS RECEIVED AND UNDERSTANDS THE DISCLOSURE OF THE EXISTENCE AND NATURE OF THE FINANCIAL INTERESTS CONTAINED IN THE OFFERING CIRCULAR AND RELATED MATERIALS.

[*LEGEND TO BE INCLUDED IN RELATION TO CLASS C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES ONLY*.] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR U.S. FEDERAL INCOME TAX PURPOSES. HOLDERS MAY OBTAIN THE ISSUE PRICE, TOTAL AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY BY CONTACTING THE ISSUER AT 3 GEORGE'S DOCK, IFSC, DUBLIN 1, D01 X5X0, IRELAND.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B 1 NOTES, CLASS B-2 NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT NON-EXCHANGEABLE NON-VOTING NOTES OR IM REMOVAL AND REPLACEMENT EXCHANGEABLE NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF AN IM REMOVAL RESOLUTION AND/OR AN IM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B 1 NOTES, CLASS B-2 NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT THIS NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

(f) The purchaser acknowledges that the Issuer will and, the Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Investment Manager or the Collateral Administrator and their Affiliates, and others may, rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(g) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons or U.S. Residents.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that such person acknowledges that this Offering Circular is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and transferees of Notes represented by Rule 144A Definitive Certificates will be required to represent and agree, as follows:

(a) The purchaser (i) is a QIB, (ii) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (iii) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (iv) will provide notice of the transfer restrictions described herein to any subsequent transferees. If the purchaser acquires such Rule 144A Notes in the initial syndication of the Notes or during the Restricted Period, the purchaser (i) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Investment Manager, and (ii) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules described in "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules*").

(b) The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and interests therein and may be reoffered, resold or pledged or otherwise transferred only (i)(A) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (B) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (ii) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Notes, the Transfer Agent is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not

comply with the requirements of this paragraph (b) will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a person who meets the foregoing criteria.

(c) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act or the U.S. Risk Retention Rules. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(d) In connection with the purchase of the Rule 144A Notes: (i) none of the Issuer, the Arranger, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator or any Agent is acting as a fiduciary (other than the Trustee) or financial or investment adviser for the purchaser; (ii) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Arranger, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator or any Agent other than in this Offering Circular for such Notes and any representations expressly set out in a written agreement with such party; (iii) none of the Issuer, the Arranger, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator or any Agent has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (iv) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgement and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Arranger, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator or any Agent; (v) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (vi) the purchaser is a sophisticated investor.

(e) The purchaser is acquiring the Rule 144A Notes in a principal amount of not less than €250,000. The purchaser and each such account is acquiring the Rule 144A Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (e) will be of no force and effect, will be void ab initio and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

(f) (i) With respect to the purchase, holding and disposition of any [Class X Note, Class A Note, Class B Note, Class C Note or Class D Note] or any interest in such Note (A) either (1) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such Note or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (2) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a violation of any Similar Law, and (B) it will not sell or transfer such Note (or interest therein) to an acquiror acquiring such Notes (or interest therein) unless the acquiror makes or is deemed (or, if required by the Trust Deed, certified) to make the foregoing representations, warranties and agreements described in sub-paragraph (A) hereof.

(ii) (A) With respect to the Class E Note, the Class F Note or the Subordinated Note in the form of a Rule 144A Global Certificate: (i)(A) it is not, and is not acting on behalf of

(and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer and provides an ERISA certificate (substantially in the form of Annex C (*Form of ERISA Certificate*)) to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (B)(1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, and (2) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a violation of any Similar Law and (ii) it will agree to certain transfer restrictions regarding its interest in such Note.

(B) With respect to acquiring or holding a Class E Note, a Class F Note or a Subordinated Note in the form of a Rule 144A Definitive Certificate it will be required to represent, warrant and agree in writing to the Issuer that (i)(A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer and provides an ERISA certificate (substantially in the form of Annex C (*Form of ERISA Certificate*)) to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (B)(1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note or interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code and (2) if it is a governmental, church, non-U.S. plan or other plan, (x) it is not, and for so long as it holds such Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Note or interest therein will not constitute or result in a violation of any Similar Law, and (ii) it will agree to certain transfer restrictions regarding its interest in such Note.

(iii) With respect to the purchase or transfer of any Note or interest therein by a Benefit Plan Investor, on each day from the date on which the beneficial owner acquires such Note or interest therein through and including the date on which it disposes of such Note or interest therein, and at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016, is applicable, that the fiduciary making the decision to invest in the Note on its behalf (the "**Independent Fiduciary**") (a) is a bank, insurance company, registered investment adviser, broker-dealer or other person with financial expertise, in each case as described in 29 C.F.R. Section 2510.3- 21(c)(1)(i); (b) is an independent plan fiduciary within the meaning of 29 C.F.R. Section 2510.3-21(c); (c) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) is responsible for exercising independent judgment in evaluating the acquisition, holding and disposition of the Note; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation to any of the Issuer, the Investment Manager, the Arranger, the Initial Purchaser, the Collateral Administrator, the Trustee, the Agents or any other parties to the transaction, or their respective affiliates (the "**Transaction Parties**"), for investment advice (as opposed to other services) in connection with its acquisition or holding of the Note. In addition, each such purchaser or transferee will be required or deemed to acknowledge and agree that the Independent Fiduciary (x) has been informed that none of the Transaction Parties or other persons that provide marketing services, nor any of their affiliates, has provided, and none of them will provide, impartial investment advice and they are not giving any advice in a fiduciary capacity, in connection with the purchaser or transferee's acquisition or holding of the Note and (y) has received and understands the disclosure of the existence and nature of the financial interests contained in the offering circular and related materials.

(iv) The purchaser acknowledges that the Issuer will and, the Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Investment Manager and the Collateral Administrator and the Agents and their Affiliates, and others, may rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(v) No transfer of an interest in the Class E Notes, the Class F Notes or the Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation to be exceeded with respect to the Class E Notes, the Class F Notes or the Subordinated Notes.

(vi) Any purported transfer of the Notes in violation of the requirements set out in this paragraph (f) shall be null and void ab initio, and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph (f) in accordance with the terms of the Trust Deed.

(g) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set out below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. Persons that are not QIBs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

(h) EACH HOLDER OF A NOTE OR A BENEFICIAL INTEREST IN A NOTE ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES OR DURING THE 40-DAY PERIOD AFTER THE ISSUE DATE (THE "**RESTRICTED PERIOD**"), BY ITS ACQUISITION OF A NOTE OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES WILL BE REQUIRED, TO REPRESENT TO THE ISSUER, THE TRUSTEE, THE ORIGINATOR, THE INVESTMENT MANAGER, THE RETENTION HOLDER, THE ARRANGER AND THE INITIAL PURCHASER THAT IT (I) EITHER (A) IS NOT A "U.S. PERSON" AS DEFINED UNDER SECTION _.20 OF THE JOINT FINAL RULE ("**U.S. RISK RETENTION RULES**") TO IMPLEMENT THE CREDIT RISK RETENTION REQUIREMENTS OF SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, OR (B) IT HAS RECEIVED THE WRITTEN CONSENT OF THE INVESTMENT MANAGER TO ACQUIRE SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AND (II) IS NOT ACQUIRING SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING THIS NOTE THROUGH A NON-U.S. PERSON, RATHER THAN A U.S. PERSON (IN EACH CASE, AS DEFINED UNDER THE U.S. RISK RETENTION RULES), AS PART OF A SCHEME TO EVADE THE 10 PER CENT. U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION __.20 OF THE U.S. RISK RETENTION RULES).

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES, THE CLASS D NOTES, THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL AND RULE 144A DEFINITIVE CERTIFICATES*.] [THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN EITHER CASE, IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NEITHER U.S. PERSONS NOR U.S. RESIDENTS (AS DETERMINED FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT ("**US RESIDENTS**")) MAY HOLD AN INTEREST IN A REGULATION S GLOBAL CERTIFICATE OR

A REGULATION S DEFINITIVE CERTIFICATE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OR TRANSFER OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET OUT HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET OUT IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET OUT HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE COLLATERAL ADMINISTRATOR OR THE REGISTRAR.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES ONLY, AND IN THE FORM OF RULE 144A GLOBAL AND RULE 144A DEFINITIVE CERTIFICATES*.] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTES (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTEREST HEREIN) UNLESS THE ACQUIROR IS DEEMED (OR, IF REQUIRED BY THE TRUST DEED, CERTIFIED) TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS. ANY PURPORTED TRANSFER OF THE NOTE IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES ONLY, AND IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY*.] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WILL BE DEEMED TO REPRESENT,

WARRANT AND AGREE TO THE ISSUER THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") AND/OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WHO HAS MADE

OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL OR TRANSFER ITS INTEREST IN THE [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE], OR MAY SELL OR TRANSFER SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES ONLY, AND IN THE FORM OF RULE 144A DEFINITIVE CERTIFICATES ONLY*.] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE TO THE ISSUER IN WRITING THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") AND/OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY OTHER FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH [CLASS E NOTES]/[CLASS F

NOTES]/[SUBORDINATED NOTES] TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL OR TRANSFER ITS INTEREST IN THE [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE], OR MAY SELL OR TRANSFER SUCH INTEREST ON BEHALF OF SUCH OWNER.]

EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR INTEREST HEREIN THAT IS A BENEFIT PLAN INVESTOR SHALL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT TO THE ISSUER, ON EACH DAY FROM THE DATE ON WHICH SUCH BENEFICIAL OWNER ACQUIRES THIS NOTE OR INTEREST HEREIN THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF THIS NOTE OR INTEREST HEREIN, AND AT ANY TIME WHEN REGULATION 29 C.F.R. SECTION 2510.3-21, AS MODIFIED IN 2016, IS APPLICABLE, THAT THE FIDUCIARY MAKING THE DECISION TO INVEST IN THIS NOTE ON ITS BEHALF (THE "**INDEPENDENT FIDUCIARY**") (A) IS A BANK, INSURANCE COMPANY, REGISTERED INVESTMENT ADVISER, BROKER-DEALER OR OTHER PERSON WITH FINANCIAL EXPERTISE, IN EACH CASE AS DESCRIBED IN 29 C.F.R. SECTION 2510.3-21(C)(1)(I); (B) IS AN INDEPENDENT PLAN FIDUCIARY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3- 21(C); (C) IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH REGARD TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES; (D) IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGMENT IN EVALUATING THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE; AND (E) NEITHER THE BENEFIT PLAN INVESTOR NOR THE INDEPENDENT FIDUCIARY IS PAYING OR HAS PAID ANY FEE OR OTHER COMPENSATION TO ANY OF THE ISSUER, THE INVESTMENT MANAGER, THE ARRANGER, THE INITIAL PURCHASER, THE COLLATERAL ADMINISTRATOR, THE TRUSTEE, THE AGENTS OR ANY OTHER PARTY TO THE TRANSACTION, OR THEIR RESPECTIVE AFFILIATES (THE "**TRANSACTION PARTIES**"), FOR INVESTMENT ADVICE (AS OPPOSED TO OTHER SERVICES) IN CONNECTION WITH ITS ACQUISITION OR HOLDING OF THIS NOTE. IN ADDITION, EACH SUCH PURCHASER OR TRANSFEREE WILL BE REQUIRED OR DEEMED TO ACKNOWLEDGE AND AGREE THAT THE INDEPENDENT FIDUCIARY (X) HAS BEEN INFORMED THAT NONE OF THE TRANSACTION PARTIES, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, NOR ANY OF THEIR AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, IMPARTIAL INVESTMENT ADVICE AND THEY ARE NOT GIVING ANY ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE PURCHASER OR TRANSFEREE'S ACQUISITION OR HOLDING OF THIS NOTE AND (Y) HAS RECEIVED AND UNDERSTANDS THE DISCLOSURE OF THE EXISTENCE AND NATURE OF THE FINANCIAL INTERESTS CONTAINED IN THE OFFERING CIRCULAR AND RELATED MATERIALS.

[*LEGEND TO BE INCLUDED IN RELATION TO CLASS C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES ONLY.*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR U.S. FEDERAL INCOME TAX PURPOSES. HOLDERS MAY OBTAIN THE ISSUE PRICE, TOTAL AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY BY CONTACTING THE ISSUER AT 3 GEORGE'S DOCK, IFSC, DUBLIN 1, D01 X5X0, IRELAND.]

[*LEGEND TO BE INCLUDED IN RELATION TO CLASS A NOTES, CLASS B 1 NOTES, CLASS B-2 NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT NON-EXCHANGEABLE NON-VOTING NOTES OR IM REMOVAL AND REPLACEMENT EXCHANGEABLE NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT THIS NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B 1 NOTES, CLASS B-2 NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF IM REMOVAL AND REPLACEMENT VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT THIS NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON AN IM REMOVAL RESOLUTION OR AN IM REPLACEMENT RESOLUTION.]

(i) The purchaser will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.

(j) Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

(k) The purchaser will treat the Issuer and the Notes as described in the "*Certain Tax Considerations - Certain U.S. Federal Income Tax Considerations*" section of the Offering Circular for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

(l) The purchaser will timely furnish the Issuer and its agents with any tax forms or certifications (such as IRS Form W-9, an applicable IRS Form W-8 (together with appropriate attachments), or any successor to such IRS forms) that the Issuer or its agents may reasonably request in order to (A) make payments to the purchaser without, or at a reduced rate of withholding, (B) qualify for a reduced rate of withholding in any jurisdiction from or through which they receive payments, and (C) satisfy reporting and other obligations under the Code, Treasury regulations, and any other applicable law, and will update or replace such tax forms or certifications as appropriate or in accordance with their terms or subsequent amendments. The purchaser acknowledges that the failure to provide, update or replace any such forms or certifications may result in the imposition of withholding or back-up withholding on payments to the purchaser or to the Issuer. Amounts withheld pursuant to applicable tax laws by the Issuer or its agents will be treated as having been paid to the purchaser by the Issuer.

(m) The purchaser will provide the Issuer and its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and/or the CRS and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer. In the event the purchaser fails to provide such information or documentation, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to any tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to the purchaser as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) except with respect to the Retention Holder's ownership of Retention Notes, to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser to sell its Notes, and, if such purchaser does not sell its Notes within 10 business days after notice from the Issuer or its agents, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in connection with such sale) to such purchaser as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. The purchaser agrees that the Issuer, the Trustee or their agents or representatives may (1)

provide any information and documentation concerning its investment in its Notes to the Office of Revenue Commissioners of Ireland, the U.S. Internal Revenue Service and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA and/or the CRS.

(n) Each purchaser of a Class E Note, Class F Note, or Subordinated Note, if it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), represents that either: (A) it is not a bank (within the meaning of Section 881(c)(3)(A) of the Code); (B) after giving effect to its purchase of Notes, it will not directly or indirectly own more than 33-1/3 per cent., by value, of the aggregate of the Notes within such Class and any other Notes that are ranked *pari passu* with or are subordinated to such Notes, and will not otherwise be related to the Issuer (within the meaning of Treasury regulations section 1.881-3); or (C) it has provided an IRS Form W-8ECI representing that all payments received or to be received by it from the Issuer are effectively connected with the conduct of a trade or business in the United States and includible in gross income; or (D) it has provided an IRS Form W-8BEN-E representing that it is entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to 0%.

(o) Each purchaser of Subordinated Notes, if it owns more than 50 per cent. of the Subordinated Notes by value or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury regulations section 1.1471-5(i) (or any successor provision)), it will represents that it will (A) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "participating FFI" within the meaning of Treasury regulations section 1.1471-1(b)(91) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4(e) (or any successor provision), and (B) promptly notify the Issuer in the event that any member of such expanded affiliated group that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is not either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided such purchaser with an express waiver of this paragraph (o).

(p) No purchaser of Subordinated Notes, it will treat any income with respect to its Subordinated Notes as derived in connection with the Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

(q) No purchase or transfer of a Subordinated Note in the form of a Definitive Certificate will be recorded or otherwise recognised unless the purchaser or transferee has provided the Issuer with certificates substantially in the form of Annex C (*Form of ERISA Certificate*) hereto.

(r) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to require any Non-Permitted Holder or Non-Permitted ERISA Holder to sell or transfer its interest in the Notes, or may sell or transfer such interest in its Notes on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder in accordance with the Conditions.

GENERAL INFORMATION

Clearing Systems

The Notes of each Class have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and International Securities Identification Number ("**ISIN**") for the Notes of each Class are:

	Regulation S Notes		**Rule 144 A Notes**	
	ISIN	Common Code	ISIN	Common Code
Class X Notes	XS1791749440	179174944	XS1791756064	179175606
Class A IM Removal and Replacement Voting Notes	XS1791749523	179174952	XS1791756148	179175614
Class A IM Removal and Replacement Non-Exchangeable Non-Voting Notes	XS1791749796	179174979	XS1791756494	179175649
Class A IM Removal and Replacement Exchangeable Non-Voting Notes	XS1791750026	179175002	XS1791756734	179175673
Class B-1 IM Removal and Replacement Voting Notes	XS1791750299	179175029	XS1791758433	179175843
Class B-1 IM Removal and Replacement Non-Exchangeable Non-Voting Notes	XS1791750455	179175045	XS1791758516	179175851
Class B-1 IM Removal and Replacement Exchangeable Non-Voting Notes	XS1791750612	179175061	XS1791758607	179175860
Class B-2 IM Removal and Replacement Voting Notes	XS1791750885	179175088	XS1791758789	179175878
Class B-2 IM Removal and Replacement Non-Exchangeable Non-Voting Notes	XS1791753046	179175304	XS1791758862	179175886
Class B-2 IM Removal and Replacement Exchangeable Non-Voting Notes	XS1791753392	179175339	XS1791758946	179175894
Class C IM Removal and Replacement Voting Notes	XS1791753558	179175355	XS1791759084	179175908
Class C IM Removal and Replacement Non-Exchangeable Non-Voting Notes	XS1791753632	179175363	XS1791759167	179175916
Class C IM Removal and Replacement Exchangeable Non-Voting Notes	XS1791754523	179175452	XS1791759241	179175924
Class D IM Removal and Replacement Voting Notes	XS1791754879	179175487	XS1791759324	179175932
Class D IM Removal and Replacement Non-Exchangeable Non-Voting Notes	XS1791755256	179175525	XS1791759597	179175959
Class D IM Removal and Replacement Exchangeable Non-Voting Notes	XS1791755330	179175533	XS1791759670	179175967
Class E Notes	XS1791755413	179175541	XS1791760256	179176025
Class F Notes	XS1791755504	179175550	XS1791760330	179176033
Subordinated Notes	XS1791755926	179175592	XS1791760413	179176041

Listing

Application will be made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on its Global Exchange Market. It is anticipated that listing and admission to trading will take place on or about the Issue Date. There can be no assurance that such listing and admission to trading will be granted or maintained. Upon approval by and filing with Euronext Dublin, this document will constitute a "listing particulars" for the purposes of such application. The final copy of the "listing particulars" will be available from the website of Euronext Dublin.

Legal Entity Identifier (LEI)

The Issuer's LEI is 635400QWP3HVZCWWHD90.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolution of the board of Directors passed on 24 May 2018.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since its incorporation on 6 November 2017 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

Accounts

Since the date of its incorporation, other than entering into the Warehouse Arrangements and acquiring certain Portfolio Assets pursuant to them, the Issuer has not commenced operations.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained by physical or electronic means at the specified offices of the Paying Agents during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2018. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Note Event of Default or Potential Note Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Listing Agent

A&L Listing Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on its Global Exchange Market.

Documents Available

Copies of the following documents may be inspected in electronic format (and, in the case of each of paragraphs(h) and (i) below, will be available for collection free of charge) at the registered office of the Issuer and at the specified office of the Principal Paying Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the life of the Notes:

(a) the constitution of the Issuer;

(b) the Administration Agreement;

(c) the Trust Deed (which includes the form of each Note of each Class);

(d) the Collateral Administration and Agency Agreement;

(e) the Investment Management Agreement;

(f) the Retention Undertaking Letter;

(g) each Hedge Agreement;

(h) each Monthly Report; and

(i) each Payment Date Report.

Enforceability of Judgments

The Issuer is a company organised under the laws of Ireland. None of the Directors and executive officers of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such

persons are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon civil liability provisions of the securities laws of the United States or any State or territory within the United States.

Websites

Any website mentioned in this Offering Circular does not form part of this Offering Circular prepared for the purpose of seeking admission to the Official List of Euronext Dublin and to trading on its Global Exchange Market.

ANNEX A

INDEX

ANNEX B

MOODY'S RECOVERY RATES

The "**Moody's Recovery Rate**" is, respect to any Portfolio Asset, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

(a) If the Portfolio Asset has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate; or

(b) If the preceding clause does not apply to the Portfolio Asset, except with respect to Corporate Rescue Loans, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Portfolio Asset's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Senior Secured Loans	Second Lien Loans and Senior Secured Bonds*	Unsecured Obligations, Mezzanine Obligations, High Yield Bonds
+2 or more	60.0 per cent.	55.0 per cent.	45.0 per cent.
+1	50.0 per cent.	45.0 per cent.	35.0 per cent.
0	45.0 per cent.	35.0 per cent.	30.0 per cent.
-1	40.0 per cent.	25.0 per cent.	25.0 per cent.
-2	30.0 per cent.	15.0 per cent.	15.0 per cent.
-3 or less	20.0 per cent.	5.0 per cent.	5.0 per cent

(c) Or, if the Portfolio Asset is a Corporate Rescue Loan (other than a Corporate Rescue Loan which has been specifically assigned a recovery rate by Moody's), 50 per cent.

* If such Portfolio Asset does not have both a CFR and an Assigned Moody's Rating, such Portfolio Asset will be deemed to be an Unsecured Obligation, Mezzanine Obligation, or High Yield Bond for the purposes of this table. For the avoidance of doubt, if any relevant Portfolio Asset has (i) a CFR but no Assigned Moody's Rating or (ii) an Assigned Moody's Rating but no CFR, such Portfolio Asset will be deemed to be an Unsecured Obligation, Mezzanine Obligation or High Yield Bond for the purposes of this table.

For the purposes of this Annex B:

"**Moody's Senior Secured Loan**" means:

(a) a loan that:

(i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the Obligor of the loan or no other obligation of the Obligor has any higher priority security interest in such assets or stock, *provided that* a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained);

(ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the Obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; *provided that* any loan that would be considered a Senior Secured Loan but for clause (y) above shall be considered a Senior Secured Loan if it is a loan made to a parent entity and as to which the Investment Manager determines in good faith that the value of the common stock of the subsidiary (or other equity interests in the subsidiary) securing such loan at or about the time of acquisition of such loan by the Issuer has a value that is at least equal to the outstanding principal balance of such loan and the outstanding principal balances of any other obligations of such parent

entity that are *pari passu* with such loan, which value may include, among other things, the enterprise value of such subsidiary of such parent entity; and

(iii) the value of the collateral securing the loan together with other attributes of the Obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgement of the Investment Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral); and

the loan is not (i) a Corporate Rescue Loan; or (ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

ANNEX C

FORM OF ERISA CERTIFICATE

The purpose of this ERISA Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of each of the [Class E Notes] [Class F Notes] [Subordinated Notes] issued by Bosphorus CLO IV Designated Activity Company (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**") as determined in accordance with 29 C.F.R. 2510-3.101, as modified by Section 3(42) of ERISA (the "**Plan Assets Regulation**"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding or disposition of the [Class E Notes] [Class F Notes] [Subordinated Notes]. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms used but not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

By checking a box, you are representing, warranting and agreeing as to your status for so long as you hold a Note or interest therein. If a box is not checked, you are representing and agreeing that the applicable Section does not, and will not, apply to you.

(1) ☐ Employee Benefit Plans Subject to ERISA or the Code. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

(2) ☐ Entity Holding Plan Assets. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the total value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: _____ per cent.

AN ENTITY OR FUND THAT CANNOT OR DOES NOT PROVIDE THE FOREGOING PERCENTAGE HEREBY ACKNOWLEDGES THAT FOR PURPOSES OF DETERMINING WHETHER BENEFIT PLAN INVESTORS OWN LESS THAN 25 PER CENT. OF THE TOTAL VALUE OF THE [CLASS E NOTES] [CLASS F NOTES] [SUBORDINATED NOTES], 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS".

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

(3) ☐ Insurance Company General Account. We, or the entity on whose behalf we are acting, are an insurance company purchasing the [Class E Notes] [Class F Notes] [Subordinated Notes] with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" under ERISA.

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" under Section 401(a) of ERISA for purposes of conducting the 25 per cent. test under the Plan Assets Regulation: _____ per cent. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100 PER CENT. IN THE BLANK SPACE.

(4) ☐ None of Sections (1) through (3) above apply. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) through (3) above. If, after the date hereof, any of the categories described in Sections (1) through (3) above would apply, we will promptly notify the Issuer of such change.

(5) No Prohibited Transaction. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the [Class E Notes] [Class F Notes] [Subordinated Notes] or interest therein do not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

(6) Not Subject to Similar Law and No Violation of Similar Law. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer or the Investment Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the [Class E Notes] [Class F Notes] [Subordinated Notes] (or interest therein) do not and will not constitute or result in a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

(7) ☐ Controlling Person. We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Investment Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set out in the Plan Assets Regulation. Any of the persons described in the first sentence of this Section (7) is referred to in this Certificate as a "Controlling Person".

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Subordinated Notes], any [Class E Notes] [Class F Notes] [Subordinated Notes] held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

(8) Compelled Disposition. We acknowledge and agree that:

First, if any representation and warranty that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25 per cent. Limitation, the Issuer shall, promptly after such discovery, send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Holder immediately after the date of such notice;

Second, if we fail to transfer our [Class E Notes] [Class F Notes] [Subordinated Notes] within 10 days of the notice from the Issuer, the Issuer shall have the right, without further notice to us, to sell or transfer our [Class E Notes] [Class F Notes] [Subordinated Notes] or our interest in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose;

Third, we will have an opportunity to propose a prospective purchaser who may acquire the [Class E Notes] [Class F Notes] [Subordinated Notes] at the highest bid received by the Issuer, and no later than the time the other bidder would have made its acquisition, and the Issuer will sell such [Class E Notes] [Class F Notes] [Subordinated Notes] to such purchaser so long as it meets all applicable transfer restrictions;

Fourth, by our acceptance of an interest in the [Class E Notes] [Class F Notes] [Subordinated Notes], we agree to cooperate with the Issuer to effect such transfers;

Fifth, the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

Sixth, the terms and conditions of any sale under this sub-Section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

(9) Required Notification and Agreement. We hereby agree that we (a) will inform the Issuer of any proposed transfer by us of all or a specified portion of the [Class E Notes] [Class F Notes] [Subordinated Notes] and (b) will not initiate any such transfer after we have been informed by the Issuer in writing that such transfer would cause the 25 per cent. limitation to be exceeded. We hereby agree and acknowledge that after the Issuer effects any permitted transfer of [Class E Notes] [Class F Notes] [Subordinated Notes] owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Issuer shall include such Notes in future calculations of the 25 per cent. limitation made pursuant hereto unless subsequently notified that such Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

(10) Continuing Representation; Reliance. We acknowledge and agree that the representations, warranties and agreements contained in this Certificate shall be deemed made on each day from the date we make such representations, warranties and agreements through and including the date on which we dispose of our interests in the [Class E Notes] [Class F Notes] [Subordinated Notes]. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer to determine that Benefit Plan Investors own or hold less than 25 per cent. of the total value of such Notes upon any subsequent transfer of Notes in accordance with the Trust Deed.

(11) Further Acknowledgement and Agreement. We acknowledge and agree that (i) all of the assurances, representations, warranties and agreements contained in this Certificate are for the benefit of the Issuer, the Trustee, the Collateral Administrator, the Agents and the Investment Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, the Collateral Administrator, the Agents, the Investment Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes, inter alia, and where relevant of making the determinations described above and (iii) any acquisition or transfer of the [Class E Notes] [Class F Notes] [Subordinated Notes] by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

(12) Future Transfer Requirements.

Transferee Letter and its Delivery. We acknowledge and agree that, if we are (or we are acting on behalf of) a Benefit Plan Investor or Controlling Person, we may not transfer any [Class E Notes] [Class F Notes] [Subordinated Notes] to any person unless the Issuer has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this Section will be null and void from the beginning, and of no legal effect.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Purchaser's Name]

By:

Name:

Title:

Dated:

This Certificate relates to € _____ of [Class E Notes] [Class F Notes] [Subordinated Notes]

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Printed by Allen & Overy LLP
ICM: 29257931